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**Layoff Survivors, Layoff Organizational Justice and Layoff Explanation Content:
Their Effects on Organizational Commitment and Trust in Management**

by

William Michael. Verdi

**A dissertation submitted to the Graduate Faculty in Psychology in partial fulfillment of the
requirements for the degree of Doctor of Philosophy, The City University of New York**

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Approval Page

This manuscript has been read and accepted for the graduate Faculty in Psychology in satisfaction of the dissertation requirement for the degree of the Doctor of Philosophy.

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Abstract

Layoff Survivors, Layoff Organizational justice and Layoff Explanation Content:
Their Effects on Organizational Commitment and Trust in Management

by

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Layoffs have the ability to create multiple reactions in survivors. If organizations intend to use layoffs as a cost-cutting measure then their consequences upon the remaining workforce must be delineated otherwise the assumed monetary gains received by reducing the workforce will be negated. One hundred ninety-one layoff survivors were surveyed to assess how the perceived organizational justice of the experienced layoff affected their organizational commitment and trust in management. The respondents were full time employees taking courses toward a degree at local universities. Hierarchical multiple regression indicated that procedural and interactional justice were significant predictors of organizational commitment and trust in management. The second half of the study analyzed the content of the layoff explanation using impression management and causal attribution perspectives. Layoff explanations that led layoff survivors to believe the cause of the layoff was due to internal and controllable aspects of management showed less organizational commitment and trust in management. Leaders need to manage their impressions especially in times of change. Impression management, during a layoff, can help the leader and the organization minimize some of the negative reactions experienced by survivors. Research covering layoff survivors, organizational justice and impression management techniques are discussed.

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I. Introduction

Layoffs, once a drastic step, have become commonplace in American business (Business Week, 1986; Byrne, 1994). The corporate landscape is full of organizations downsizing staff. The current layoffs are a new breed. Increased foreign competition resulting in smaller profits, the introduction of labor saving technology (i.e. robotics & computers), job redundancies due to mergers and the ever changing skill requirements have forced many companies to take the layoff initiative. At one time large scale layoffs were taken as a sign of future negative events such as the company going out of business; now it has become common for a company to cut costs by cutting staff. The current economy has forced both well run and financially burdened companies to cut staff. Companies that consistently have made the "Best Company To Work For" list, such as Motorola, Xerox, and IBM, have cut staff.

Layoffs have become so prevalent that many euphemisms, some new, have come into existence: reductions in force (RIF), downsizing, demassing, corporate restructuring, reengineering, negative growth and delayering. This increase has prompted legislative protection for employees. In the summer of 1988 Congress enacted the Worker Adjustment and Retraining Notification Act (WARN) requiring corporations to provide their workforce with at least 60 days notice prior to any plant closing or shutdown. Congress had to override a veto from President Reagan in order to enact this legislation.

At one time economics made the difference between a layoff and a firing. Organizations that would experience slack or sluggish product demand or economic times would cut payroll costs for a set time period by laying off employees. Some union contracts even had provisions for when a layoff would be implemented. The layoff was considered part of the normal business cycle. Employees expected to be called back or reemployed. A firing is a permanent removal of

the employee. Recall is not expected. Unfortunately, the current wave of layoffs are occurring in well run and financially successful organizations such as Motorola and Hewlett Packard and the laid-off employees do not expect to be rehired.

Layoffs were once a response to the cyclic nature of industry. Blue collar workers were familiar with being laid-off and then rehired after slack periods. Layoffs are now being felt by well educated white collar employees and unlike their predecessors the current layoffs are permanent. A permanent layoff means that after the employees are dismissed the position in question is eliminated and no hope of recall exists.

Layoffs are defined as the permanent, involuntary removal of an employee from the organization's payroll that is initiated by management (Cornfield, 1983; Brockner, 1988). The loss is permanent because either (a) the employee is not called back and someone else is hired to replace them at a cheaper salary or (b) the job in question is eliminated. Job loss is not the consequence of legal or policy infractions. Employees are not being removed due to poor performance. This definition is intended to differentiate between layoff victims and those employees who voluntarily leave the organization or those who are fired. This definition also excludes those who took early retirement packages or were coerced out of the organization. The consequences from either voluntary turnover or firing are different from a layoff -- for both the individual and the organization.

Management may use layoffs as a means of controlling or reducing costs (payroll & human resources are seen as costs) when product demand or cash is low (Cornfield 1983; Brockner, 1988). This paper will work on the premise that managers assume per person productivity is unaffected by the personnel cuts, otherwise alternative approaches to cutting costs

(shorter work weeks or employee pay cuts) would have been attempted in lieu of the massive workforce reductions currently underway.

Early layoff studies examined the external causes that led to the elimination of particular jobs (Cornfield, 1983). Behavioral scientists have only recently focused on the effects upon those remaining in the organization (known as survivors) and their relationship to those who have been laid off (referred to as victims). A recent survey by the Society for Human Resource Management reported that per employee productivity deteriorated in more than half of the 1,468 organizations undergoing a layoff (Henkoff, 1990). A survey of recently downsized firms by the Wyatt Company showed: (a) most of the post-reduction organizations failed to achieve their expected productivity results and (b) more than half refilled the positions that were originally cut. The companies surveyed did report losses in employee loyalty and morale. It was also reported that the newly hired employees lacked the amount of corporate knowledge possessed by the dismissed staff (Reich, 1994).

II. The Psychological Contract & Layoffs

It has been proposed that a "psychological contract" exists between the organization and the worker (Schein, 1978; Okun, 1981). Mutual commitment is obtained and enforced through this implicit social contract (Azariadis, 1975 as cited in Cornfield, 1982). Layoffs are viewed by survivors as a violation of this contract resulting in diminished job and organizational commitment and heightened feelings of job insecurity (Okun 1981). Employees begin to ask themselves, "Will I be laid off next?"

Social exchange theory is similar to the 'psychological contract' concept in that reciprocity is stressed. Social exchange theory, as the name implies, views employment as a barter agreement in which the employee trades his work for benefits (both material & symbolic)

from the organization (Etzioni, 1961; Levinson, 1965; March & Simon, 1958; Gould, 1979; Mowday, Porter & Steers, 1982). As described by Konovsky and Pugh (1994) social exchange involves relationships which have unspecified future obligations. This unspecified future obligation(s) serves as the distinction between social and economic based exchange. Holmes (1981 as cited in Konovsky & Pugh, 1994) states that trust is a key element in developing and sustaining socially based relationships. Supervisor and organizations acting in procedurally and interactionally just ways will serve as two possible sources of trust in supervisor (and organization) employee relationships. Konovsky and Pugh (1994) showed that procedural and not distributive justice was a significant predictor of trust in supervision.

Issues and concerns relevant to survivors of a downsizing or layoff will now be discussed. Relevant research and theories that have guided this research will also be highlighted. Possible issues and concerns for survivors of a layoff are: job insecurity, procedural justice, distributive justice, interactional justice and impression management. Current layoff survivor research will also be addressed.

III. Job Insecurity

Job insecurity's importance has been shown by its inclusion in various organizational theories. The organizational theorist Henri Fayol recognized the importance of job security when he listed "stability of tenure of personnel" (Fayol, 1949) in his Sixteen General Principles of Management. Fayol stated that:

"the undesirable consequences of such insecurity of tenure are especially to be feared in large concerns, ... Instability of tenure is at one and the same time cause and effect of bad running (Fayol, 1949; as cited in Shafritz & Ott, 1987)."

Research has demonstrated the negative relationship between job insecurity and work effort (Roethlisberger & Dickson, 1946; Beynon, 1973; Greenhalgh, 1982), and the positive

relationship with a desire to leave (Smith & Kerr, 1953; Stogdill, 1965; Ronan, 1967). Job insecurity is defined as "powerlessness to maintain desired continuity in a threatened job situation" (Greenhalgh & Rosenblatt, 1984, p. 438). Greenhalgh and Rosenblatt (1984) noted that loss of perceived job security can stem from the loss of valued job features. Such features are a halting in career progress and development, or a loss in job status. A new measure of job insecurity has been created utilizing Greenhalgh and Rosenblatt's definition (Ashford, Lee & Bobko, 1989) that measures the importance of key job features and the perceived threat to these features.

Another theory demonstrating the significance of job security is Maslow's motivational hierarchy (Maslow, 1954). Maslow proposed that an employee's motivation is explained by a stable needs hierarchy. Presence of job security satisfies a base security need; allowing the individual to satisfy higher order needs -- such as affiliation and identification with the organization (Etzioni, 1961).

Organizational culture and the organization's past history of interaction with employees could moderate the effects of job insecurity. Preexisting norms of fairness in dealing with employees and the level of influence employees have in guiding the layoff process can contribute toward comforting employees. Preexisting culture and fair treatment practices advance the level of trust employees have in the organization. Finally, the perceptions of existing procedures used to guide staff reductions are important. The familiarity and fairness perceptions of such procedures will help to lessen the level of job insecurity present.

Job insecurity is exacerbated by the feelings of inability and powerlessness job incumbents feel due to their not having an impact upon either the layoff process or its outcomes. Greenhalgh (Greenhalgh, & Rosenblatt, 1984) listed several forms of powerlessness -- first is a

lack of protection. This refers to the violation of the implicit social contract existing between employer and employee. Such a lack of protection leaves the employee(s) to search other venues for job security, instead of performing the job, resulting in performance decrements and possible absenteeism. Employees may be physically absent to go on interviews or concentrating on arranging alternative job options (i.e. interview calling) while at work. Second, unclear expectations as to how the restructuring (i.e. layoff) will affect the flow and design of work are present (Porter & Lawler, 1968). Employees do not know what action they can take to restore order and security.

A field survey by Brockner, Grover, Reed, and DeWitt (1992b) showed that the perceived control and threat subsaspects of job insecurity were significant individual and interactive predictors of layoff survivor perceived work effort. Perceived work effort was greatest at moderate levels of job insecurity (perceived threat & control were high). Perceived threat and control interacted with survivor economic need to work to form a significant three way interaction when predicting survivor perceived work effort. Midscale splits showed that for those high in economic need to work there was an inverted U relationship between job insecurity and perceived work effort was present.

Brockner, Grover, O'Malley, DeWitt, Reed and Glynn (1988b, Study 1) conducted a laboratory experiment that had two levels of job insecurity (high versus low) nested under the layoff condition. Half of the layoff subjects were led to believe that the dismissal of their coworker (a confederate) had implications for their own job insecurity. The other half were told nothing. High job insecurity survivors reported the layoff as being more unfair to the layoff victim than subjects in the low (or no) job insecurity condition. A significant job insecurity by

self esteem interaction was observed for proofreading quantity. Low self esteem subjects reported being affected more in the high job insecurity condition.

Brockner, Grover, O'Malley, DeWitt, Reed and Glynn (1988b, Study 2) attempted to extend the previous finding to actual layoff survivors. Results from this field survey show that job insecurity was a significant negative predictor of perceived work effort. Such results supported Brockner's hypothesis that the relationship between job insecurity and perceived work effort was characterized by an inverted U. Secondary analysis showed that perceived threat and control (aspects of job insecurity) and their interaction were significant predictors of perceived work effort.

Brockner, Grover, Reed, DeWitt, Wiesenfeld (unpublished) reported significant results from hierarchical multiple regression for job insecurity in attempting to predict organizational commitment and turnover intention. The significant effect held when either the perceived positivity of coworkers responses to the layoff and coworkers stated reactions to the layoff were used as predictors.

IV. Justice Theories

Justice theories of interpersonal relations and those that apply to organizations have served as the basis for the current stream of layoff research (Deutsch, 1975; Leventhal, 1976; Walster, Walster, & Berscheid, 1978; Greenberg, 1982). Theories of organizational justice propose that individuals react negatively to events if they are perceived to be unfair (such as layoffs). Employees evaluate the fairness of a layoff based upon such factors as whether or not other cost cutting options are available, whether management provides a rationale for the layoff, how clear the rationale provided is, and what caretaking services are available to the injured parties (Greenhalgh, Lawrence & Sutton 1988; Leventhal 1980; Lind & Taylor, 1988). The

presence (or absence) of layoffs within organizations of the same industry is a concern for layoff survivors. Such environmental information gives survivors an indication of job availability within an industry and whether or not the layoff was peculiar to their company or a reflection of an industry trend. When workers experience a layoff that is not experienced elsewhere workers will question the legitimacy of such a tactic (Brockner, 1988). Researchers utilizing justice theories have taken one of three different viewpoints. They are Distributive, Procedural and Interactional justice. A debate rages on whether or not procedural and interactional justice are separate and distinct concepts. This debate is evidenced by Brockner and associates placing interactional justice under procedural justice, Greenberg conceptualizing procedural and interactional as separate types of justice and Niehoff and Moorman (1993) presenting factor analysis results differentiating procedural from interactional justice. Few researchers have attempted to actually measure interactional justice which hinders the debate. The only study that has attempted to differentiate procedural from interactional justice is Niehoff and Moorman (1993). Confirmatory factor analysis demonstrated that distributive, procedural and interactional justice are separate and distinct types of justice. They reported a comparative fit index of .92.

A basis for organizational justice perceptions is vicarious or observational learning, which stems from Social Learning Theory (Bandura, 1977). Vicarious learning occurs when an individual has learned about possible behavior -- reward contingencies without having to exhibit any behavior. Learning can occur by watching the treatment of others. It is not unreasonable to assume that layoff survivors will observe the treatment and reactions of the layoff victims. It can be stated that vicarious or observational is one possible mechanism used to make justice assessments. Survivors can also use their actual experience with the organization when making

justice assessments. While vicarious learning methods are important for organizational justice they are not the only mechanism used to make organizational justice assessments.

A) Distributive, Procedural & Interactional Justice

Distributive justice theories focus on issues concerning the outcomes of procedures used to make resource allocation decisions (Leventhal 1976). Under layoff conditions a distributive justice perspective views employment as a scarce resource to be allocated (Brockner, 1990). Equity, need and equality are the most extensively researched distributive justice norms. Equity is defined (Deutsch, 1975; Lerner, 1977) as the receipt of resources in proportion to contributions made. Need is defined as the receipt of resources according to the extent to which they are required by the recipients. Equality is the equal receipt of resources by all parties regardless of need or prior contribution.

Pyszcznski and Greenberg (1981) found that under conditions of scarcity, organizational resources tend to be distributed with special emphasis being placed on organizational efficiency or organizational need. It is unusual for an organization to use employee economic need as a criterion when making employment and promotion decisions. Equity is more likely to be sought. Personal factors such as the individual being the sole support for his or her family are not factored into the decision. More likely, education, work experience and past job performance will serve as criteria in an employment and promotion decision. The worker's efficiency or seniority are also likely to be utilized more than employee need. So it is reasonable to assume that factors such as education attained, amount of relevant work experience, success and efficiency attained on the job, level of responsibility previously held and seniority are worth compensating for and are relevant criteria in a compensation decision. If such factors are worthy of consideration in a compensation decision then it is also reasonable to assume they are useful criteria for hiring and firing decisions (e.g. layoff).

Procedural justice deals with the fairness of the allocation procedures used (Folger & Greenberg, 1985). In the layoff situation issues of procedural fairness raised by survivors focus primarily on what method was used to accomplish the layoff (i.e. decision rule), how fairly it was implemented and how fair it was to the dismissed individuals. Questions concerning the legitimacy of the layoff are also addressed. The presence (or absence) of layoffs within organizations of the same industry serve as a cue for justice concerns. When workers experience a layoff that is not experienced elsewhere workers will question the legitimacy of such a tactic (Brockner, 1988).

Leventhal's theory of procedural justice was formulated in response to questions of legitimacy (Leventhal, 1980; Leventhal, Karuza & Fry 1980). Fair procedures consist of uniform procedures that give equal consideration to all parties involved and use accurate information as a basis. They also allow opportunities for recourse (Greenberg, 1986; Sheppard & Lewicki, 1987). Field research has shown that when procedural justice variables such as clear and adequate managerial explanations exist, layoff survivors will experience fewer negative reactions (Brockner, Konovsky, Cooper, Folger, Grover & Reed; 1990).

Interactional justice is defined as "the fairness of the interpersonal treatment people receive" during a resource allocation (Greenberg, 1990a, p.115; Bies & Moag, 1986) or the "quality of interpersonal treatment that victims and survivors received during implementation of the layoff" (Brockner, Wiesenfeld, Reed and Grover, 1992, p.8). Brockner, Wiesenfeld, Reed and Grover (1992) defined interactional justice as consisting of (a) how clearly and adequately management explained the reasons for the layoff and (b) how considerate and thoughtfully the organization delivered the bad news of the layoff. Greenberg (1994) theorized two forms of interactional justice: Informational and Interpersonal justice. Informational justice "refers to the

adequacy of the information used to explain how decisions are made and the thoroughness of the accounts provided" (Greenberg, 1994, p.288-289). Interpersonal justice "refers to the degree of concern and social sensitivity demonstrated over the outcomes received" (Greenberg, 1994, p.289).

Followers of interactional justice observe the treatment received, by all parties involved [both survivors & the dismissed], during a resource allocation (Bies, 1987). The literature states that people's reactions to a procedure are moderated by the presence (or absence) of information and how it is presented (Bies, 1987; Bies & Moag, 1986). Presenting information concerning why an action was taken and delineating how it will effect those involved helps to ease tensions, while also fostering a sense of caring and impartiality (Bies, 1987; Brockner, 1990). This promotes a perception that all actions taken stemmed from careful consideration and not managerial whim (Greenberg, 1988; 1990b).

B) Nonlayoff Survivor Organizational Justice Research

Leventhal claims that "procedural fairness is a necessary precondition for the establishment and maintenance of distributive justice" (Leventhal, 1976; p. 230). Greenberg (1987a) put a conditional qualifier upon this statement i.e. "procedural justice may be a necessary precondition for distributive justice, but only when outcomes are low" (p. 59).

Greenberg (1987b) also reported finding that victims of an unfair procedure were more willing to take corrective action when the unfair procedure was believed to have stemmed from an organizational policy than when it was a policy stemming from an individual's decision.

Individuals reported the belief that organizations should be fairer than individuals. Unfairness attributed to an individual's decision was accepted by rationalizing that the individual was biased or incompetent. Tyler (1984) and others (Thibaut & Walker, 1975) discovered that individuals

were more accepting of a negative outcome (reward distribution or court verdict) when it was believed that the process was fair.

Greenberg (1990b) proposed that procedural justice was related to and influenced individuals' satisfaction with the "system". Here the system represents an organization or formal process. Tyler (1984) found procedural justice to be strongly associated with the defendant's evaluation of the court system, but distributive justice was associated with verdict satisfaction. Tyler and Folger (1980) reported that citizens' evaluations of police --- civilian interaction were more heavily dependent upon procedural justice aspects rather than outcomes. Individuals filing a robbery report reported higher evaluations of the police, even when the outcome was negative (the individual's property was not recovered). This coincides with Parks' (1976) finding that people are satisfied with law enforcement officers who follow proper procedures, even if the outcome is less than satisfactory. Support for the system -- procedural justice relationship can be found in the work of Alexander and Ruderman (1987) and Tyler (1984). Alexander and Ruderman (1987) reported that procedural justice indices were significantly related to trust in management, turnover intention, job satisfaction and supervisor evaluation. Procedural justice accounted for a significant amount of variance on each of the variables, except turnover intention. Endorsements of formal leaders are heavily dependent upon whether constituents felt that the allocation procedures were fair. This effect is maintained when outcome level, outcome satisfaction and outcome fairness are taken into account. Cobb and associates (Cobb, Folger & Wooten, 1993) reported that leaders perceived as fair experienced higher levels of subordinate loyalty, commitment, trust and prosocial behavior than their unfair counterparts. Tyler and Caine (1981, Study 1 & 3) found separate effects for outcome level (distributive) and procedural fairness on both leader and leadership evaluations. Field and experimental research by the same

authors (Study 2 & 4) found endorsements of formal leaders to be heavily dependent upon whether constituents felt that the allocation procedures were fair. Among students procedural justice (process fairness) accounted for more variance in teacher fairness perceptions than did distributive justice (outcome fairness) (Alexander & Ruderman, 1987; Tyler & Caine, 1981). They have also shown procedural fairness judgments to exert a strong influence upon evaluations of leaders independent of outcomes (Tyler & Caine, 1981). This effect is maintained when outcome level, outcome satisfaction and outcome fairness are taken into account. So any organizational justice study should include in its list of variables measured evaluations of the present leader.

The procedural justice-system satisfaction relationship literature (Tyler, Rasinski, & Spodick, 1985; Lind & Tyler, 1988) resulted in the development of a procedural justice scale (Folger & Konovsky, 1989). This scale is needed as the previous procedural justice research has used ad hoc single item measures. The procedural justice scale has used the work of Greenberg as a basis and has been shown to be "differentially associated with various work related outcomes ... paralleling Tyler's (1984) data" (Greenberg, 1990b; p. 407).

V. Impression Management

The previous sections summarized research findings indicating that people desire fair treatment. This section will attempt to show research that indicates individuals desire to act fairly or at least be perceived as acting fairly. Impression management is the "conscious or unconscious attempt to control images that are projected in real or imagined social interactions" (Schlenker, 1980, p. 6). Impression management can occur in upward (subordinate to supervisor), downward (supervisor to subordinate) or parallel (each person is of the same level or status) communication. Impression management techniques are used to assist in presenting

and maintaining an image of fairness. Greenberg (1990a, b) and others (Bies, 1987; Reis, 1981) considered organizational justice an impression management process.

Organizational leaders, both formal and informal, need to be aware of the image they present and how it is evaluated. Indications of impropriety can destroy or erode whatever power base and trust the individual possesses. Research has shown that people think of fairness in terms of behavioral acts (Freedman & Montanari, 1980) and interpersonal consideration (Messick, Bloom, Boldizar & Samuelson, 1985). Levinson (1965) reported the tendency of individuals to personify the organizations they interact with and to view actions by an organization's agent as actions of the organization itself.

Unfulfilled expectations or the occurrence of an undesirable event due to another's action creates a predicament. The violation of the psychological contract due to the layoff could be considered a predicament. The predicament's severity is dependent upon the event's undesirability and the individual's level of responsibility for the event (Bell & Tetlock, 1990; Tetlock, 1985). Schlenker (1980) has described responsibility as "the adhesive that links an actor to an event and attaches appropriate sanctions to the actor" (p. 126). Because responsibility is a linkage of event and outcome, most of the strategies for disentangling oneself from a predicament are attributional (Snyder, 1985). It is hypothesized that when expectations are left unfulfilled, the individual perceived to be negligent will need to provide an account or explanation (Bies, Shapiro & Cummings, 1988; Scott & Lyman, 1968). Causal Accounts are used to prevent any erosion of trust due to a leader's failure in fulfilling a social contract. Causal accounts can be used as a means of minimizing any negative repercussions.

When a company plans to downsize, it wants to minimize all of the possible negative repercussions. The downsizing itself is viewed by both the layoff victims and survivors as a

failure predicament. Employees are going to suffer (i.e. job loss for layoff victims & job insecurity for survivors) because of another's actions (management's). In an attempt to avoid negative publicity and to prevent unlawful discharge lawsuits, companies will use public relations to promote a positive spin on the event. The most basic form of promoting a positive image is the use of Explanations, Excuses or Causal Accounts as impression management tools.

Schlenker cited two general categories of verbal explanations that are used to minimize the repercussions of a failure event or predicament (Schlenker, 1980). They are Accounts (also called Causal Accounts) and Apologies. Apologies are "confessions of responsibility for negative events which include some expression of remorse" (Tedeschi & Norman, 1985; p.299).

Apologies are used to convince people that although the "actor accepts blame for the undesirable event, any attributions on the basis of it would not be accurate" (Greenberg, 1990a; p.133). A successful apology convinces the listener that the actor's actions are not a fair representation of the individual. Apologies are considered by some a special form of a Causal Account called a Penetential Account. An example is "I am very sorry to have to lay you off" (Brockner & Greenberg, 1990 p.52).

Apologies can take one of two forms: (a) an expression of sympathy without responsibility or (b) an expression of sympathy and responsibility. The second is also called an Acknowledgment since there is an acknowledgment of guilt. It is thought that the expression of sympathy helps to mitigate the negative feelings felt. The effect of apologies is contingent upon the creation of a common understanding, among recipients, that the negative outcome is unintentional and not an accurate reflection of the person responsible.

An Account is defined as a "statement made by a social actor to explain unanticipated or untoward behavior" (Scott & Lyman, 1968). It attempts to shift the blame for any negative

event to external circumstances. In work settings, Accounts have been referred to as Causal Accounts (Bies, 1987, pg.290) A Causal Account is similar to an account since it is an attempt at an explanation with the aim of relieving the responsibility felt. An example of a Causal Account is "We were forced to lay off workers because of the poor economy" (Brockner & Greenberg, 1990a; p.133). Causal Accounts work because they allow the recipients to understand the importance of the external environment, the connection between the organization and the external environment. They also help recipients to adapt to a new environment. Accounts are a form of interactional justice used to create an acceptance for and to alleviate the negative outcomes experienced. They also help to promote an image of fairness for the leader and the organization. It has been inferred that the causal account discourages disappointed individuals from attributing evil motives to the actor and helps facilitate outcome acceptance (Bies, 1989).

There are various forms of Accounts, each different, but all attempting to lessen the consequences felt by a transgressor. An Excuse is "an account in which the offending party admits the behavior was bad, but denies full responsibility for the behavior" (Austin, 1961, p.382). Following attribution research, it is theorized that an excuse will lessen an individual's perceived responsibility if the cause(s) of the event are external, unstable, unaccountable and unintentional (Fincham & Jaspers, 1980).

The second account type is a Justification. A Justification is defined as "an account in which the offending party accepts responsibility for the behavior but denies its pejorative quality" (Bies, Shapiro & Cummings, 1988). Tedeschi and Reiss (1981) define a justification as an "explanation in which the actor takes responsibility for the action but denies that it has the negative quality that others attribute to it" (p. 281). Justifications have also been referred to as "techniques of neutralization" (Sykes & Matza, 1957)

Third is Ideological Accounts -- "We had to lay off workers to ensure the company's financial survival" (Brockner & Greenberg, 1990, p.52). Ideological Accounts attempt to place the basis for the decision upon higher guiding principles or values. This helps recipients develop an understanding for the action and a shared principle or plan for the future.

Fourth is Referential accounts. The aim of Referential Accounts is to change the reference point for comparison. These accounts involve the comparison of yourself with a less fortunate other -- such as "Things surely will improve and then we will hire back the workers we laid off" or "Things could be worse if we didn't layoff" (Brockner & Greenberg, 1990, p.52). Such accounts hope to focus recipients attention upon a gloomier might -- have -- been scenario.

Bies, Shapiro and Cummings (1988), and Scott and Lyman (1968) have found the assertion of mitigating circumstances was not enough to explain the influence of explanations; but the adequacy of evidence to support the assertion and the boss's sincerity were shown to be of importance. The relationship between managerial account clarity and layoff survivor reactions was strongest under conditions of high uncertainty and high information importance (Brockner, DeWitt, Grover, & Reed, 1990). Individuals in an uncertain environment place greater emphasis upon obtainable information and any causal account represents one form of available information. Given the value layoff survivors place upon available information it is not surprising that management will present information in the most positive way.

Bies and Shapiro (1988; et al. 1988) have shown that a manager's causal account or explanation can lessen the negative conflict induced by a budget request refusal. The causal account was negatively related to subordinate reported anger, disapproval of the boss and positively related to perceptions of procedural injustice. The causal account helped to explain a significant amount of variation in subordinate reactions. Bies (Bies & Shapiro, 1987, Study 1, 2,

positively related to perceptions of procedural injustice. The causal account helped to explain a significant amount of variation in subordinate reactions. Bies (Bies & Shapiro, 1987, Study 1, 2, 3; 1988 Study 1; Brockner, DeWitt, Gover & Reed, 1990) found that causal accounts claiming mitigating circumstances enhanced fairness perceptions overall. It has been inferred that the causal account discourages disappointed individuals from attributing evil motives to the actor and facilitates outcome acceptance (Bies, 1989).

Several aspects have been shown to enhance the mitigating ability of a causal account. Bies (Bies & Shapiro, 1987, Study 2, 3) discovered that the adequacy and clarity of the causal explanation, as perceived by recipients, was significantly more important than simply presenting an explanation in determining perceived fair treatment. The content of the message was more important than the mere presence of the message. Folger and his colleagues (Folger, Rosenfield, & Robinson, 1983; Folger & Martin, 1986) reported that individuals receiving an unfavorable outcome due to a procedural change were more satisfied with the outcome when an adequate explanation for the change was provided than when such an explanation was not provided. Attributional research has shown that good excuses (claims of mitigating circumstance) were more effective than bad excuses (no mitigating circumstance) or no excuses in alleviating victims' negative feelings (Weiner, Amirkhan, Folkes, & Varette, 1987). Good causal accounts or explanations satisfy respondent's need for interactional justice.

VI. Leadership During Layoff

Leaders occupy many roles simultaneously. Under times of change and uncertainty, such as a layoff, the requirements of a leader become greater. Two of the important roles occupied by a leader during an organizational restructuring are: Communicator and Organizational Symbol.

One of the basic tasks of any leader is to communicate with his / her followers. Peter Drucker cites communication as a central function of management. This is true in stable and during periods of rapid change. During stable times leaders communicate the structure, policies, formal and informal procedures of the organization. Supervisors are the people assigned to help acclimate new employees and explain what the organization's expectations and requirements are of the new employee. Leaders are also the primary method of communication between senior level management and the rank and file. Leaders are usually the only means of upward communication for employees. They provide employees with an opportunity to provide input or what the procedural justice theorists describe as "voice" or "process control" (Bies and Shapiro, 1988).

Managers and leaders need to communicate, during times of restructuring, to the surviving employees what are the organization's changing plans and objectives. How the organization will attempt to be fair to all involved (survivors & those laid-off) is the most important piece of information the organization can communicate. Managerial communications will contain the causal account or explanation for the recent downsizing. Change is stressful for everyone and layoffs create feelings of fear, uncertainty, job insecurity and overall anxiety. Communication helps to relieve the uncertainty and stress. It also provides employees with the information they need to understand the organization's change effort and to help it succeed. Any attempt at assisting both the survivors and the dismissed will influence fairness perceptions. If an organization is going to any lengths to be fair then it deserves any kudos or public support available. Most organizations do not want to be seen as cold, callous and disrespectful.

The layoff explanation or account could show that other companies are downsizing or the downsizing experienced is less severe than elsewhere. An example is provided by Frederick

Leuffer Jr., an oil industry analyst at Bear Stearns and Company. In response to the news of Atlantic Richfield Co. announcing layoffs Lueffer said "Everybody's chopping costs. That's been a big part of what's gone on in this industry for the last five years" (White, 1994); or your account could describe how the restructuring is part of a new strategic plan. This is what Alfred M. Zeien, Chairman and Chief Executive at Gillette Company did. The Associated Press quoted him as saying that Gillette is "adjusting how it is organized and how it operates to compete more effectively in a global arena" (Finucane, 1994). At the time of this statement Gillette was in possession of the largest portion of its available market (over 50%). Survivor's perceptions of organizational justice will hinge upon communication provided to explain the downsizing. The act of simply providing an explanation or account enhances the fairness perceptions of survivors. This will enable surviving employees to conclude that corporate management can be trusted.

The content of management's communications will be used by survivors as evidence in their attempts to assess the company's fairness. This does not mean management can expect survivors to accept any explanation. Lying or deliberate misinformation will erode and destroy any good will surviving employee's possess. A current example occurred when one of the Big Three U.S. auto makers closed down several manufacturing plants due to continued losses. But top executives were still rewarded with multi--million dollar bonuses. Today's employees are knowledgeable enough to understand the volatile nature of business and the overall economy. They can accept the harsh realities of business, but are also astute enough to obtain information that contradicts management's explanation. Therefore, any explanation must be credible and consistent with corporate behavior.

The second role -- the Organizational Symbol can be multifaceted. First, leaders represent or personify their organization; just as employees personify the company to outsiders.

Second, Pfeffer (Pfeffer, 1981) states that serving as a spokesperson for the organization is a key aspect of what is called Symbolic Management; central to the spokesperson role is the providing of "explanations, rationalizations and legitimation for the activities of the organization" (Pfeffer, 1981, p4). The image a leader projects to subordinates is not only a reflection of himself / herself, but also of management overall. How a leader treats or values a subordinate serves as an indication of how well the organization treats or values the subordinate. Third, leaders are also the instrument of organizational justice. Leaders help settle disputes, provide encouragement, praise and punishment. It is the leader's responsibility to ensure that policies and procedures are uniformly enforced. This relates to subordinates' perceptions of interactional, procedural and distributive justice. Fourth, the leader has an Affective role. He or she needs to provide subordinates with support, feedback and the opportunities to display initiative.

The final role is the Behavioral role. The leader's behavior serves as an indication to subordinates as to their behavioral expectations and requirements. During a stressful time of change, like a layoff, employees will use leader behavior as a cue for what to expect from the organization. The better the leader's image of fairness -- the greater will be the organization's image of fairness. Congruence must exist between leader -- organizational behavior and organizational behavior -- managerial accounts presented; such congruence is central to the impression management occurring during a change effort or restructuring. The leader must serve as a role model for subordinates and the organization. Leaders, by their behavior, can bring subordinates into the change effort. The greater the support from subordinates the greater the chances of the change effort succeeding.

VII. Layoff Survivor Research

Until recently survivors of a layoff or downsizing went unstudied. A large amount of the current layoff survivor research has been conducted by Joel Brockner and associates at Columbia University. Brockner has taken numerous theoretical approaches to studying layoff survivors. Some of the perspectives utilized are: Equity Theory, Organizational Justice and Social Influence analysis. This research agenda has resulted in a model of the layoff process (Brockner, 1988). Brockner's layoff model states that: layoffs have the propensity to affect (a) survivor psychological states, (b) work group processes and (c) the structure of the organization itself. Second, changes in either survivor psychological states, work group processes or the structure of the organization can influence survivor's work behaviors and attitudes. The nature of the survivor's work task, survivor individual differences, aspects of both the formal and informal organization and the external environment can be potential moderators of relationships between layoffs and survivor psychological states, work group processes and changes in organizational structure. Those variables can also moderate the feedback relationships between survivor work outcomes -- survivor psychological states, work group processes and the organization's structure. Such bi-directional effects between the layoff-- survivor psychological states and layoff -- work outcomes is very feasible. Brockner suggests that survivor productivity could feedback to influence the possibility of future layoffs, or high job insecurity could lead employees to job search while on the job; thereby lowering productivity. Survivors who have had poor luck in their job search may develop guilt about their good fortune (being a survivor) after seeing how tight the job market is. This may influence survivor emotional responses (anger), cognitive evaluations (organization is unjust) or work behavior (become more or less productive) to the organization. Layoffs can force an already cohesive group to either band together and increase productivity or the layoff could create so much stress that productivity

suffers and the group breaks apart. The group could also break apart thereby hindering productivity. The pattern of effects can take various forms.

Brockner lists four propositions from his model: (1) "layoffs have the potential to influence not only survivors' individual psychological states , but also group processes and organizational structures" (Brockner, 1988; p.248); (2) "changes in survivor's individual psychological states, changes in group processes and changes in organizational structures have the potential to influence survivors' work behaviors and attitudes" (Brockner, 1988; p.248). Third, potential moderator variables are the nature of the work performed, survivor individual differences, formal and informal aspects of the organization and the organization's environment. Fourth, "theories of group behavior and organization structure, in addition to individual level moderators such as equity theory and organizational stress, should help predict and explain the impact of the moderator variables" (Brockner, 1988; p.248). Appendix One presents the conceptual model.

The model is presented as a framework to assist in presenting the existing literature. The present study is not an evaluation or attempt at validating Brockner's model. A brief review of the research stemming from this model is in order. The literature will be presented according to the categories present in the model. Greater emphasis will be placed upon the organizational justice, job insecurity and causal attributions sections since this research proposal utilizes those areas.

A) Survivor Psychological States

◆1) Perceived Equity

Equity theory states that individuals attempt to achieve a balance between the inputs they contribute and the outcomes they receive. Any imbalance between inputs and outcomes

creates inequity and forces the individual to redress it. Layoffs can create feelings of inequity (positive or negative) in survivors. Survivors can feel positive inequity when they have received an unearned benefit or negative inequity when an earned benefit is not received. Negative inequity can be redressed by the person lessening the quantity or quality of their inputs. Work effort or productivity is one possible input. A work slowdown is an example of a group attempting to redress negative inequity.

If outcomes outweigh inputs then positive inequity is present. Layoff survivors believe that they are inferior to the layoff victims on relevant inputs (e.g. seniority, skill, productivity or education) they have experienced or are experiencing positive inequity. They are receiving a benefit or outcome (still being on the job) that is greater than what they have earned. The most obvious way of solving positive inequity is to increase your inputs. This can be redressed by the person increasing the quantity or quality of their inputs. Increasing your work effort or productivity is an example.

When layoff survivors feel their inputs are superior to the inputs of the layoff victims no inequity is present. A merit based layoff or a seniority based union layoff are examples where little or no inequity are present. But this would only hold true when the merit basis for the layoff decision is clearly understood by survivors and victims.

Brockner, Greenberg, Brockner, Bortz, Davy and Carter (1986) have examined issues of perceived equity in a laboratory experiment with three layoff manipulations (Random, Merit & No layoff control). They observed that subjects (college sophomores) who experienced a merit based layoff felt that they had been fairly treated. All of the layoffs were actually decided by a rigged lottery that resulted in the confederate always being dismissed. Subjects in the merit layoff condition were told that they were to remain due to their superior prior performance

(superior inputs). False feedback was provided giving them the impression they had performed better than their counterpart (a confederate). The outcome of interest was performance quantity and quality on a proofreading task. Task quantity was measured by the number of lines proofread and task quality was measured by the percentage of errors subjects had correctly identified within the total number of lines completed.

Merit layoff survivors reported the belief that their pre layoff performance was better than the laid off confederate's. Subjects in the random layoff condition experienced the greatest increase in proofreading quantity and the greatest decrease in production quality - - this result is consistent with the Equity theory which states that the survivors felt positive inequity and needed to restore balance. Brockner and associates interpreted the random survivor finding as an indication that random layoff survivors did experience positive inequity. The benefits survivors received (being a layoff survivor and not a victim) was more than their inputs required. Random layoff survivors supposedly were attempting to prove their worthiness to remain. The merit layoff condition survivors did not have to redress any inequity (positive or negative) since the reason for their survivor status was their superior prior performance (superior inputs).

♦2) Causal Attribution of Responsibility for the Layoff

Causal attribution research has shown that individuals attribute personal success to internal causes (e.g. skill) and failure to external sources (e.g. luck). People observing another's success or failure would attribute success to chance factors and failure to internal causes. This has been described as the actor -- observer bias or the Fundamental Attribution Error (FAE).

Layoff survivors may attribute the job loss of layoff victims to causes internal to the layoff victim, i.e. they were bad employees and deserved to be laid off. This could result in survivors psychologically distancing themselves from the layoff victims and aligning themselves with the organization. This distancing would be consistent with the "just world literature"

which states that people have the belief that "good things happen to good people" and "bad things happen to bad people". Distancing can take the form of derogatory comments or thoughts concerning the other person or actual physical distancing themselves from the layoff victim. Physical distancing could take the form of limiting or ceasing all forms of interaction with the other person (e.g. failing to return phone calls or not dealing with them socially).

Layoff victims and survivors who attribute the cause of the layoff to the organization's management could experience an increase in negative emotions and thoughts pertaining to the organization. Survivors and victims may also experience decrements in organizational commitment, trust in management and possible increases in turnover intention and absenteeism.

Brockner, Konovsky, Cooper, Folger, Grover, and Reed (1990, Study 1) reported that survey respondents, who were layoff victims, registered a significant relationship between their attributions for the layoff and desire for governmental regulation. The more the layoff victims attributed blame and cause for/of the layoff to their former employer, the higher was their desire for governmental regulation.

A similar result was observed for layoff survivors. Brockner, Konovsky, Cooper, Folger, Grover, and Reed (1990, Study 2) reported that causal attributions of responsibility for the layoff were significantly related to organizational commitment. Since the survivors attributed fault to the organization, they also experienced a greater decline in organizational commitment. Research has failed to examine the importance of such specific causality dimensions (locus, intent, stability and controllability). Organizational explanations for layoffs have not, excluding this study, been examined using a causal attribution perspective. Such research is needed so that a better understanding of (a) what aspects of the layoff explanation influence survivors (b) how survivors are influenced and (c) what constitutes the thought process of layoff survivors.

B) Group Processes

Layoffs can affect groups as well as individuals. Group process variables such as cohesion or productivity norms can be effected by the layoff. The structural and psychological changes brought about by a layoff can increase group cohesion or division among the group. Group members may find themselves talking incessantly about the layoff which may relieve stress; but this could limit productivity. The group could increase productivity, monitor the increase and maintain this increase so as to prevent future layoffs. Alternatively, the inordinate concern or emphasis given to talking about the layoff could increase the level of anxiety suffered. This may lead to deterioration of performance and a lessening of the importance of the work group to its members.

The amount of communication concerning the layoff within a work group can influence the opinions and actions of its members. Those with limited work or organizational experience may be more susceptible to the group's influence than those employees with longer tenure. The employees with the most tenure could potentially influence the group's opinions.

Only two studies have looked at the effects of group process variables on layoff survivors. Brockner, Grover, Reed, DeWitt, Wiesenfeld (unpublished) followed a social influence analysis approach to studying layoff survivors using a field survey. They examined perceptions of the positivity of coworkers' reactions to the layoff, positivity of coworkers' stated reactions to the layoff, communications with coworkers concerning the layoff and survivor attraction to the group. The first of several hierarchical multiple regressions included the perceptions of coworkers' reactions to the layoff and the second set included the stated reactions of coworkers' to the layoff. Survivor organizational commitment was the outcome of interest.

reactions to the layoff was a significant predictor of organizational commitment and turnover intention. Brockner, et al (unpublished) reported a significant interaction between the perceived positivity of coworkers' reactions and communication with coworkers to predict organizational commitment, perceived work effort and turnover intention. A three way interaction of perceived positivity of coworkers' reactions by communication with coworkers by attraction to the group was significant for organizational commitment, work effort and turnover intention. The final r squared coefficients were .39 for organizational commitment, .10 for work effort, and .13 for turnover intent. These results indicate the importance or influence a group can have upon its members. But such effects may only be valid for those with little organizational tenure.

The second set of hierarchical regressions used the positivity of stated coworker reactions and not the survivor's perceptions of his / her coworkers reactions. Coworker stated reactions, attraction to the group and communication with coworkers were significant predictors of organizational commitment. For perceived work effort, coworker stated reactions to the layoff were a significant predictor. Attraction to the group and communication with coworkers were significant predictors of turnover intent.

Coworker stated reactions by communication with coworkers proved to be a significant interactive predictor of organizational commitment, work effort and turnover intention. A significant three way interaction of coworker stated reactions to the layoff by communication with coworkers by attraction to the group was a significant predictor of perceived work effort and turnover intention. The final r squared coefficients are .32 for organizational commitment, .17 for perceived work effort, and .14 for turnover intention.

The interaction and main effect results provide strong support for the importance of group process and group related variables on survivor organizational commitment. Future

research will need to institute a more group oriented or group process oriented approach to examining layoffs. The current studies failed to examine or control for the effects of the amount of work experience, tenure within the work group or organization into account. Those with greater work group or organizational tenure may be less susceptible to the group's influence. In fact, they may be the group leaders or opinion makers or may not even consider their coworker's opinions.

C) Moderator Variables

♦1) Survivor Individual Differences --

•a) Self Esteem and Self Assurance

As stated by Brockner's model, 5 categories of potential moderators have been identified. They are: (a) the nature of survivors task, (b) survivors individual differences, (c) formal aspects of the organization, (d) informal aspects of the organization, and (e) aspects of the external environment. Research has yet to explore the nature of layoff survivor's task, but has started to look at the other four. How a layoff affects individuals varies depending upon such factors as: prior layoff experience, work ethic, the strength of their perceived self worth, self esteem and self efficacy. Each factor could provide the individual with sufficient resiliency to withstand the possibly devastating impact of a layoff. These individual differences could serve to mitigate the effects of the layoff on survivor work behaviors and attitudes. They may also help survivors to deal with the increased stress accomplished by the layoff.

Brockner, Davy and Carter (1985) and Brockner, Grover, O'Malley, DeWitt, Reed and Glynn (1988b, Study 1) reported results of two laboratory experiments that included a layoff manipulation and measured self esteem. The first study used 78 undergraduates and the second used 87 undergraduates as subjects. The second experiment examined layoff induced job insecurity using two levels of job insecurity (high versus low) nested under the unfair layoff

condition. In the second experiment half of the survivors were led to believe that their coworker's dismissal had implications for their own job insecurity. The other half were told nothing. The outcomes of interest were proofreading quantity and quality. The layoff was implemented by the experimenter stating that due to a room scheduling problem only one person would be allowed to finish the study. Subjects were told that the layoff was implemented by a supposedly random lottery. Actually the lottery was always fixed so that the confederate was removed.

High self esteem survivors rated the laid off confederate as not being similar to themselves. This distancing is consistent with the victim blaming literature. Low self esteem subjects showed a large increase in task quantity. Low self esteem survivors had to convince themselves that they deserved to stay and did so by increasing task productivity. Such results are similar to the positive inequity layoff survivors can experience. Therefore it may be stated that self esteem is a potential moderator of felt inequity or how the inequity is resolved or it may be that felt inequity accounted for the observed effect.

In the second experiment (Brockner, Grover, O'Malley, DeWitt, Reed & Glynn, 1988b, Study 1) a significant job insecurity by self esteem interaction was observed. Task quantity for those low in self esteem was affected more in the high job insecurity condition. Low self esteem subjects showed the greatest increase in performance quantity -- more than their high self esteem counterparts -- on the post layoff task.

Brockner, Grover, O'Malley, DeWitt, Reed and Glyn (1988b, Study 2) attempted to extend the laboratory results to actual layoff survivors. They used a field survey to measure two job insecurity aspects (perceived threat and control), self esteem and survivor's economic need to work. The outcome of interest was perceived work effort. Self esteem failed to moderate any

relationship. Along a similar vein Brockner, Grover and Blonder (1988a) reported that survivor self assurance bordered significance at the $p < .06$ level in attempting to predict job involvement for the entire sample of layoff survivors (severe & mild layoff survivors). Survivor self assurance was not a significant predictor of job involvement for the mild or severe layoff survivors.

The inconsistency between field and laboratory research results leads to one of many possible conclusions -- the results observed in the lab are not due to self esteem but to job insecurity or perceived inequity or possible demand characteristics on the part of subjects.

·b) Work Ethic

Work ethic refers to the adoption of an ideology which stresses industriousness. It has also been referred to as the Protestant Work Ethic. High work ethic people are more involved in their work and industrious than low work ethic people. In the post layoff environment it is safe to assume that high work ethic people may still be more involved and industrious than their low work ethic counterparts. This may be due to the increased pressures and strains of the post layoff job discouraging those low in work ethic.

Brockner, Grover and Blonder (1988a) examined the effects of work ethic, layoff severity (percentage of work force removed), role ambiguity, survivor self assurance and prior task variety on job involvement. The only significant effect for work ethic was when it interacted with layoff severity. Separate hierarchical regressions were performed for the severe (25-70% of workforce was removed) and mild layoff (2-5% of workforce was removed) groups.

Work ethic was a significant predictor of job involvement for survivors of a mild layoff. High work ethic people were more involved in their job than low work ethic people. It appears that for survivors of a severe layoff work ethic was not a significant individual predictor of job

involvement. It appears that work ethic was sufficient to aid survivors of a mild layoff to recover, but it appears that a severe layoff created too much pressure for survivors to handle.

•c) Survivor Prior Identification with Layoff Victims

How strongly survivors identify with those being removed (laid off) will influence how they react to the layoff. Low prior identification should make it easier for survivors to distance themselves (psychologically and physically) from the layoff victims and accept the organization's explanation for the layoff. High prior identification could result in anger or remorse at seeing a friend being mistreated. High identification means that survivors have included this person in their realm of organizational justice (i.e. they are good people who should experience good events). Survivors may react by distancing themselves from the organization which harmed their friend. This distancing can take the form of reduced commitment and trust and result in extreme absenteeism and turnover.

Brockner, Grover, Reed, DeWitt and O'Malley (1987 Study 1) examined the importance of layoff compensation provided to layoff victims and survivor prior identification with the layoff victims. The study was a layoff compensation type (uncompensated, compensated or no layoff control) by survivor prior identification (high or low) laboratory experiment. Outcome variables were quantity and quality of performance on a proofreading task. Subjects were 132 undergraduates.

Subjects were asked to fill out an attitude survey, the results of which were going to be shared with their fellow research participant (a confederate). Subjects were provided false feedback stating that a confederate's responses to the same survey questions were either very similar or dissimilar to their own (identification manipulation).

The identification and layoff manipulations resulted in significant group differences. Subjects in the high identification condition perceived the laid off confederate as more similar to them than did subjects in the low identification condition. Performance quantity increased the least in the high identification -- uncompensated layoff condition. High identification subjects rated the treatment received by the laid off confederate as grossly unfair (uncompensated compared with the compensated layoff). In the low identification condition the difference in fairness ratings assigned to the confederate in the uncompensated and compensated layoff conditions was not significant. The uncompensated layoff was perceived as much less fair when the laid off person was perceived as similar. This lends credence to identification meaning that the person was included in survivor's realm of justice.

Brockner, Grover, Reed, DeWitt and Wiesenfeld (unpublished) reported results of a field study which showed that survivors' prior relationship with those laid off was a significant predictor of organizational commitment. Brockner, Grover, Reed, DeWitt, and O'Malley (1987 Study 2) examined the effects of survivors' prior identification with layoff victims and perceptions of the compensation provided to layoff victims on actual survivor organizational commitment.

Survivors who strongly identified with those laid off reported the greatest decrease in organizational commitment. An interaction between survivor prior identification with layoff victims and compensation to the layoff victims was significant. Median splits showed that those high in identification and perceived the victims as getting low compensation experienced the greatest decrease in organizational commitment. Similar results were observed by Brockner, Wiesenfeld, Reed, Grover and Martin (1993) and Brockner, Wiesenfeld, Reed, and Grover (1992a) in the field for organizational commitment and turnover intention.

Brockner, Grover, Reed, and DeWitt (1992b) used a field questionnaire to investigate layoff survivors' prior psychological identification with layoff victims. Prior psychological attachment was not a significant predictor of survivor perceived work effort.

Brockner, DeWitt, Grover and Reed (1990) did a field study which looked at prior attachment to layoff victims on organizational commitment, perceived work effort and turnover intention. The survivor's prior attachment to layoff victims interacted with the clarity of the managerial explanation for the layoff to predict work effort and turnover intention.

Results indicate that prior attachment (or the inclusion of victims in their realm of justice) needs to be considered before any staff reductions are implemented. Its effects were stronger than the effects of compensation to layoff victims. Survivors with high identification are more inclined to (a) pay attention to the treatment received by layoff victims and (b) to use the treatment given to victims as an indication of the treatment they can expect to receive. The latter is very plausible since people have a tendency to interact, befriend and identify with people perceived as similar. Therefore survivors who see a victim, that they highly identify with (and consequently perceive as being similar to themselves) being mistreated -- they also see themselves being mistreated. Survivors will respond negatively to such a situation (negatively toward the social actor who did the mistreating).

•d) Role Ambiguity

The post layoff job and environment can become easily ambiguous. The increased work load coupled with fewer hands to perform the work can lead to a situation where people are unsure of their responsibilities. Since a large portion of the current layoffs are affecting white collar, managerial level employees, this means that many layers of middle management have been removed. The removal of several layers of middle management has caused many

employees to be unsure as what constitutes good performance, what the work priority is, when deadlines are and who gets delegated to what tasks.

Brockner, Grover and Blonder (1988a) reported the results of a field survey of layoff survivors which indicated that role ambiguity significantly interacted with layoff severity (percent of work force removed) in predicting job involvement. This effect held up when the analysis was of only severe layoff (25-70%) survivors.

It appears that mild layoff survivors were (a) able to handle the increased work load and ambiguity; (b) were employed by organizations that had properly prepared for the layoff or (c) the mild layoff resulted in little change or ambiguity. Another reason for the interaction is the suddenness of the severe layoff and its ramifications occurred so sudden that the survivors were overwhelmed and were unable to deal with the changes.

•e) Changes in Job Quality or Intrinsic nature of the Job

Hackman and Oldham have reported numerous results claiming the motivational properties of job enrichment. Enriched jobs are ones with increased levels of responsibility, task variety and autonomy. The increases are in vertical and horizontal responsibility and task variety. Jobs with increases in task size and horizontal responsibility are enlarged and not enriched. Enlarged jobs are less motivating than enriched jobs. In fact, enlarged jobs may not be motivating at all; they are most likely demotivating.

Job changes due to a layoff could be a positive change for some survivors. Since there are fewer employees and the same amount of work (or more) -- some people will find themselves doing tasks they would never have had the opportunity to perform. Their job is now enriched.

Alternatively, the post layoff job could be enlarged; with the removal of your coworkers to your left and right -- someone has to perform their work. Then more of the same work is given to you. How survivors will react to the layoff will depend upon how favorable they believe their post layoff job is. People who believe their job has been enriched will react more favorably than those who believe their job has been enlarged. This effect will last until the person experiences an incident or event that changes their mind. Such an event is seeing the layoff victims being replaced by temporaries at a smaller pay scale. The hiring of temporaries will partially remove the new work being provided to the survivor. This signifies that their job has been transformed from being enriched to enlarged. Brockner, Grover, Reed and DeWitt (1992b) reported that perceived job enrichment had a significant effect on perceived work effort.

Brockner, Wiesenfeld, Reed, Grover and Martin (1993, study 1) measured five dimensions from Hackman and Oldham's job enrichment dimensions in a field study of layoff survivors. The dimensions are: task autonomy, task identity, task variety, task significance and feedback. The five dimensions were used to create an index of perceived job quality. Perceived job quality proved to be a significant predictor of organizational commitment and turnover intention. It also interacted with perceived layoff fairness and favorability of coworkers' reactions to the layoff (two -- two way interactions) in predicting turnover intention. Based upon this it appears that survivors do respond favorably to post layoff job enrichment; just as recipients of non-layoff job enrichment. The job enrichment -- layoff fairness interactions shows that even though survivors are concerned about their post layoff job structure they are also concerned with the fairness of the layoff process. The job enrichment -- coworker reaction to the layoff interaction indicates that the employees do use their coworkers as a basis to decide how to respond. Future research will need to control for level of seniority and status.

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Respondents may not have been responding to the survey questions with their own opinions but with the 'company line' or the 'work group line'. They may have been 'getting along by going along' as the late Speaker of the House Sam Rayburn once stated.

Tertile splits were performed and showed that perceived change in job quality yielded a stronger relationship to change in organizational commitment when coworkers' reactions were perceived to be relatively favorable and when perceived fairness was relatively high. Similar results were observed for turnover intention.

Brockner, Wiesenfeld, Reed, and Grover (1993 Study 2) attempted to replicate the previous results in a laboratory situation. The study was a layoff type (fair or unfair) by post layoff task (interesting or boring) experiment. The task type manipulation failed to work. It consisted of subjects receiving a variety of materials in an application packet which included GMAT scores, recommendation letters and a 750 word essay. Subjects had to decide if the person should be accepted or rejected and to also write a brief description of the reasons underlying their decision. This was the interesting condition. The boring condition consisted of subjects being given the 750 word essay and told to count the number of words in the essay.

The authors claim that the unfairness manipulation left the survivors unresponsive to the job content. I doubt that this explains the observed results. How serious could the layoff manipulation be for undergraduates fulfilling a subject pool requirement? A second alternative reason for the failure of the job content manipulation is that the layoff survivors experienced positive inequity or guilt. Related to this is the idea that instead of experiencing positive inequity the authors believe guilt was experienced in the unfair layoff. A third alternative explanation, proposed by Brockner and associates, is that the unfavorable context threatened people's sense of control.

A more realistic alternative explanation, proposed by this author, is that the supposedly interesting and boring tasks were both boring. The interesting task may have had more responsibility but that does not make it interesting. Professional administrators and faculty of graduate programs consider the task of reviewing application materials as boring and tedious; even though it is incredibly important. This is reported from a group of experienced professionals who take the task very seriously. So if people who do it in reality find it boring why should research subjects find it more interesting?

Brockner, Wiesenfeld, Reed and Grover (1992a) examined survivor retrospective perceptions of job complexity change prior to the layoff. Perceived job complexity was a significant predictor of organizational commitment and turnover intention. The more survivors believed their jobs had become more complex the more organizational commitment increased and turnover intention decreased. A significant perceived job complexity by perceived fairness interaction was reported. Midscale splits were performed and showed that for those high in perceived fairness -- perceived job complexity change was more strongly related to change in turnover intention. This result mimics the results of the earlier study which used Hackman and Oldham's measure. Using different measures of the same phenomenon and obtaining similar results provides more credibility to the prior results.

♦2) Informal Organization Aspects

Aspects of the informal organization that could influence layoff survivor perceptions of organizational justice, work attitudes and behaviors are the organization's general norms or rules for treating employees, prior history of laying off employees and the company's prior history of treating employees in general. The first of three such variables is the Novelty or unusualness of the layoff. Novelty or unusualness of the layoff, avoidability and likelihood of additional staff

reductions provides survivors with an indication of the constraints management is working under. This information also provides survivors with a reference point for future human resource management decisions.

•a) Novelty or Unusualness of the Layoff

Brockner, Grover, Reed, DeWitt and Wiesenfeld (unpublished) and Brockner, DeWitt, Grover and Reed (1990) measured survivor perceptions of the layoff's novelty or unusualness and its effect upon organizational commitment, perceived work effort and turnover intention. Layoff novelty or unusualness was measured by asking survey respondents how congruent was the layoff with prior management style or organizational culture. When used with the stated reactions of the survivor's coworkers, novelty or unusualness was a significant predictor of organizational commitment.

In the second study (Brockner et. al. 1990) layoff novelty or unusualness failed to interact with management's explanation for the layoff in predicting organizational commitment, but the interaction was significant for perceived work effort. The relationship between layoff explanation clarity and perceived work effort was greater when the layoff was rated as novel or unusual. Survivors were more anxious during an unusual layoff and to ease their anxiety they sought information about the layoff. Management's explanation for the layoff is a readily available piece of information.

•b) Avoidability of the Layoff

Brockner, DeWitt, Grover and Reed (1990) measured, via survey, layoff survivor's perceptions of the avoidability of the layoff. Their hypothesis stated -- the more likely the layoff was perceived as avoidable the more likely survivors are to question its legitimacy. A significant relationship between the clarity of the explanation provided by management for the

layoff and organizational commitment was moderated by layoff avoidability such that this relationship was more pronounced when the layoff was seen as avoidable. Layoff avoidability had no impact upon turnover or perceived work effort. Survivors who felt that the layoff was avoidable felt low organizational commitment even when a clear explanation was provided.

•c) Likelihood of Additional Layoffs

Brockner, Grover, Reed, DeWitt and Wiesenfeld (unpublished) showed no effect for likelihood of additional layoffs on organizational commitment, perceived work effort and turnover intention when used with survivors perceptions of their coworkers reactions to the layoff in a regression equation. The non-significant effect continued when the likelihood of additional layoffs was used with the stated reactions of survivors coworkers in a regression equation.

In contradiction to the previous results Brockner, DeWitt, Grover and Reed (1990) reported that perceptions of the likelihood of future layoffs interacted with layoff account clarity when predicting organizational commitment such that the account clarity -- organizational commitment relationship was stronger when layoffs were perceived as more likely to reoccur. It appears that high procedural or interactional justice aspects helped survivors to accept what had happened (i.e. the layoff) and what may happen (i.e. future layoffs).

♦3) External Environment

Aspects of the external environment such as the practices of other organizations within and outside the particular industry, the nature of the economy, survivors and victims economic need to work and the unemployment rate are factors which could influence survivors perceptions of the layoff, their work attitudes and behaviors. Such information provides survivors with an accurate assessment of what environmental challenges the organization is facing. This

information is also likely to be used by survivors when they make judgments as to the fairness of the layoff and how to react to the staff reduction decision.

•a) Economic Need To Work

Brockner, Grover, Reed, and DeWitt (1992b) and Brockner, Grover, O'Malley, DeWitt, Reed and Glynn (1988b, Study 2) showed that survivors economic need to work, as measured by their response to a question asking if they were their family's breadwinner, interacted with perceived job threat and control (job insecurity aspects) to predict work effort. Midscale splits show that survivors with a high economic need to work had an inverted U relationship between job insecurity and work effort. Moderate levels of job insecurity (high perceived threat and control) or low job insecurity (low threat and control) produced higher organizational commitment than high threat and low control or low threat and high control conditions. Survivors may have been trying to ensure a place and an occupation for themselves in the post layoff company. The easiest way to achieve this was by becoming high producers. The only problem is that we can not be sure of the importance of economic need to work in the job insecurity -- work effort relationship. The inverted U relationship was observed without economic need to work.

•b) Actions Taken by Other Organizations & Layoffs occurring in Other Organizations

Brockner, Grover, Reed, DeWitt and Wiesenfeld (unpublished) showed that an environmental variable such as what actions were taken by other organizations within the same industry was a significant predictor of organizational commitment. But Brockner, Konovsky, Cooper, Folger, Grover and Reed (1990, Study 1, 2) reported that for layoff victims their beliefs about the commonness of layoffs occurring within other organizations failed to predict their desire for governmental regulation of future layoffs. Layoff survivors perceptions of layoffs in

other organizations failed to predict organizational commitment. Two questions asked victims and survivors about their beliefs concerning the commonness of other organizations within the same industry laying people off at the same time as the experienced layoff. A potential problem is how knowledgeable are respondents about the practices of other organizations within the same industry.

•c) State Unemployment Rate

Brockner, Grover, Reed, Dewitt and Wiesenfeld (unpublished) showed that the state unemployment rate failed to predict survivor organizational commitment, perceived work effort and turnover intent. This result is surprising when you consider that the turnover model by Muchinsky places an important role to the unemployment rate. According to the model people are less likely to voluntarily leave under conditions of high unemployment (few jobs are available).

♦4) Aspects of the Formal Organization

Aspects of the organization's formal policies for treating employees in general (and during a staff reduction) can influence survivor's perceptions of organizational justice and reactions to the organization's actions (e.g. staff reduction). Policies or procedures that attempt to lessen the burden experienced (by survivors and victims) will minimize the feeling of negative repercussions. If survivors feel that attempts to be fair have been made then it is possible that survivors will react more favorably to the organization and its actions.

Formal organizational aspects or policies to be highlighted are: compensation or caretaking provided to layoff victims and the severity or perceived severity of the layoff.

•a) Compensation & Organizational Caretaking for Layoff Victims

Brockner, Grover, Reed, DeWitt and O'Malley (1987 Study 1) and Brockner, Grover, Reed, DeWitt, and O'Malley (1987, Study 2) showed the effect of layoff victim compensation on

survivors in the laboratory and the field. The experiment's design was a compensation type (no compensation, slightly compensated, no layoff) by survivor prior identification (high or low) experiment. Compensation was the amount of credit given to the undergraduate subjects for participating in the experiment. The slightly compensated layoff consisted of the laid off confederate receiving partial credit. The outcome of interest in the laboratory experiment was performance quantity and quality on a proofreading task and organizational commitment in the field.

In the laboratory the uncompensated layoff was perceived as less fair to the laid off confederate as compared to the slightly compensated layoff. The uncompensated layoff was perceived as less fair than the compensated layoff when the layoff victim was perceived as being similar to the subject, but not when the laid off person was dissimilar.

In the field survey perceived compensation interacted with prior identification showing that those highest in prior identification and low in perceived compensation experienced the greatest decrease in organizational commitment. This shows that survivors are concerned with the treatment of those placed in their realm of organizational justice.

Brockner, Wiesenfeld, Reed, and Grover (1992a) measured survivor perceptions of layoff victim caretaking by the organization under the heading of perceived layoff fairness. Survivor organizational commitment increased and turnover intention decreased when survivors perceived the layoff as being managed fairly. Perceived fairness also interacted significantly with prior attachment for organizational commitment and bordered significance ($p < .06$) for turnover intention. The researchers failed to explore the nature of the interaction. This result is consistent with Brockner, Grover, Reed, DeWitt, and O'Malley (1987, Study 2) and my contention of the psychological attachment reflecting the inclusion of victims within survivor's

realm of organizational justice. Results highlight the importance of prior identification with victims.

Brockner, DeWitt, Grover and Reed (1993) measured survivor perceptions of the adequacy of organizational caretaking for layoff victims in the event of future layoffs as a factor that would influence survivor uncertainty. The outcomes of interest were organizational commitment and perceived work effort.

Perceptions of organizational caretaking in the event of additional layoffs moderated the relationship between layoff account clarity and positive change in organizational commitment. The relationship was more pronounced to the extent that organizational caretaking in the event of additional layoffs was judged inadequate. Managerial account (for the layoff) clarity and the positive change in work effort relationship was greater to the extent that organizational caretaking in the event of future layoffs was inadequate. Brockner and associates interpreted the results as suggesting that managerial accounts bear a stronger relationship to survivors reactions when survivors are relatively uncertain about why layoffs occur and when survivors attach greater significance to the outcomes of the layoff. Another reason is that people only pay attention to information that directly affects them. When an event affects someone similar to themselves it also could affect them ("There but for the grace of God go I") thus they pay greater attention to the event.

Compensation provided to victims was a significant predictor in four of four studies. Unfortunately it was a significant individual predictor in only one study. The significant interaction with prior identification highlights the importance of organizational justice effects on survivors, but only when victims are included in their realm of organizational justice. Survivors

pay little attention to how dissimilar people are being treated and are not using this information to gauge how they will be treated.

•b) Severity of Layoff

Brockner , Konovsky, Cooper, Folger, Grover and Reed (1990, Study 3) examined the degree to which the severity of the layoff influenced organizational commitment. Layoff severity was measured as the percentage of people removed. Layoff severity was a significant individual predictor and significantly interacted with procedural justice (actually interactional justice was measured) in predicting organizational commitment. Median splits showed high layoff severity and low procedural (actually interactional) justice resulted in the lowest organizational commitment.

Brockner, Grover, and Blonder (1988a) measured the percentage of people laid off as an indicator of layoff severity and as a predictor of job involvement. The sample consisted of layoff survivors who experienced severe (25-70%) and mild (2-5%) layoffs.

The overall sample indicates that layoff severity itself and interacting with prior role ambiguity and work ethic (two --two way interactions) predicted job involvement. Results of the severe layoff survivors were analogous to the overall analysis. Layoff severity was not a significant predictor of job involvement in the mild only layoff. It appears that only under the severe layoff conditions was job involvement affected. This may be due to the influence of other variables that were only present in the severe layoff (i.e. increased management control or tightening of supervisory control, role ambiguity, role stress or conflict).

D) Organizational Justice

◆1) Distributive Justice

Layoff fairness from a distributive justice perspective speaks to issues of outcomes being received and the fairness of those outcomes. For layoff victims and survivors outcomes such as continuation of health and medical coverage, severance pay, and outplacement assistance are signs of a distributively fair layoff. The more distributively fair a staff reduction is viewed the more likely survivors are to positively respond to the reduction. A distributively fair staff reduction helps to maintain or minimize any reduction in survivor commitment to the organization and trust in management.

Brockner, Grover, Reed, DeWitt and O'Malley (1987, Study 1, 2) showed that layoff survivor perceptions of compensation provided to the layoff victims significantly interacted with survivor prior identification with the layoff victims in both the laboratory and the field. Change in organizational commitment was greatest in the high identification -- low compensation condition. In the laboratory the outcomes of interest were performance quantity and quality in a proofreading task. The group with the least increase in performance quantity was the high identification -- uncompensated layoff condition. Subjects felt that victims were not receiving fair treatment and responded by decreasing their production.

Brockner, Wiesenfeld, Reed, and Grover (1993) and Brockner, Wiesenfeld, Reed, and Grover (1992a) measured survivors perception of organizational caretaking for layoff victims under the heading of perceived fairness. Perceived fairness consisted of survivor beliefs about caretaking services for the layoff victims provided by the company and interactional justice. Interactional justice aspects measured were the clarity of the layoff reason and how decent and humane the information concerning the layoff was delivered. Outcomes of interest were survivor organizational commitment and turnover intention.

Perceived fairness was a significant individual predictor of organizational commitment and turnover intention. When the layoff was perceived as being managed fairly organizational commitment increased and turnover intention decreased . Perceived fairness interacted with perceived job complexity for organizational commitment and turnover intention. Midscale splits showed that for survivors with high perceptions of layoff fairness -- perceived job complexity was more strongly related to changes in turnover intention. The perceived fairness by layoff survivor prior attachment interaction bordered significance at the $p < .06$ level for turnover intention. Perceived fairness significantly interacted with the favorability of coworkers' reactions to the layoff and with survivor prior attachment to layoff victims to predict organizational commitment (two -- two way interactions). Perceived fairness interacted with prior attachment to predict turnover intention. The interaction between perceived fairness and favorability of coworker's reactions bordered significance for turnover intention at the $p < .06$ level.

Perceived fairness moderated the perceived job change -- organizational commitment relationship such that the relationship was strongest when perceived fairness was high. Results show that various distributive justice concerns impact survivors. The interactive effects show that several aspects of the layoff can heighten survivors awareness to distributive justice concerns. A potential problem is the fact that two aspects of fairness (survivor's perceptions of organizational caretaking for layoff victims [distributive justice] and the clarity of the explanation offered for the layoff [procedural justice]) were measured simultaneously, each effect possibly confounding the other.

Brockner, Konovsky, Cooper, Folger, Grover and Reed (1990) investigated the amount of caretaking provided to layoff victims as an aspect of layoff severity. Layoff severity was

measured by asking layoff victims for their perceptions of the degree of negativity associated with the layoff. Issues such as the continuation of life insurance and medical coverage and severance pay were considered to be outcomes. Layoff victims were asked to specifically compare the layoff severity experienced within their organization to other organizations. The outcome variable of interest was layoff victims' desire for legal and governmental regulations of future layoffs. Benefits provided and the perceptions of how those benefits compared to other organizations were not significant predictors of layoff victims' desire for future layoff regulations. Benefits provided to layoff victims interacted with the amount of advance notice given (procedural justice) and interactional justice (two -- two way interactions) in predicting layoff victims' desire for future layoff regulations. Median splits showed that those who believed they had received low benefits and low interactional justice had high levels of desire for future layoff regulations. This shows that interactional and/or procedural justice issues are of greater concern to layoff victims than distributive justice concerns.

Brockner, Konovsky, Cooper, Folger, Grover and Reed (1990) measured the outcome negativity of the layoff by asking survivors their perceptions of the amount of organizational caretaking provided to layoff victims. The outcome variable of interest was survivors change in organizational commitment from pre to post layoff. The negativity of the outcomes (distributive justice) associated with the layoff was a significant predictor of organizational commitment. It also interacted with procedural justice. Median splits showed that those perceiving the outcomes given to victims as low, and low layoff procedural justice, had the lowest organizational commitment.

Brockner, DeWitt, Grover and Reed (1990) showed that perceptions of the adequacy of caretaking services provided to layoff victims in the event of future layoffs moderated the

relationship between the clarity of the layoff explanation and organizational commitment. The clarity of the explanation -- organizational commitment relationship was stronger when caretaking in the event of additional layoffs was judged inadequate.

Layoff explanation clarity and work effort were moderated by caretaking in the event of future layoffs. Explanation clarity -- perceived work effort relationship was greater when the organizational caretaking in the event of future layoffs was perceived as inadequate. Results indicate that distributive justice effects do influence survivor behavior but procedural and interactional justice effects were also present. A potential problem is that procedural and interactional justice aspects were measured concurrently with distributive justice.

♦2) Procedural and Interactional Justice

Procedural and interactional justice are concerned with the procedures for deciding who is or is not laid off, the fairness of the procedures used to come to that conclusion, and how well the information concerning the layoff was disseminated. Finally, interactional justice is concerned with how humane was the treatment received by all involved (survivors and victims). Procedurally and interactionally just staff reductions can help the organization minimize some of the potentially negative reactions experienced by survivors. A fairly implemented reduction could leave survivors feeling and believing that the organization responded properly to a crisis.

Procedural and interactional justice will be addressed together due to the current debate concerning whether they are separate. This author believes them to be separate forms of organizational justice, but since very little interactional justice research has been conducted no clear conclusions can be made. One form of procedural and interactional justice is managerial accounts for the layoff. Aspects of that managerial account will be considered in any assessment

of organizational justice. Clarity and informational value / content are key aspects of a managerial account.

•Account or Explanation Clarity

Brockner, Grover, Reed, DeWitt and Wiesenfeld (unpublished) reported that the clarity of management's explanation regarding the layoff was not a significant predictor of organizational commitment, work effort and turnover intention. The same lack of significance occurred for the clarity of management's communication concerning future layoffs. Brockner, Grover, Reed, and DeWitt (1992b) reported non-significant effects for survivor perceived distributive and procedural fairness of the layoff. Subjects were actual layoff survivors and the outcome was perceived work effort.

Brockner, DeWitt, Grover and Reed (1990) and Brockner, Wiesenfeld, Reed and Grover (1993) reported results of their field studies which showed the importance of managerial account clarity on organizational commitment. The greater the layoff account clarity the more positive was the change in organizational commitment. Managerial account clarity was not related to work effort or turnover intention. The relationship between account clarity and positive change in organizational commitment was more pronounced to the extent that future layoffs were more likely to reoccur.

In the second study (Brockner, Wiesenfeld, Reed & Grover, 1993) perceived fairness was a significant predictor of organizational commitment. It also interacted with the favorability of coworkers' perceptions of the layoff and survivor prior identification with layoff victims to predict organizational commitment (two - two way interactions). The perceived layoff fairness interacted with prior attachment to victims to be a significant predictor of turnover, while perceived fairness interacted with coworkers stated favorable reaction to the layoff at the $p < .06$

level for organizational commitment. Perceived fairness interacted significantly with perceived job quality to predict organizational commitment and turnover intention. Tertile splits indicated that perceived job change -- organizational commitment relationship was strongest when the perceived fairness of the layoff was high. Similar results were obtained for perceived job quality -- turnover relationship. The high impression of organizational justice may have helped to prime survivors to view the staff reduction as a potentially positive event. Furthermore the organization may have prepared and articulated strategies for the staff reduction and inevitable post layoff reorganization.

Brockner, Wiesenfeld, Reed and Grover (1992a) measured how clearly and adequately the explanation for the layoff was presented. How humanely the organization delivered the layoff news was also measured and used to create the interactional justice measure. The outcome variable of interest was survivors retrospective self reports of their organizational commitment and turnover.

Perceived interactional fairness was a significant predictor of organizational commitment and turnover. Organizational commitment increased and turnover intention decreased when survivors perceived the layoff as relatively fair. Prior attachment to the layoff victims interacted with the perceived interactional fairness of the layoff to significantly predict organizational commitment and bordered significance for turnover intention ($p < .06$). Perceived interactional fairness interacted with change in job complexity to be a significant predictor of organizational commitment and turnover intention. Midscale splits showed that for those who perceived the layoff as interactively fair, job complexity was more strongly related to change in turnover intention. Similar results were observed for organizational commitment, but the nature of the interaction was unexplored.

Brockner, Konovsky, Cooper, Folger, Grover and Reed (1990, Study 1, 2) examined the effects of the degree of advance notice, how humanely the layoff was implemented and the clarity and adequacy of management's explanation for the layoff on layoff victims desire for governmental and legal regulations for future layoffs and organizational commitment. How humanely the layoff was implemented, clarity and adequacy of the managerial explanation are interactional justice components. Brockner stated that the aspects of justice measured were perceived procedural justice. Benefits to victims was placed under the heading of the outcome negativity of the layoff (distributive justice). Advance notice and benefits to victims were not significant predictors in study one but were in study two. Their interaction was significant. Those with low perceived benefits and notice (low distributive and procedural justice) led to the highest desire for governmental regulation for future layoffs. Interactional justice was a significant individual predictor and interacted with perceived benefits to predict desire for future layoff legislation. Median splits showed that those perceiving low benefits and interactional justice had the highest desire for governmental regulation and lowest in organizational commitment. In the second study the negativity of the outcomes (benefits provided to victims which is distributive justice) and procedural (actually interactional) justice were significant individual and interactive predictors of organizational commitment. These results highlight the importance of procedural and interactional justice concerns.

Brockner, Konovsky, Cooper, Folger, Grover and Reed (1990, Study 3) continued their previous results and attempted to ascertain what influence the severity of the layoff, as measured by the percentage of people removed, would have on organizational commitment. Procedural (interactional) justice was measured by the same self report questions as in studies one and two. Procedural (interactional) justice was a significant individual predictor of organizational

commitment. Procedural (interactional) justice significantly interacted with the severity of the layoff to predict organizational commitment. Median splits showed that those in the high layoff severity -- low interactional justice condition reported the lowest organizational commitment scores. Under severe layoff conditions the treatment being given to layoff victims was important to survivors. Survivors may have used the treatment received by layoff victims as a barometer of the possible treatment they could expect.

Brockner, Grover, Reed, DeWitt and Wiesenfeld (unpublished) examined the importance of the clarity of the layoff explanations, clarity of the statement regarding future layoffs and decision rule fairness. Decision rule fairness was a significant predictor of organizational commitment and perceived work effort.

Brockner, DeWitt, Grover, and Reed (1990) survey measured layoff survivor's perceived layoff decision (who stays versus who leaves) clarity and fairness, clarity of the explanation for the layoff and their effects upon survivor organizational commitment, perceived work effort and turnover intention.

The greater the clarity of the layoff explanation or account the more positive was the change in organizational commitment. Layoff explanation clarity was not related to perceived work effort or turnover intention. Layoff explanation or account clarity interacted with layoff decision rule fairness to impact organizational commitment such that the account -- organizational commitment relationship was greater when the decision rule was perceived as fair. Account clarity did interact with decision rule fairness and clarity to predict perceived work effort. The layoff explanation clarity -- perceived work effort relationship was greatest when the decision rule was perceived as unclear and unfair, thus survivors were unsure as to the layoff's cause and responded by increasing or perceiving that they increased their work effort.

This perceived increase may be similar to the performance effect observed by those experiencing positive inequity. Both groups (the positive inequity and the unsure layoff survivors) are attempting to either (a) prove their worthiness to remain (management's decision was correct) or (b) prove their worthiness to remain in the event of future layoffs.

E) Criticisms of the Layoff Survivor Research

◆A) Significant Task Effect and/or Potential Demand Characteristics

Several of the laboratory studies reported a significant task effect from the pre to the post layoff conditions. Brockner et al., (1986); Brockner et al., (1985); Brockner et al., (1987, Study 1); and Brockner, et al., (1988b, Study 1) all reported significant task effects occurring within their respective experiments. This meant that subjects were performing naturally better on the second task due to possible experience, practice effects or external factors such as boredom or renewed interest may have developed after things became interesting (due to the layoff manipulation). This does raise a hint of concern about the cause of the difference. The difference may have been caused by the manipulations, the task itself or some experimental confound such as practice effects or task familiarity.

Related to the issue of task effects is the possible presence of demand characteristics. Subjects were undergraduates students and may have been working hard on the post layoff task in an attempt to impress the experimenter (a business school professor). Brockner, et al., (1988b, Study 1) reported this problem in a different form in one of his field studies. The dependent variable questions followed the independent variable questions within the survey. The format of having the independent variables first may have provided respondents with a frame of reference that may not have been present. This reference frame could have affected the responses obtained.

◆B) Layoff Manipulation Lacked a Job Insecurity Component

Several of the laboratory studies admitted to using a layoff manipulation that lacked a job insecurity component or they failed to measure the presence of job insecurity (Brockner et al., 1986; Brockner et al., 1985; Brockner et al., 1987, Study 1). Subjects were not led to believe that future dismissals were evident. This limits the realism of the layoff manipulation even further. The lack of job insecurity present in the layoff manipulation limits the study's generalizability to actual organizationally based layoffs.

Brockner, et al., (1988b, Study 1) included a job insecurity manipulation, but it was a poorly constructed manipulation. The high insecurity group may have been high in job insecurity, but the other group may not have been low or lower than the high group on perceived job insecurity. The fact that the subjects were told nothing of what the removal of their fellow research participant meant to their job security does not mean they were unaffected by the removal. Survivors could have been just as insecure as the high insecure group. It is also true that the survivors may not have been affected to any degree by the removal of their fellow research participant. So the low job insecurity group may not have been low. They could have been high or not insecure at all. A manipulation check was in order, but was not performed.

When a job insecurity manipulation was present it was confounded by the aspects that create job insecurity -- namely perceived control and threat. We do not have any indication of which aspect of job insecurity is more important or if any aspect is more important. Finally, subjects were not dependent upon the task for an income. It was a laboratory study and they knew it.

♦C) Construct Validity Issues

Brockner, et al., (1993, Study 1); Brockner, et al., (1992a, b); Brockner, et al., (unpublished); and Brockner, et al., (1990) used retrospective self report measures of

organizational commitment, intrinsic value of work, perceived work effort and turnover intention. Possible construct validity issues could be raised when using retrospective self reports. First, retrospective self report raises issues of memory and possible bias due to false remembrance as potential confounds. Second, perceptual bias and distortion are possible. This dilemma is enhanced when the self report involves retrospective information recall. In the case of job complexity changes -- actual job complexity measures could have been taken (e.g. such as span of control or the number and complexity of tasks to be performed) in lieu of the perceptual measure. Or the measures of perceptual and actual job complexity could have been taken and an examination of the congruence between the actual and perceptual measures could have been assessed. Related to this is the fact that work effort was not actually measured, but perceived work effort was measured. Workers could have false perceptions as to their work effort. It is rare that someone will say that they do not work hard or that they do not put enough effort into their work. Third, the construct validity of the dependent variables perceived work effort, organizational commitment, turnover intent and job complexity change is questionable. Respondents were instructed to think -- "now in comparison to how you felt one month prior to first hearing that there would be layoffs" . . . --- before answering any of the questions. No mention as to how long the actual time gap between when the first layoff was implemented and when the survivor surveys were distributed was made. The time gap between the layoff implementation and survey disbursement is important. Related to this problem is a more serious limitation. Survivors may have been responding as they think they should be responding (i.e. Social Desirability). Whether this responding is different from the actuality is a question for research and not armchair theorizing. This is not a problem particular to the studies mentioned, but to all survey measurement of attitudinal variables such as organizational commitment and

turnover intent. It is a concern when more objective variables such as work effort and job complexity are used. Such variables can be objectively measured. Also no pre -- post measurement of perceived work effort was attempted.

An important contribution to the limited knowledge base has been made by the mentioned studies. Unfortunately the issue of causality or directionality of effects cannot be made. It may be that those who are more committed to the organization may view the layoff as an opportunity to obtain more responsibility. A second alternative interpretation is that those who were lowest in post layoff organizational commitment may have been the lowest prior to the layoff and the layoff just provided them a point to build their resentment or unhappiness around. Finally, those who were lowest in organizational commitment may have skewed memories of how well the organization treated the layoff victims (outcome negativity) and the organizational fairness of the layoff.

◆D) Potential Sampling Issues

Brockner, et al., (1987, Study 2); Brockner, et al., (1993, Study 1); Brockner, et al., (1992a); Brockner, et al., (1992b); Brockner, et al., (1990, Study 1, 2); Brockner, et al., (1988, Study 2); Brockner, et al., (unpublished); and Brockner, et al., (1990) used samples that raise generalizability issues. Brockner, et al., (1990, Study 1) used layoff victims who were first time registrants for unemployment benefits. This means the results are difficult to generalize to a sample of layoff survivors. A second sampling bias issue is the fact that they were first time registrants for unemployment benefits -- which means they have had no prior experience with being laid off and may have very limited work histories. Generalizing the results to a future sample of layoff victims, with greater work histories, could prove problematic.

Brockner et al., (1987, Study 2) sample consisted of 504 actual layoff survivors. They were predominantly women (91%), white (84%), with a mean age of 38 and married (70%) store clerks (74%) or managers who had a mean tenure of 4.13 years with the company. The sample is skewed with regard to gender, race and level within the company. One cannot but wonder if the results obtained from a more heterogeneous sample (with regard to race and gender) would be different. Also the lack of more managerial or professional level employees raises an issue of comparison. The new wave of layoffs currently underway in corporate America are affecting white collar, managerial and professional level employees who never expected to be laid off. Lower level employees such as clerks, salespeople and other nonprofessional level employees would have a greater experience with and probability of having been laid off.

A final sampling criticism is the fact that the sample was the same for several studies -- seven studies to be exact. Brockner, et al., (1993, Study 1); Brockner, et al., (1992a); Brockner, et al., (1992b); Brockner, et al., (1990, Study 2); Brockner, et al., (1988, Study 2); Brockner, et al., (unpublished); and Brockner, et al., (1990) reported samples consisting of 597 predominantly female (91%), white (83%), married (70%), sales clerks (74%) or store managers with a mean tenure of 4.13 years and average age of 37. Only 37% percent of all surveys distributed were returned in each report. It is unlikely for seven studies to have respondents with the same exact frequency distribution unless the variables were all measured by the same survey, at the same time and on the same people. If this is the case then measurement and sample bias issues could be present. A measurement issue is the potential for demand characteristics to influence respondent answers to the dependent variable questions. The independent variables were placed before the dependent variables in the survey. Sample bias

could become a problem if the survey was extremely long. If the survey was excessively long then it is possible that only those who felt very strongly would have responded. This leads to the sample being skewed. Finally, the authors (a) never tell the reader that the measurements for all seven studies were taken at once and (b) never tell the reader the length of the survey itself.

◆E) Measurement Issues

Brockner, et al., (1992b) measured the perceived threat and control subspects of job insecurity with single items. A psychometrically valid and reliable job insecurity scale created by Ashford, Lee and Bobko (1989) was not used. No indication was provided as to why the scale was not used.

Brockner et al., (1988a) attempted to operationalize layoff severity as the percentage of the workforce removed. The severity of layoff measure could be misinterpreted. Percentages of the total workforce leaving is a good idea in theory, but falls short in practice. If a small independent operation and General Motors each decide to cut 25% of their respective staffs -- the actual number of people being cut and the psychological effects are different, but the percentages are the same. Also a small independent operation could cut 10% of staff and still feel the same psychological effects of General Motors cutting 25% or more. Finally, the smaller operation could have cut 2%, but because everybody knows each other the effect could be comparable to General Motors cutting 40% or more. So if a numerical index of layoff severity is going to be used then it should be standardized. Something akin to transferring the original numbers into z scores would allow for a superior comparison. Also the psychological severity of the layoff could not be measured by a numerical indicator. Personal experience with or personal knowledge of the layoff victims may be a better severity indicator.

Brockner, et al., (unpublished) measured the amount of communication between layoff survivors as a predictor of organizational commitment, perceived work effort and turnover intention. The logic was that the communications that occur between employees would directly deal with the layoff and that the communications would contain information about how to think, act and interpret the layoff. The amount of communication between coworkers may be a result and not a cause of survivors' reactions (positive or negative). Also the organization may have developed little cliques each having a different interpretation of the layoff's positive or negative effect on them. So a person's responses and his / her perceptions of their coworkers' reactions may be dependent upon their reference group or cliques. Finally, some of the independent and dependent variables were measured by single items. No reason was given why more items were not used. Standardized scales for some of the variables of interest exist. The items currently being used and the standardized scales could have been used in conjunction; as an attempt to achieve some convergent evidence.

VIII Summary

Layoffs have the ability to create multiple reactions in survivors (Brockner, 1988). These reactions may be psychological (job insecurity or anxiety), behavioral (reduced / increased productivity, sabotage) and/or emotional (guilt, resentment & anger) in nature. If organizations intend to use layoffs as a cost cutting measure then their consequences upon the remaining workforce must be delineated (as well as potential moderators). Otherwise the assumed monetary gains by reducing the workforce (smaller pay & benefits costs) may be negated by decrements in performance and commitment, as well as an increase in voluntary turnover among the survivors. Research needs to consider survivors when layoff or restructuring decisions are made.

The organizational justice literature and the limited layoff survivor literature demonstrate that people can delineate procedural from distributive justice. Results show that procedural justice exerts greater influence upon evaluations of formal leaders and organizations than distributive justice. This means that decision makers should pay closer attention to procedural justice concerns than distributive justice concerns when planning potentially distributively negative events, such as a layoff or restructuring. Future layoff research will need to (a) build upon the limited results by applying research to jobs in higher organizational levels (white collar professional level employees) and (b) begin to examine the organizational justice of the post layoff job. Little will be gained by a company that manages an organizationally just staff reduction but creates an organizationally unjust post layoff work environment or structure.

To date, a deficiency in the empirical research literature exists with regard to interactional justice. The organizational justice literature is still arguing whether or not it exists. They have failed to attempt to measure it and examine convergent and divergent validity evidence. The limited layoff survivor research has measured interactional justice but has also labeled it procedural justice and measured it along with procedural justice. This has resulted in only one layoff survivor study measuring interactional justice, calling it interactional justice and separating it from procedural justice (Verdi, 1994). Future organizational justice and layoff survivor research will need to examine the role of interactional justice. I suspect that its importance will surpass distributive justice and rival procedural justice.

The impressions leaders give must be managed, especially under times of uncertainty and stress -- such as a layoff. Leaders who are perceived by their subordinates as being fair will experience greater loyalty, commitment and trust than unfair leaders. One way of creating and managing an impression of fairness is to provide explanations or accounts for potentially

arbitrary behavior. Explanations or causal accounts are used in an attempt to extract people from situations where blame or sanctions are to be imposed. Blame or sanctions are visited upon those who are perceived as being negligent. Explanations claiming that an actor's behavior was not volitional, but due to external constraints can help to minimize any perceived fault.

People will attempt to redress any inequity that is perceived to be due to internal, stable, and controllable aspects of the transgressor (Greenberg, 1990a,b). This also applies if the outcomes of the actor's actions are intentional. That is, causes perceived as internal to the actor, controllable by the actor and not varying over time heighten people's sense of injustice. Locus of causality is believed to influence self esteem. Failure to follow through on a social contract that is attributed to external causes helps to maintain the excuse gives public self image and self esteem. Controllability is believed to relate to affective outcomes. Anger, loss of respect or trust in / for that person are potential responses to an individual who engages in a controllable act that harms others. Intent implies volitional control. Intentional actions, like controllable actions, that harm others lead to negative affective outcomes (i.e. anger, outrage) and behavior (i.e. people picket or mob violence). Stability of action over time is related to future expectations others will have. Failure due to a stable cause can diminish or destroy the expectations others will have concerning future behavior. People will not have confidence in your ability to provide the service you once provided. In the world of work this means being delegated tasks that have no authority or importance.

A simple form of impression management is a causal explanation which lessens the actor's perceived responsibility by providing an alternative explanation that consists of fault residing in causes that are external to the actor, unstable over time and uncontrollable on the part of the actor. Excuse giving research suggests that attributions of internal locus, controllability,

stability and intentionality intensify people's sensitivity to injustice. A causal explanation lessens the actor's perceived responsibility by providing an alternative explanation. This absolves the actor, in the recipient's eyes, of any resulting injustice. Unfortunately the excuse giving research has failed to examine the value or importance of excuses for distributively unfair events (i.e. layoffs). Organizations are using impression management techniques; either consciously or unconsciously. We need to evaluate their effectiveness and to investigate what aspects make them effective or ineffective. That is why I propose to evaluate the layoff explanations or accounts on the three causality dimensions of locus, stability and controllability.

It should be emphasized that this research project is concerned with the effect of the causality dimensions of the explanation provided (excuse or causal account) for the layoff and the perceived organizational fairness of the layoff upon survivors' subsequent work behaviors and attitudes. It is not the layoff that is viewed as internal, stable, controllable and intentional, but the reason for having the layoff. It is true that no layoff can be unintentional, but the reason for the layoff can be unintentional (or uncontrollable). Weiner et. al, (1987) differentiated between intentionality and controllability. Intent implies that the action was purposive and knowledge of the consequences was present (see Fincham & Jaspers, 1980). An action can be considered unintentional if the actor (here the explanation provider) is perceived as not being cognizant of the repercussions of his or her actions. Control implies that the actor was in control of his/her actions or decisions. Weiner et. al. (1987) describe the control-intent distinction made by American law, exemplified in the distinction between murder and manslaughter. Murder implies control and intent. Manslaughter implies control but a lack of intent.

IX Hypotheses

- H1: Organizational commitment and trust in management will be lower when the layoff explanation is rated as internal, stable and controllable than when the layoff explanation is rated as external, unstable, and uncontrollable.
- H2: Layoff survivors who receive and believe the causal explanation or causal account for the layoff will rate the perceived procedural and interactional justice of the layoff higher than those who receive and do not believe the causal account.
- H3: Layoff survivors who receive and believe the causal explanation or account for the layoff will report higher responses to measures of organizational commitment and trust in management than those who receive and do not believe the causal explanation.
- H4: Procedural justice measures will account for a greater amount of variance in organizational commitment and trust in management than that contributed by distributive justice.
- H5A: Powerlessness due to job insecurity will interact with procedural justice to affect organizational commitment and trust in management. Those who report high powerlessness and low procedural justice will have lower responses on the organizational commitment and trust in management measures than the other three groups.
- H5B: Powerlessness due to job insecurity will interact with interactional justice to affect organizational commitment and trust in management. Those who report high powerlessness and low interactional justice will have lower responses on the organizational commitment and trust in management measures than the other three groups.
- H6: Interactional justice measures will account for a greater amount of variance in trust in management than that contributed by procedural justice.

X Method

A) Subjects

The sample consists of 191 evening MBA, Masters, MS, MIS, ILR and undergraduate students who are employed by companies that have undergone or are going through a layoff. To take part in this study respondents must have been employed by the same company pre-and post-layoff. Three hundred and three surveys were distributed and one hundred ninety-five surveys

were returned. Four respondents were layoff victims and are not included in the sample. The total response rate is 64.4% and the usable response rate is 63.04%.

The sample was unevenly split on gender: 63% female, 37% male, with an average age of 30. The ages ranged from 19 - 50. Respondents had an average of three and a half years tenure in their current job (range 1- 15 years), four and a half years with their current organization (range 1-25), and an average of nine and a half years of total work experience (range 1-30). The sample was highly educated: 28% had some college or were working on their bachelor's degree, 52% had a college degree and 14% had their masters degree. The layoff was fairly recent for most of the sample: 46% reported it occurring within the last 12 months, 18% reported it occurring within the last two years and 7% reported it within the last three years. For some of the respondents the layoff was very recent as indicated by responses such as: "1 week ago (2%); yesterday (1%); 3 weeks (1%); continuous (1%); 3 months (1%); 6 months (1%)" and "on going (1%)".

B) Design

The method is a field survey using a questionnaire to assess the respondents' psychological reactions and attributions to being survivors of a layoff. The survey investigates the attributed Locus of causality (internal or external to the explanation provider), Controllability of actions (controllable or uncontrollable by the explanation provider) and Stability of actions (due to stable vs. unstable aspects of the explanation provider) causality dimensions of the layoff explanation. The study also assessed the importance of respondent's perceptions of perceived powerlessness due to job insecurity, procedural and distributive justice of the layoff and the post-layoff job environment and the interactional justice of the layoff upon survivors' organizational commitment and trust in management. The questionnaire also

measured, by way of open-ended questions, the reason(s) provided by management for the layoff (managerial causal explanation), what they believe was the real reason for the layoff and whether or not survivors believed management's layoff explanation. When survivors reported not believing the managerial account, follow-up questions asked what they believe is the actual reason for the layoff. Respondents rated the layoff explanation they believed to underlie the layoff on the three causality dimensions.

1) *Dependent Variables*

Organizational Commitment to the post layoff organization was measured by the fifteen item Organizational Commitment Questionnaire (Mowday, Steers & Porter, 1979; Angle & Perry, 1981). It is important to assess respondent's evaluations of their post layoff commitment to the organization, since layoffs represent a violation of the psychological contract and employees may react to this violation with diminished commitment to the organization. The measure has shown to be reliable. Previously reported alpha coefficients have ranged from .84 to .89 (Mowday, Steers & Porter, 1979). Prior test retest reliability coefficients were .63 to .75 (Angle & Perry, 1981). In a study with layoff survivors the measure showed an alpha coefficient of .92 (Verdi, 1994). Trust in company management will be measured by five items. Two are from Driscoll (1978) and three are from Roberts and O'Reilly (1974). A previous alpha coefficient for the Driscoll items was .37. Test retest correlations of .69 and .71 (Roberts & O'Reilly, 1974a, b) and alpha coefficients of .84 and .82 (Muchinsky, 1977) were reported for the Roberts & O'Reilly items. Responses to both scales were on a four point Likert format (4-Strongly agree, 1-strongly disagree).

2) Independent Variables

The layoff survivor research has demonstrated the importance of procedural, distributive and interactional justice on survivor work attitudes and behaviors. Each type of organizational justice has been shown to be important in influencing employees' attitudes during stable times. Under a time of rapid change (i.e. a layoff) the importance of how employees are treated by the dismissing organization should be evaluated. The procedural and distributive justice scales will look at the organizational justice of the layoff and the post-layoff job environment.

Perceived Procedural justice of the layoff and the post-layoff job environment together were measured by 38 items. The fairness of the post layoff organization was measured by twenty items (Folger & Konovsky, 1989). The fairness of the layoff itself was measured by eighteen items: two are from Moorman (1991), two are from Daly and Geyer (1993), three from Bies, Martin and Brockner (1993), two from Alexander and Orlansky (1993) and nine from Folger and Konovsky (1989). Post layoff procedural justice and layoff procedural justice share nine items. The items have been reworked to focus upon either the post layoff organization or the layoff itself (depending upon the scale it is in). The redundancy in items was due to the layoff and post layoff environment sharing common issues. Responses were on a four point Likert format (4-Strongly agree, 1-strongly disagree). A sample item is "The organization was honest and ethical in dealing with you." Prior alpha coefficients reported for the nine (of twenty six) Folger and Konovsky items are of .85 to .89 (Folger & Konovsky, 1989) and .94 with layoff survivors (Verdi, 1994). The two items from Moorman (1991) were taken out of a seven item scale with a reported reliability of .94. The two Daly and Geyer (1993) items were taken out of a three item scale with a reliability of .88. The two Alexander and Orlansky (1993) items were

taken from a three item scale with a reliability of .85. The three Bies, Martin and Brockner (1993) item scale reported a reliability coefficient of .81.

Perceived Interactional justice of the layoff will be measured by thirteen items: three items assembled by Brockner (Brockner, Wiesenfeld, Reed, & Grover, 1992), one item from Brockner, Konovsky, Cooper-Schneider, Folger and Martin (1994), four items written by this author and five items written by Moorman (1991). Brockner claimed his items measured procedural justice, but upon closer inspection they measure interactional justice. Responses are on a four point Likert format (4-very fair, 1 - very unfair). An example is "How fairly was that method of dismissal implemented." Brockner, Wiesenfeld, Reed, and Grover (1992) reported alpha coefficients of .76 and .79 for his items. Previous research by the author (Verdi, 1994) reported an alpha coefficient of .94 for the three Brockner and four Verdi items together. Moorman (1991) reported an alpha coefficient of .93 for his items. The one item from Brockner, Konovsky, Cooper-Schneider, Folger and Martin (1994) was part of a three item scale with a reported reliability of .76.

Perceived Distributive justice of the layoff and the post layoff organization will be measured by a twelve item distributive justice scale (Price & Mueller, 1981, 1986; Bavendum, 1985; Boyer, 1985; Sorenson, 1985; Brockner, Grover, Reed, De Witt, 1987; and Alexander & Oliansky, 1993). Six items are from Price & Mueller (1981, 1986) Bavendum (1985) Boyer (1985) and Sorenson (1985). Four items are from Brockner, Grover, Reed, De Witt (1987) and two items are from Alexander and Oliansky (1993). Responses are on a four point Likert format (4-Very fairly distributed, 1-very unfairly distributed). A sample item was "To what extent are you fairly rewarded considering the responsibilities that you have." Prior alpha reliability coefficients reported were of .94 and .95 (Price & Mueller, 1981; 1986; Bavendum, 1985;

Boyer, 1985; Sorenson, 1985). Prior research by the author (Verdi, 1994) reported an alpha of .93 for the six item scale (Price & Mueller, 1981; 1986; Bavendum, 1985; Boyer, 1985; Sorenson, 1985) with a sample of 168 layoff survivors. Brockner, Grover, Reed, De Witt, (1987) reported a reliability coefficient of .80. The two Alexander and Oliansky (1993) items were taken from a three item scale with a reliability of .75.

Powerlessness stemming from job insecurity was measured by the three item powerlessness subscale of the Job Insecurity Scale (Ashford, Lee & Bobko, 1989). Responses are on a four point Likert format (4-Strongly agree, 1-strongly disagree). A sample item is "I have enough power in this organization to control events that might affect my job." Greenhalgh (Greenhalgh, et al; 1984) postulated and supported the negative effect job insecurity has on employees. Brockner (Brockner et al; 1988) reported an inverted U relationship between insecurity and perceived work effort. It is important to assess the effect insecurity has on work attitudes. Previous alpha reliability coefficients reported were .83 (Ashford, Lee & Bobko, 1989) and .78 by Verdi (1994) with 168 layoff survivors.

The Causal Dimension Scale (Russell, 1982) was used to rate the layoff explanation survivors believed to underlie the layoff on the Locus, Stability and Controllability dimensions. This seven item measure contains two items covering the Locus of causality, two for stability of causality and three for controllability of causality. The format of the Causal Dimension Scale is similar to a Semantic Differential scale. Responses are on a nine point scale. A sample item is "Is the cause of the layoff something that: reflects an aspect of company management -- 9 8 7 6 5 4 3 2 1 -- Reflects an aspect of the company's situation" (Locus of causality item). A rating of nine is on the "internal to company management", "controllable by company management" and "due to stable aspects of company management" end of the rating scale.

Layoff explanations can be treated as excuses, causal accounts or explanations for the violation of the psychological contract between employee and employer. Their importance or lack of importance as an impression management tool should be evaluated.

Each scale has been shown to possess sufficient psychometric properties. Previous studies have shown each scale to accurately measure its supposed construct. Table One shows the measuring instruments, previous reliability coefficients and prior evaluation articles. Appendix Two includes the survey. Table Two shows the items that comprise each scale.

XI Procedure

Respondents were recruited from evening Masters, MBA, ILR, and undergraduate classes during February, March, and April of 1995. Professors and students were told about the study. The professors were provided with a copy of the survey. Prior to the distribution of surveys students were told the research topic and the requirements for participation, i.e. they must be employed, prior to and after the layoff, by a company that has laid off some of its workforce. Distributed surveys were returned via self addressed stamped envelopes.

XII Results

Three hundred and three surveys were distributed. One hundred and ninety five were returned of which one hundred and ninety one were usable. Therefore, the total response rate was 64.4%, and the usable response rate is 63.04%. Eighty seven percent of the respondents reported being provided an explanation for the layoff. More than half of the sample believed the explanation provided (63% believed; n=107; 37% did not; n=63); 73% (n=123) percent reported that the explanation provided by management was clear or very clear and 57% (n=95) reported that the layoff explanation provided was adequate or very adequate. Eighty-seven percent

(n=166) reported being provided a reason for the layoff and 13% (n=25) reported not being provided an explanation.

Factor Analysis and Scale Construction

Hypothesis Six specifically requires a comparison of procedural justice (of the layoff and post layoff organization) and interactional justice be performed to find out which one is a superior predictor of organizational commitment and trust in management. Due to the nature of the scales measuring interactional and procedural justice, exploratory factor analysis was used to examine the underlying properties of each scale. It was anticipated that the procedural and interactional justice items would load upon separate factors. The post layoff procedural justice and the layoff procedural justice scales are not the same scales. They do share some items, but the post layoff procedural justice scale has more items than the layoff procedural justice scale. The layoff procedural justice scale consists of eighteen items and the post layoff procedural justice scale consists of twenty items. They have nine items in common. The redundancy was due to the layoff and post layoff environment sharing some common issues.

Two sets of factor analysis were performed to examine: 1) the interactional and post layoff procedural justice scales and 2) the interactional and layoff procedural justice scales. Principal axis factoring with a direct oblimin rotation was performed. The criteria for evaluating a factor structure was the number of residuals greater than .05, the number of items with loadings .40 or better, the number of cross loading items, the size of the loadings for items that did cross load, the interpretability of factors, and the cumulative percent of variance explained. The goal was to increase the percent of variance explained, minimize the number of residuals greater than .05, maximize the number of items with loadings .40 or higher and to

decrease or have no items with cross loadings. A residual is the difference between the actual correlations observed and the correlations reproduced from the factor structure.

The purpose of the factor analysis was not scale construction or item weighting, but to empirically support: the conceptualization of procedural and interactional justice as distinct types of organizational justice; Folger and Konovsky's factor structure of procedural justice; and Greenberg's two factor structure of interactional justice. If the items for interactional and procedural justice loaded on separate factors, then the items for each could be summed to form separate scales.

A five factor solution for the interactional -- post layoff procedural justice analysis was acceptable. The five factors accounted for 54.4% of the variance and had only 88 (18%) residuals greater than .05. While other solutions increased the cumulative percent of variance and decreased the number of residuals, none of those solutions resulted in a satisfactorily interpretable solution. The factors resulting from the five factor solution were the most interpretable. The lowest factor loading was .32 and there were no cross loading items.

The five factor solution resulted in the post layoff procedural and interactional justice items loading upon separate factors. The factor structure of the procedural justice items was similar to that reported by Folger & Konovsky (1989). The three post layoff procedural justice factors are Feedback and Planning; Behavior (Folger & Konovsky's Unnamed) and Recourse / Voice Input / Process Control. The two interactional justice factors coincide with Greenberg's (1994) two factor notion of Interpersonal and Informational justice. The names for the factors come from the factor names used by Folger and Konovsky; and Greenberg. Table 3 shows the factor loadings and factor correlations.

The analysis of interactional-layoff procedural justice was less clear cut. The six factor solution, which appeared to be the best solution, resulted in two interactional justice items loading with several procedural justice items and one layoff procedural justice item loading with an interactional justice item. This solution resulted in 58% of the variance being accounted for and 71 (17%) residuals greater than .05. The two interactional justice items that loaded with the procedural justice items are "How fairly was that method of dismissal carried out" and "Management was able to ignore personal prejudices / opinions while carrying out the layoff". All of the other interactional justice items loaded together. The procedural justice item that loaded with an interactional justice item is: "During the layoff the organization was candid and frank with me". The six factors are Planning and Procedures; Recourse / Voice Input; Interpersonal Justice (interactional justice); Feedback; Informational Justice I (interactional justice) and Informational Justice II (interactional justice). For the six factor solution the smallest loading was .38. There were no items with cross loadings above .3. The procedural justice factor names came from the original factor analytic work of Folger and Konovsky. The items that are used here from Folger and Konovsky resulted in a factor structure similar to the structure reported here. Due to the similarity of factor structures it was deemed acceptable to use their factor names. The interactional justice factor names stem from the strictly conceptual work of Greenberg. Table 4 shows the factor loadings and factor correlations.

The factor analysis results showed that the post layoff procedural and interactional justice items loaded on distinct factors. It also showed that the interactional justice and layoff procedural justice items were distinct. This resulted in the ability to directly compare the interactional and post layoff procedural justice scales. It also meant that the comparison of interactional and layoff procedural justice would require new scales to be computed. This

reconceptualization is required because the factor analysis results showed that two interactional justice items were loading with several procedural justice items and that a procedural justice item loaded with an interactional justice item. To create the layoff procedural justice scale all of the layoff procedural justice items (except the one that loaded with the interactional justice items) and the two interactional justice items that loaded with the procedural justice items were averaged together to form a score. The remaining interactional justice items and the remaining layoff procedural justice item were averaged together to form an second interactional justice measure (called interactional justice B). This resulted in two interactional justice scales: interactional justice A which will be used with the post layoff justice measures and interactional justice B which will be used with the layoff justice measures. Interactional justice A and B share nine items in common. Interactional justice A consists of eleven items and interactional justice B consists of ten items. Interactional justice B has one item added that is not in interactional justice A and also has two items dropped from it that are present in interactional justice A.

There are several compelling arguments why the procedural and interactional justice items were aggregated into two separate scales rather than into several separate scales as dictated by their factor analytic solutions. First, procedural and interactional justice have been conceptualized as being multifaceted, so the result of a multifactor structure being the best observed solution is not surprising. Prior research has used single item measures (as Brockner did) and the authors still agreed that the constructs were multidimensional. Folger and Konovsky presented conceptual and empirical support for a multifactor structure of procedural justice. They stated that the items could be summed to form an overall procedural justice score (as they did) or if specific hypotheses were being tested / stated then the items loading upon a single factor could be aggregated to form a specific subscale. It is not explained why the authors

did not do this. Greenberg theorized, but did not empirically support, his multidimensional approach to interactional justice. He agreed that the individual factors could be thought of as subfactors or scales of a larger construct.

Second, while the scales and constructs have been theorized as multidimensional, it has been an accepted practice by organizational justice researchers to aggregate their multidimensional scales into a single overall score. The reason for this practice was that specific relationships between the individual justice factors and the other variables being measured were not known. Specific hypotheses were not tested. Third, the preexisting layoff survivor research has not shed enough light upon the relationships between organizational justice and survivor responses. Part of this is due to the sketchy and questionable measurement practices utilized (i.e. single item measures). Also the layoff survivor literature has treated interactional and procedural justice as one unitary concept, while the organizational justice literature is leaning toward a separate procedural -- interactional justice model. The layoff survivor research has mixed interactional and procedural justice items and called it procedural justice. The only existing interactional justice scale (besides the one used here) was created by Moorman. Moorman reported a confirmatory factor analysis showing procedural and interactional justice as being separate. But his procedural justice items were written by him and were not the standardized, previously researched scale created by Folger and Konovsky. Due to the murky quality of the prior research it is with great trepidation that any specific hypotheses between the procedural and interactional justice factors and the outcome measures could be made. Therefore, it is wiser to first empirically support a relationship between survivor outcomes and the overall measures of procedural and interactional justice. Upon receiving support for the hypothesized relationships, future research could hypothesize and examine specific relationships.

The aggregation of the procedural and interactional justice items into two scales is not an attempt to ignore the factor analysis results, but to use the results to create solid overall justice measures. Using overall procedural and interactional justice measures in this study would help to clarify the general relationships between organizational justice and survivor outcomes. With this knowledge future research could be springboarded into an area focusing upon specific and not general relationships.

To create the scales for organizational commitment, trust in management, locus, control, stable, post layoff procedural and distributive justice, job insecurity induced powerlessness, interactional justice A, layoff distributive justice and psychological attachment the items for each construct were averaged together to form separate measures. In practice this meant averaging the responses to each of the items (i.e. the responses to the fifteen items for the organizational commitment measure were averaged together). The same was done for each of the measures.

Reliability Coefficients

Reliability coefficients for each of the scales were computed using the coefficient alpha method. The alpha reliabilities are: Interactional justice A = .90 (N=155), Interactional justice B = .89 (N=153), job insecurity powerlessness =.76 (N=191), layoff distributive justice =.81 (N=173), layoff procedural justice = .91 (N=167), organizational commitment = .84 (N=191), post layoff distributive justice = .89 (N=190), post layoff procedural justice = .92 (N=186), psychological attachment =.39 (N=190), control=.62 (N=187), stable =.52 (N=188), locus =.46 (N=187), and trust in management = .83 (N=188). All of the reliabilities are at acceptable levels. Table 5 presents the descriptive statistics for each scale and inter scale correlations. The reason the correlation between interactional justice A and B is so large (.98) is due to the scales sharing nine items in common. Essentially the scales are the same. Interactional justice B has one added

item that is not part of interactional justice A. Two items that are present in interactional justice A are not present in interactional justice B.

Item total correlations were computed for each scale. The lowest and highest item total correlation for each scale are: interactional justice A = .57 and .8 (n=155), interactional justice B = .56 and .82, (n=153), job insecurity induced powerlessness = .8 and .85 (n=191), layoff distributive justice = .67 and .78 (n=173), layoff procedural justice = .36 and .79 (n=167), organizational commitment = .27 and .77 (n=191), post layoff distributive justice = .71 and .89 (n=190), post layoff procedural justice = .32 and .78 (n=186) and trust in management = .61 and .84 (n=188). All of the correlations were significant at the $p < .001$ level.

Potential Control Variables

Three items were used to compute a measure of potential psychological identification with the layoff victims. The three items asked the respondents if they: a) knew personally any of the laid off employees, b) had worked closely with any of the laid off employees and c) some of the laid off employees worked in their department. The items were in a yes / no format. The three items were averaged creating an indicator of possible psychological attachment or identification. A high score indicates higher attachment to the laid off employees.

It is suggested that the impact of a staff reduction is intensified when you personally know and have a relationship with some of the laid off employees. Partial correlations were computed controlling for psychological attachment. No change in any of the observed relationships between the scales occurred. All of the previously significant correlations remained significant after controlling for psychological attachment. Statistically non-significant correlations remained statistically non-significant.

It is also been theorized that powerlessness induced by job insecurity could accentuate the relationship between the layoff and survivor reactions. Partial correlations controlling for job insecurity induced powerlessness were computed. The relationship between the controllability aspect of the layoff explanation and trust in management ceased to be significant after controlling for job insecurity (zero order correlation = $-.23$, $p < .002$; partial correlation = $-.15$, $p < .08$). The relationship between trust in management and the distributive justice of the layoff was no longer significant after controlling for job insecurity (zero order correlation = $.18$, $p < .01$; partial correlation = $.15$, $p < .08$). Table 6 shows the zero order and partial correlations.

Hypothesis One: Survivor Causal Attributions

Hypothesis 1 stated that layoff explanations viewed by survivors as internal to, controllable by and stable on the part of management would be negatively related to layoff survivor trust in management and organizational commitment. This hypothesis was tested via correlation.

Locus of causality (high score is internal) was significantly and negatively correlated with organizational commitment ($-.38$, $p < .001$; $n=187$) and trust in management ($-.38$, $p < .001$; $n=184$). Controllability on the part of management (higher score meaning more controllable by management) was also significantly and negatively correlated with organizational commitment ($-.30$, $p < .001$; $n=187$) and trust in management ($-.23$, $p < .002$; $n=184$). Stability (high score indicates more reason stability) was not significantly correlated with organizational commitment ($-.10$, $p < .17$; $n=188$) and trust in management ($-.07$, $p < .32$; $n=185$). These correlations strongly support hypothesis one.

Hypotheses Two & Three: Layoff Explanations Provided to Survivors

Hypothesis 2 and 3 proposed that those who received an explanation for the layoff and believed it would score higher on measures of perceived procedural justice, interactional justice, organizational commitment and trust in management. Six Anovas were conducted (four organizational justice measures, organizational commitment and trust in management). The One way Anova had three groups (a) those who received an explanation and believed it, (b) those who received an explanation and did not believe it and (c) those who did not receive an explanation.

Using layoff procedural justice as the outcome measure the one way ANOVA showed that the three groups were significantly different. The F statistic was $F(2,163)=18.52; p<.001$. Post Hoc Bonferroni and Scheffe' procedures indicate that the received reason and believed group (mean = 2.41; n=95) was statistically different from both the received reason and not believed group (mean = 1.94; n=50), and the no reason received group (mean = 1.96; n=21).

The groups were significantly different on post layoff procedural justice. The F statistic was $F(2,181)= 5.58; p<.004$. Bonferroni and Scheffe' post hoc tests indicate that the received reason and believed group (mean= 2.42; n=103) was significantly different from the received and not believed group (mean=2.15; n=56).

The three groups were statistically different on measures of interactional justice A and interactional justice B. The interactional justice A, F statistic was $F(2,151)= 13.27; p<.001$ and $F(2,149)=13.90; p<.001$ for interactional justice B. For both interactional justice measures post hoc Bonferroni and Scheffe procedures indicate that the received explanation and believed group was statistically different from both the received explanation and not believed, and the no reason received groups. The group means for interactional justice A are: received reason and

believed 2.58 (n=96); received reason and not believed 2.15 (n=54); and no reason received 1.80 (n=4). The group means for interactional justice B are: received reason and believed 2.54 (n=96); received reason and not believed 2.09 (n=52); and no reason received 1.8 (n=4).

The three groups were not statistically different on the organizational commitment measure $F(2,186)=2.06$; $p<.12$. No post hoc procedures were performed. Fortunately the groups did significantly differ on the trust in management measure $F(2,184)=9.5$; $p<.001$. Post hoc Bonferroni and Scheffe procedures indicate that the received reason and believed group (mean = 2.71; n=106), was statistically different from the received reason and not believed (mean = 2.27; n=56) and the not received reason groups (mean= 2.34; n=25). The results fully support hypothesis two and partially support hypothesis three.

Hypothesis Four: Comparison of Procedural and Distributive Justice

Hypothesis 4 states that procedural justice will account for a significant amount of variance in organizational commitment and trust in management after controlling for distributive justice. This was tested using multiple regression. Before a comparison of the value added by procedural justice is performed, it is first necessary to prove that procedural justice is related to organizational commitment and trust in management. Individual correlations show that layoff procedural justice and layoff distributive justice are significantly related to organizational commitment (.50, $p<.001$; .24, $p<.002$) and trust in management (.54, $p<.001$; .18, $p<.015$). Post layoff procedural and distributive justice are significantly related to organizational commitment (.57, $p<.001$; .39, $p<.001$) and trust in management (.68, $p<.001$; .47, $p<.001$). But the correlation analysis does not statistically control for the relationship between each predictor and the criterion. Multiple regression was used to overcome the shortcoming of the correlation.

Distributive justice was entered in the first step and procedural justice was entered in the second step.

Layoff distributive justice was a significant predictor $F(1,157)=7.87; p<.005$ attempting to predict trust in management. Layoff procedural justice was a significant predictor when entered next $t=7.4; p<.001$. The final multiple correlation was .54. The beta weights indicate that if both variables were entered simultaneously only layoff procedural justice would be significant (distributive = $-.068, p<.38$; procedural = $.573, p<.001$).

A similar result occurred when trying to predict organizational commitment, using layoff procedural and distributive justice. Both variables were significant when entered on separate steps (layoff distributive $F(1,157)=7.96; p<.005$; layoff procedural $t=6.59; p<.001$); but when they were entered simultaneously only procedural justice was significant (distributive beta = $-.042, p<.60$; procedural beta = $.525, p<.001$). The multiple correlation was .51 and the final F statistic was $F(2,156)=26.77; p<.001$.

Using perceptions of the post layoff organization's procedural and distributive justice to predict trust in management resulted in significance for each variable. Post layoff distributive justice was a significant predictor $F(1,181)=53.02; p<.001$, and post layoff procedural justice was a significant predictor when entered next $t=9.33; p<.001$. Beta weights show that post layoff distributive and procedural justice are significant predictors when entered simultaneously (distributive beta = $.176, p<.005$; procedural beta = $.584, p<.001$). The multiple correlation was .69 and the final F statistic was $F(2,180)=82.67; p<.001$.

When predicting organizational commitment post layoff procedural justice was a superior predictor in comparison to distributive justice. Distributive justice was a significant predictor on the first step $F(1,183)=31.91; p<.001$, and procedural justice was a significant

predictor $t=7.26$; $p<.001$ on the next step. Both variables were significant at each step, but simultaneous entry showed that procedural justice was the superior predictor (distributive beta = .124, $p<.07$; procedural beta = .509; $p<.001$). The final multiple correlation was .58 and the F statistic was $F(2,182)=46.77$; $p<.001$. The importance of procedural justice (layoff and post layoff) as a predictor of trust in management and organizational commitment was supported. The results support hypothesis four.

Hypotheses Five A & Five B: Organizational Justice by Job Insecurity Interactions

Hypothesis 5A states that job insecurity and procedural justice (layoff and post layoff) will interact, such that those low in procedural justice and high in job insecurity will have the lowest scores for organizational commitment and trust in management. This was tested using multiple regression. This analysis was run twice, once for the layoff procedural justice -- job insecurity interaction and a second time for the post layoff procedural justice -- job insecurity interaction. Job insecurity was recoded so that a high score would reflect low job insecurity induced powerlessness and low scores would represent high job insecurity induced powerlessness. This was performed to avoid potential problems with combining two inversely scored (and related) measures. An examination of the cell means was done to check if the hypothesized pattern of scores was observed. As stated earlier the low organizational justice and high job insecurity is expected to score the lowest.

Trying to predict organizational commitment, job insecurity and layoff procedural justice were entered on the first step and the interaction term of layoff procedural justice and job insecurity was entered upon the second step. Layoff procedural justice and job insecurity were significant on the first step $F(2,164)=30.59$; $p<.001$. Their interaction was significant when entered next, indicating the added predictive value of the interaction term. Examining the beta

weights indicates that job insecurity ($-.615, p<.02$); and the interaction ($1.13, p<.003$) were the only significant predictors. The final F statistic was $F(3,163)=24.48; p<.001$ and the multiple correlation was $.56$. Median splits show that the high job insecurity and low layoff procedural justice group was the lowest in organizational commitment (mean= $2.10; n=45$). The other group means are: low job insecurity and procedural justice $2.31 (n=72)$; low job insecurity and high procedural justice $2.66 (n=59)$; and the high job insecurity and procedural justice $2.29 (n=15)$. Table Seven shows the cell means.

The interaction of layoff procedural justice and job insecurity was not a significant predictor ($\beta = .06, p<.8$) of trust in management. Only layoff procedural justice was significant ($\beta = .435; p<.03$). The cell means were: low job insecurity and layoff procedural justice $2.49 (n=66)$, low job insecurity and high layoff procedural justice $2.92 (n=58)$, high job insecurity and low procedural justice $2.07 (n=44)$ and high job insecurity and layoff procedural justice $2.6 (n=14)$. The high job insecurity and low procedural justice was the lowest scoring group. Table Eight shows the cell means.

To test for the significance of the post layoff procedural justice -- job insecurity interaction (Hypothesis 5A) multiple regression was used. Post layoff procedural justice and job insecurity were entered on the first step. The interaction of post layoff procedural justice and job insecurity was not a significant predictor ($\beta = .13; p<.6$) of trust in management. Post layoff procedural justice was a significant predictor (procedural $\beta = .57; p<.001$). The final F statistic was $F(3,179)=51.29; p<.001$ and the multiple correlation was $.68$. The cell means are: low job insecurity and post layoff procedural justice $2.29 (n=52)$, low job insecurity and high post layoff procedural justice $2.93 (n=78)$, high job insecurity and post layoff procedural justice $2.57 (n=16)$ and high job insecurity and low post layoff procedural justice $2.05 (n=42)$. The

high job insecurity and low procedural justice group scored the lowest. Table Nine shows the cell means.

In attempting to predict organizational commitment, the interaction of post layoff procedural justice and job insecurity was not significant ($\beta = -.53$, $p < .10$). The only statistically significant predictor was post layoff procedural justice ($\beta = .28$; $p < .09$). The final F statistic was $F(3,182) = 31.68$; $p < .001$ and the multiple correlation was .59. Such results give limited support for hypothesis Five-A. The cell means are: low job insecurity and post layoff procedural justice 2.17 ($n = 52$), low job insecurity and high post layoff procedural justice 2.67 ($n = 79$), high job insecurity and post layoff procedural justice 2.24 ($n = 17$) and high job insecurity and low post layoff procedural justice 2.12 ($n = 43$). The high job insecurity and low procedural justice group scored the lowest of all of the groups. Table Ten shows the cell means.

Hypothesis 5B proposed an interaction between job insecurity powerlessness and interactional justice, such that those in the low interactional justice and high in job insecurity would score the lowest on organizational commitment and trust in management. Multiple regression was the analysis of choice. For each equation the main effects of interactional justice and job insecurity were statistically controlled for by being entered before the interaction term. The interaction term was entered on the second step. Since there are two interactional justice scales (interactional justice A and B) and two outcome variables (trust in management and organizational commitment) four regression analyses were performed.

The interaction of interactional justice A and job insecurity was a significant predictor of organizational commitment at the $p < .03$ level ($\beta = .79$). There were no significant main effects. The final F statistic was $F(3,151) = 21.36$; $p < .001$ and the multiple correlation was .55. Median splits showed that the low interactional justice A-high job insecurity group was the

lowest in organizational commitment (mean 2.13; n=42). The other group means are: low interactional justice A and job insecurity 2.33 (n=76); low job insecurity high interactional justice A = 2.66 (n=55); and high job insecurity and interactional justice A = 2.2 (n=18). Table Eleven shows the cell means.

Using trust in management as the criterion showed that the interaction of interactional justice A and job insecurity was not significant at conventional level. Significant predictors were job insecurity (beta = $-.555$, $p < .05$) and interactional justice A (beta = $.44$, $p < .03$). The final F statistic was $F(3,148)=17.16$; $p < .001$ and the multiple correlation was $.51$. Median splits show that the high job insecurity low interactional justice A group was the lowest in trust in management (mean 2.03; n=41). The other group means were low job insecurity and interactional justice A 2.55 (n=76); low job insecurity and high interactional justice A 2.85 (n=54); and high job insecurity and interactional justice A 2.59 (n=17). Table Twelve shows the cell means.

The interaction of interactional justice B-job insecurity was not a significant predictor of trust in management after controlling for interactional justice B and job insecurity (interaction term beta = $-.4$; $p < .3$). Both job insecurity and interactional justice B were significant predictors at the $p < .05$ level (interactional justice B beta = $.51$; $p < .02$; job insecurity beta = $.60$; $p < .04$). The final F statistic was $F(3,146)= 18.35$; $p < .001$ and the multiple correlation was $.52$. The cell means are: low job insecurity and low interactional justice B 2.53 (n=69), low job insecurity and high interactional justice B 2.84 (n=61), high job insecurity and high interactional justice B 2.55 (n=22) and high job insecurity and low interactional justice B 1.98 (n=36). Table Thirteen shows the cell means.

The interactional justice B and job insecurity interaction term was not significant at the $p < .05$ level for organizational commitment ($\beta = .59$; $p < .14$). There were no significant main effects. The final F statistic was $F(3,149) = 17.68$; $p < .001$ and the multiple correlation was .51. The low interactional justice B-high job insecurity group scored the lowest on organizational commitment (mean = 2.08; $n = 37$). The other cell means are: low interactional justice B and job insecurity is 2.31 ($n = 69$); low job insecurity high interactional justice B is 2.64 ($n = 62$); and high interactional justice B and job insecurity was 2.26 ($n = 23$). Table Fourteen shows the cell means. The results provide limited support for hypothesis 5B.

Hypothesis Six: Comparison of Procedural and Interactional Justice

Hypothesis Six states that after controlling for procedural justice, interactional justice would be a significant predictor of trust in management and organizational commitment. After controlling for post layoff procedural justice -- interactional justice A was a significant predictor of organizational commitment. The final beta weights indicate that post layoff procedural justice and interactional justice A were significant predictors ($\beta = .46$, $p < .001$; and $.227$, $p < .002$). The final F statistic was $F(2,148) = 42.12$; $p < .001$ and the multiple correlation was .60.

Interactional justice A was not a significant predictor of trust in management after controlling for post layoff procedural justice. The final beta weights indicate that post layoff procedural justice was the only significant predictor ($\beta = .63$, $p < .001$). The final F was $F(2,145) = 60.58$; $p < .001$ and the multiple correlation was .67.

After controlling for layoff procedural justice, interactional justice B was not a significant predictor of organizational commitment. The only significant predictor was layoff procedural justice ($\beta = .384$, $p < .001$). The final F was $F(2,141) = 23.49$; $p < .001$ and the multiple correlation was .49.

Trust in management was not significantly predicted by interactional justice B after controlling for layoff procedural justice. Layoff procedural justice was significant (betas = .57, $p < .001$). The final F statistic was $F(2,139) = 29.08$; $p < .001$ and the multiple correlation was .54. Unfortunately the results provide only scant support for Hypothesis Six.

XIII Discussion

Overall the results are supportive: four of the six correlations for hypothesis one were supported, all of the comparisons for hypotheses two, four, five A and five B were supported, one of the two comparisons for hypothesis three was supported and one of four comparisons were significant for hypothesis six. Not all of the interactions for hypothesis five A and B were significant. But fortunately the pattern of cell means supports hypotheses five A and B.

Factor Analysis

The factor analysis results support: a) the conceptualization of procedural and interactional justice as separate forms of organizational justice, b) the two factor model of interactional justice proposed by Greenberg and c) the factor structure of procedural justice as developed by Folger and Konovsky.

The strong correlations between post layoff distributive and layoff distributive justice (.33; $p < .001$) and post layoff procedural and layoff procedural justice (.66; $p < .001$) indicate that organizations which attempted to be fair during the layoff also tried to be fair after the staff reduction. The correlations are not large enough to consider common method variance a serious problem.

Survivor Causal Attributions

Hypothesis One, predicting a negative relationship between internal and controllable layoff explanations and the outcome measures, was strongly supported. The causal attribution measures were significant well beyond the conventional $p < .05$ level (actually beyond the $p < .01$ level). The significant correlations ranged from $-.23$ to $-.38$. It can be concluded that layoff survivors are making causal attributions concerning the layoff and those attributions are related to important indicators of morale. Unfortunately the stable component was not significantly correlated with trust in management or organizational commitment.

Layoff Explanations Provided to Survivors

Hypotheses Two and Three were strongly supported lending credence to the importance of communication during a layoff. Except for organizational commitment, those who received and believed management's layoff explanation responded with more favorable organizational justice (procedural and interactional) perceptions and pro organizational attitudes (greater trust in management). The F statistics were quite large and the significance levels were beyond the conventional $p < .05$ level.

Possible reasons for the lack of significance for organizational commitment are: a) organizational commitment is so multidetermined that the amount of variance predicted by communication (fair treatment) is quite small and b) the organizational commitment measure used is an indicator of affective commitment. Fair treatment and communication may be more related to moral or continuance commitment rather than affective commitment.

Other explanations for the nonsignificant result when trying to predict organizational commitment is that the staff reduction led to more openings in previously unattainable positions (higher positions), more diverse tasks and assignments (job enrichment) being assigned and the

possibility of greater mobility in the corporate career ladder. Positions and assignments that once required greater tenure (or you had to wait for someone to retire to move up) are now more readily available. If an organization used a strict head count reduction without eliminating positions; then opportunity for actual promotions may exist.

Procedural and Interactional Justice

Procedural justice (of the layoff itself and of the post layoff organization) was shown to be a significant predictor of organizational commitment and trust. The size of the observed beta weights show that procedural justice is not only a strong predictor of organizational commitment and trust in management, but that it is a substantially stronger predictor than distributive justice. This parallels the earlier work by the author (Verdi, 1994) indicating that procedural justice was a stronger predictor of organizational commitment than distributive justice.

Interactions of Organizational Justice and Job Insecurity

The importance of the interactional justice A measure as a predictor of organizational commitment was supported. This provides some support for the role of layoff related communications and its effect on survivor organizational behavior. The significant interactions between procedural justice, interactional justice and job insecurity trying to predict organizational commitment helped to shed some light upon the complex forces influencing layoff survivors. When significant the F statistics and beta weights for the interaction terms were quite large indicating that main effects alone do not account for the totality of the layoff survivor experience. Unfortunately not all of the interaction terms were statistically significant. As predicted the high job insecurity and low organizational (interactional & procedural) justice group scored the lowest on organizational commitment and trust in management. The

combination of low organizational justice and high job insecurity may have been enough to demotivate layoff survivors.

This result lends credence to the concept that for layoff survivors high in perceived job insecurity (or powerlessness induced from it) layoff related communications impact their organizational commitment and trust in management. One explanation is that survivors high in job insecurity (or induced powerlessness) are also high in informational demand. Survivors may need or require more information to settle their concerns, answer their questions and ease their worries. They may also be high in interest, as well as the topic being high in relevancy for them. Any relevant or accurate information provided gives survivors a sense of being shown consideration by the organization. Management communications show consideration. Consideration was one of the two important leadership behaviors reported in the Ohio state leadership studies.

Study's Limitations

The first problem with this study is the use of layoff survivor perceptions concerning the procedural, distributive, and interactional justice of the layoff, post layoff job and the causality dimensions of the layoff explanation. Respondents may have misperceptions regarding the cause of the layoff. Survivors may have misheard, misinterpreted or misreported the information provided to them. A counter argument is that the perceptions respondents have will be a powerful influence upon their behavior and attitudes. Respondent perceptions may even be a more powerful influence than the actuality of the situation.

A second problem, one of a greater magnitude, is the potential for common method variance to explain or be responsible for any significant effects observed. One way of minimizing common method variance is to get data from alternative methods (nonself report).

Since access to organizations was not granted, alternative types of data could not be collected. Results from the factor analysis show that the items measuring procedural and interactional justice do load on separate factors. Until more conclusive information is generated it is safe to say common method variance is not a problem. Another reason to rule out common method variance is that the correlations between post and layoff distributive ($r=.33$; $p<.001$) and post layoff and layoff procedural justice ($r=.66$; $p<.001$) are not large. Correlations of .8 or higher would indicate a large overlap or potential common method variance.

To rule out common method variance a one factor factor analysis was performed for the procedural and interactional justice scales. For the layoff procedural justice and interactional justice scales the one factor solution resulted in 202 (49%) of the residuals greater than .05. For the post layoff procedural justice and interactional justice the one factor solution resulted in 321 (69%) of the residuals greater than .05. The results indicate that the multidimensional results are superior to the single factor results and that the single factor result is a poor model.

A third potential problem is the overlapping of questions dealing with the organizational justice. The questions dealing with treatment received could have been confusing. Respondents may have wanted to differentiate between how the organization treated them and how their manager treated them. It is possible that respondents could feel in the same direction or could also feel contradictory (e.g. manager treated me fair but the organization did not [or vice versa]). A fourth problem is the potential for demand characteristics. The measures of layoff interactional justice and the causal attribution ratings were taken prior to the organizational commitment and trust in management questions. But in retrospect this is not a problem since the respondents knew they had to be layoff survivors to complete the survey. Obviously they were

already thinking about the layoff. Also since the bulk of the organizational justice questions followed the outcome measures this potential problem is much less serious.

A fifth problem concerns the measure of psychological attachment used. The measure was intended to measure a psychological proximity to the layoff victim but in retrospect appears to measure physical proximity to a greater degree. While the two may overlap neither is an acceptable surrogate for the other.

A final potential problem was the sample obtained. The sample consists of layoff survivors attempting to obtain either an undergraduate or graduate degree and are employed by various organizations. Each organization may differ in how it plans and implements the layoff, i.e. how it treats post layoff employees. A potential benefit of a sample from various organizations is an almost assurance of variance on the organizational justice measures. A second benefit of this sample is that it consists of more white collar managerial employees (currently called 'Knowledge Employees' by the popular press) than blue collar employees. Layoffs are new to their professional ranks -- but the current layoffs have hit this group the hardest. The current sample enhances the generalizability of the observed results to the larger white collar, layoff survivor population. The sample was fairly young (average age was 30) and are highly educated. Their young age may be indicative of a fairly limited work history. Coupled with their higher education, this sample may have a different view towards work, organizations and layoffs than their less educated brethren or their older coworkers.

Study's Benefits

Organizational commitment and trust in management were chosen as outcome measures due to their importance for the post layoff organization. Both organizational commitment (especially affective commitment) and trust in management will become key attitudes as the

organization attempts to rebuild or advance from the downsizing. If managers and researchers will focus upon these two key attitudes in the post-layoff organization then it is also important to understand how they are effected during the downsizing. This is not to say that organizational commitment and trust in mangement are the only important attitudes to examine.

The present study adds to the limited existing layoff survivor research. Knowledge is added to science and theories are supported through the accumulation of supporting information and by the refuting of nonsupportive research results. It is important to build upon the base Brockner and his associates have started.

The use of standardized scales in this study extends the current research by obtaining results similar to that in the earlier research while also attempting to overcome the limiting measurement practices utilized. All of the scales used have been shown to be reliable and useful measurement instruments. Also all of the measures used, with the exception of the trust in management measure, have been shown to be applicable and reliable on an sample of 168 layoff survivors (Verdi, 1994). The scales also have a base of research and theory behind them.

A third benefit of this study is the examination of organizational justice and causal attribution aspects of a layoff with a sample that is not as skewed as Brockner's sample. Brockner's sample was predominantly women in lower level organizational positions (store clerks). This sample and a prior sample obtained by Verdi (1994) are predominantly white collar managerial or skilled employees. Major and Konar (1984) reported that women expected to be paid less than men. If women have lower pay expectations they may also have lower expectations for organizational justice. Also, the generalizability of research results on a sample of predominantly female store clerks is limited. Samples that are not as skewed on gender and organizational level should be collected. The current sample is skewed on gender (more

women), but is not with regard to profession. The sample is predominantly white collar, skilled employees.

The present study is one of a small number of layoff studies beginning to take impression management and causal attribution approaches toward layoff survivors. Brockner's examination of the causal attributions of layoff survivors was limited to Locus of Causality. The causal attribution research has stressed the importance of four causality dimensions: locus, stability, controllability and intentionality. No layoff survivor research has yet to cover all four. To date this is the most extensive coverage the causal attribution literature has received from the layoff survivor literature.

Finally, this study is one of a few studies to examine survivor's evaluations of management. As in his earlier work Brockner and associates had layoff survivors (in the laboratory) rate the experimenter on an affective rating scale (i.e. are you angry at the experimenter). The importance of management and leadership involvement in an organizational change has been emphasized in the change management literature. A layoff can be viewed as an organizational change or transformation effort. It is important to assess what effect managers and leaders have upon subordinates whom they are trying to get to buy into the organization's transformation. If employees do not trust management or the leaders present in the organization then who will help to get the employees to buy into the transformation? Management and leadership issues such as employee or subordinate trust in management (or corporate leadership) need to be assessed.

Future research should attempt to obtain actual layoff explanations, survivor's perceptions and / or recollections and actual reporting of the layoff explanations. Potential similarities and disparities should be examined. Second, alternative outcome measures should be

examined such as organizational citizenship behavior, negative organizational citizenship behavior and nonself report data (i.e. person, department or organizational performance data, turnover). Future research should search for other interactions, moderators and / or mediators of layoff survivor's reactions. Individual differences such as self esteem, positive or negative affect and prior experience with a layoff and organizational structure issues such as job enlargement and / or enrichment should be examined. This agenda of research should all take place using samples of professional, educated, white collar employees. As the economy becomes more global and the work force more skilled, more and more skilled employees will experience involuntary job loss.

Gender differences were not tested for in this research. The lack of a clear rationale or theory prevented such an enterprise. A serious problem with testing gender differences is that the respondent's immediate superior is the instrument of justice. Male respondents could report more or less justice in comparison to female respondents, but the difference would be due to the supervisor and not the respondents. Any statistically significant difference would be confounded by the gender of the respondent's superior. Disregarding how remote or interpretationally limited a gender difference is; future research should look into this topic.

Practical Implications of Results

The results indicate that prior to any staff reduction the organization should be alerted to several issues: does it need to downsize, are alternative cost reduction options available, have any of the alternatives been attempted, and should the organization try to increase sales instead of cutting costs. This is not to say that all downsizings are unnecessary, but that it is a drastic step not to be taken lightly. Managers should not make the mistake of equating downsizings with other turnaround plans, Total Quality Management, or any other attempts at change. It is

hoped that prior to any staff cuts the organization has built a history of fair treatment. This prior history can be treated as credits that can be exchanged later (i.e., idiosyncrasy credits). If a manager has a history of fair treatment and must downsize staff, it is feasible that the past history of fair treatment will work as a buffer preventing the employees from attributing the staff reduction to greed or malfeasance.

Alternative cost cutting strategies should be attempted before a staff reduction is implemented. The alternatives could be furloughs without pay, shortened work weeks, a moratorium on pay raises and bonuses or temporary give-backs from employees and management, redeployment of existing staff, hiring freezes and early retirement or buyout programs for those desiring early retirement. While each of these strategies is a serious blow to employees it is a far lesser one than unemployment. The key to such strategies working is trust on the part of management and staff. Employees may be nervous to give back benefits unless a strong trusting relationship exists.

If a staff reduction is required then communication and fair treatment become important. The staff reduction should also be planned. Head count reductions are deceptively simple, quick and easily performed and measured. Simple head count reductions have the propensity to result in skill imbalances for the post reduction organization. The quick fix to this dilemma is to hire back those employees with the needed skills as consultants. This has the effect of solving the skill gap, but also increases the operating expenses. Consultants make more than employees, but they are not on the payroll. This solution becomes more expensive the longer the consultant is needed. Bringing in former staff as consultants also raises potential envy from the remaining employees. The survivors see their former coworkers back on the job with more money; meanwhile they are still getting the same salary.

Communication is vital to help limit several undesirable elements: rumors, morale problems, anxiety, and job insecurity felt by the remaining employees. All communication should be clear, accurate, open, honest and frequent. Methods of communication could be staff meetings, newsletters, desk drops of bulletins, videotaped or live video conferences and finally face to face communication whenever possible. The act of communicating is not enough -- content is critical. Employees should be informed of why a staff reduction is needed, the organization's plan and objectives for the staff reductions, timetables for the reductions, how many waves of staff reductions are to be expected, the criteria or the decision rule for the reductions (e.g. tenure, skills, performance, value added of work), areas to be affected and the total number of people to be removed.

If financially possible, organizations should attempt to provide some sort of caretaking or compensation for those being removed. Caretaking services can take the form of severance pay or a continuation of health and medical benefits, job placement services, counseling services and skills training. Survivors of the staff reduction should be notified that such caretaking services are (were) available to their former coworkers. If an organization is going through the trouble and expense of providing such services, it deserves the good will or kudos resulting from it.

After the layoff, managers need to address survivor concerns and the work environment. Survivors are concerned about whether more layoffs are coming, job insecurity, career progression and development opportunities, and management's changing performance expectations. Survivors are also experiencing guilt, resentment, distrust and anger towards management and increased stress and anxiety. Survivors may also be overworked because the work load has not decreased, but staffing has. This environment results in a high propensity for burnout, violence, tardiness, absenteeism, voluntary turnover and reductions in commitment,

job satisfaction and a desire to go beyond what is expected. Communication between employees in the same department will decrease and information hoarding and backstabbing may increase. Employees may believe that if they are the only person with specific knowledge the organization will be forced to keep them. Covering up or protecting one's position can become the standard operating procedure.

Managers will need to explain any policy changes. They must help to rebuild trust by behaving in a (procedurally, interactionally and distributively) fair way and clarifying performance expectations (e.g. staying past 5 PM is the norm). If possible managers should accentuate the potential positives of the staff reduction. Such positives may be: job enrichment (e.g. with less hands more diverse tasks are pushed downward or laterally), better assignments that would have been completed higher up, increases in responsibility and job scope and finally a new (possibly shortened) career progression ladder.

Among the work environment issues that managers need to attend to are the increased fear and anxiety that can permeate a workplace, the potential for job enlargement, and compensation issues. Survivor emotions will be tense, so managers need to be able to spot someone who is close to burnout. Those who have exceeded their ability to deal with the stress should be sent to counseling; otherwise the potential for harm is heightened. A way to defuse the stress of the job site is to find work that is not needed or that adds no value to the organization and remove it. Streamlining the work process helps to diminish the potential for job enlargement. If possible, recognition should be given to the remaining employees, in the form of small pay increases, new job titles, or stock ownership. The purpose of the recognition is to address any of the equity (or inequity) issues. Stock ownership can also help to get employees 'on board' or to accept the new organization.

The above mentioned ideas are representative of the kinds of ideas needed in dealing with a staff reduction. As with any organizational change each layoff must be treated for its unique characteristics.

It is not enough for managers to be familiar with the prior layoff survivor literature, the results of the current study or some general conclusions from both. Managers and executives need specific advice regarding the implications from the prior layoff survivor literature and the current study. They need to be able to integrate the two into a practical resource guide or 'how to manual'. The first conclusion that can be drawn is that survivors of an involuntary staff reduction will look to attribute fault, blame or causation. How the remaining employees assess causation can impact important post reduction attitudes such as organizational commitment and trust in management. Attributions made toward company management could result in decrements in organizational commitment and trust in management. Communication is a simple and effective method of preventing or mitigating the negative causal attributions. The results from this and prior research indicate that communication before, during, and after the reductions is important. Accurate and timely information dissemination influences perceptions of organizational justice. Organizational justice perceptions have been linked to organizational commitment, trust in management, turnover intention, absenteeism, desire to seek retribution against the offending person, and a desire for government intervention and regulation. It is not unrealistic to consider a causal connection between communication, organizational justice perceptions and desirable organizational outcomes. The exact causal relationships are not clear. From a cost accounting approach the use of accurate and timely communication with employees is economical and can result in the greatest favorable impact.

Care must be taken with regard to what is communicated. False or misleading layoff explanations or announcements can lead to decrements in key post reductions attitudes. False communication can lead to negative perceptions of organizational justice and negative organizational justice perceptions could lead to negative results for the organization. Employees would consider the false communications as propaganda or attempts at manipulation.

A second practical issue is the impact of job insecurity and the accompanying feelings of powerlessness. The low organizational justice and high job insecurity groups consistently scored the lowest on pro-organizational attitudes. This result becomes more important once you remember that procedural and interactional justice were shown to be significant predictors of two key pro-organizational attitudes. While job insecurity is present in any staff reduction it becomes exacerbated by the experience of low organizational justice. Survivors are better able to cope and work through the job insecurity if they believe their manager(s) are treating them fairly. The fair treatment mentioned refers specifically to distributive, procedural and interactional justice.

Fair treatment or the perceptions of fairness helps employees deal with the day to uncertainties. Survivors will be uncertain as to reporting relationships, job duties, performance expectations and work priorities. They will also be uncertain as to the organization's overall plan and its plan for them. Once survivors understand where they fit into the new organization the sooner they can contribute to the turnaround effort. Fair treatment does not mean the organization or its management will be able to answer all questions or address all concerns. Management's inability to answer questions or to address concerns is expected. Survivors will appreciate the honesty and be reassured by the knowledge that they are not the only ones feeling overwhelmed. Management's admission of also feeling somewhat powerless can create a

mutual understanding. This shared experience can be a potential starting point for trust and cooperation.

A spirit of cooperation and trust is needed if the organization is to recover from the layoff experience. The staff reduction can become the first step in a spiral of continued decline. Managers need to consider the human resource and the financial issues of a staff reduction. Proper handling of the human resource issues transforms what could have been a spiraling descent to failure into a speed bump on the road to success. Organizations need to remember that there is a human element in human resources management.

Table 1 Measures for Dependent and Independent Variables.

<u>Variable / Measure</u>	<u>Evaluation Article(s)</u>	<u>Prior Reliability Estimates</u>
Organizational Commitment Questionnaire	Mowday, Steers, & Porter, (1979); Angle & Perry, (1981); Verdi (1994).	Alpha = .84 to .90; 2 Subscales alpha= .89 to .72, Test Retest 2 months = .72, 3 months = .63, 4 months = .75 Alpha =.92
Procedural Justice	Folger & Konovsky, (1989); Verdi (1994); Moorman (1991); Daly & Geyer, (1993); Alexander & Oliansky (1993); Bies, Martin & Brockner (1993)	Alpha = .85 to .89. Alpha =.95 Alpha=.94 Alpha=.88 Alpha=.85 Alpha=.81
Interactional Justice	Brockner, Wiesenfeld, Reed, & Grover, (1992); Brockner, Konovsky, Cooper, Folger, Grover & Reed; Verdi (1994); Brockner, Konovsky, Cooper--Schneider, Folger, Martin & Bies, (1994).	Alpha =.79. Alpha = .76 Alpha=.78 Alpha=.76
Distributive Justice	Price & Mueller, (1980; 1986); Bavendum, (1985); Boyer, (1985a, 1985b); Sorenson, (1985); Verdi (1994); Brockner, Grover, Reed, DeWitt & O'Malley (1987); Alexander & Oliansky (1993).	Alpha=.94; Alpha=.94; .95 Alpha=.95. Alpha=.93 Alpha=.79 Alpha=.75
Causal Dimension Scale	Russell, 1982.	Locus alpha=.867 Stability alpha=.837 Controllability alpha=.73 Intent - No prior assessment is available since they were written for
Powerlessness due to Job insecurity	Ashford, Lee, & Bobko, 1989; Verdi (1994).	Alpha=.83 Alpha=.76
Trust in Management	Driscoll 1978; Roberts & O'Reilly, 1974a,b; Muchinsky, 1977 (Roberts & O'Reilly items).	Alpha =.37; Test retest=.69 &.71; Alphas=.82, .84

Table 2 List of Scales and Corresponding Items

Scale	Item Numbers
Organizational Commitment	30-44
Trust in Management	45-49
Psychological Attachment	10-12
Locus	13, 18
Control	14, 16, 19
Stable	15,17
IntjA	5,6,21-29
IntjB	5, 6,22,24-29, 95
Post-Layoff Distributive Justice	50-55
Layoff Distributive Justice	56-61
Job Insecurity Powerlessness	62-64
Post-Layoff Procedural Justice	65-84
Layoff Procedural Justice	21,23,85-102

Table 3 Factor Analysis Loadings for Post Layoff Procedural and Interactional Justice

<u>item</u>	<u>Factor 1</u>	<u>Factor 2</u>	<u>Factor 3</u>	<u>Factor 4</u>	<u>Factor5</u>
plpj11	.817				
plpj9	.795				
plpj10	.767				
plpj5	.744				
plpj13	.734				
plpj12	.674				
plpj7	.526				
plpj3	.506				
plpj6	.436				
int3		.781			
int7		.721			
int8		.709			
int6		.700			
int5		.667			
int9		.662			
int2		.617			
int10		.531			
int4		.479			
plpj16			.791		
plpj17			.705		
plpj4				.691	
plpj20				.635	
plpj18				.597	
plpj8				.567	
plpj19				.529	
plpj2				.412	
plpj15				.401	
plpj14				.392	
plpj1				.321	
pg1q5					.793
p1q6					.695

Plpj = post layoff procedural justice item; Int = interactional justice item; Pg1q5,6 - page one question number 5,6. Factor 1- Feedback / Planning, Factor 2 - Interpersonal justice (interactional), Factor 3 - Behavior (unnamed), Factor 4 - Recourse Voice Input / Control, and Factor 5 - Information fairness (interactional).

	Factor Correlations				
	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5
factor 1					
factor 2	.32				
factor 3	.28	.24			
factor 4	.57	.32	.06		
factor 5	.19	.53	.12	.15	

Table 4 Factor Analysis Loadings for Layoff Procedural Justice & Interactional Justice

<u>item</u>	<u>Factor 1</u>	<u>Factor 2</u>	<u>Factor 3</u>	<u>Factor 4</u>	<u>Factor5</u>	<u>Factor6</u>
lypj18	.640					
lypj6	.634					
lypj8	.628					
int2	.600					
lypj4	.577					
lypj5	.571					
int4	.517					
lypj12	.516					
lypj7	.511					
lypj17	.494					
lypj3	.475					
lypj9	.474					
lypj15		.751				
lypj13		.668				
lypj14		.643				
lypj10		.623				
lypj16		.555				
int6			-.842			
int7			-.724			
int5			-.541			
int8			-.540			
int3			-.512			
int9			-.381			
lypj1				.816		
lypj2				.713		
pg1q5					.763	
plq6					.690	
int10						.480
lypj11						-.413

Lypj = layoff procedural justice item; Int = interactional justice item; Pg1q5,6 - page 1 question number 5,6. Factor 1 - Procedures / Planning, Factor 2 - Recourse / Voice, Factor 3 - Interpersonal justice, Factor 4 - Feedback, Factor 5 - Informational justice 1, Factor 6 - Informational justice 2.

Factor Correlations

	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5	Factor6
factor 1						
factor 2	.32					
factor 3	-.43	-.42				
factor 4	.32	.33	-.27			
factor 5	.26	.27	-.35	.32		
factor 6	.06	-.08	.06	.14	-.06	

Table 5 Interscale Correlations & Descriptive Statistics

	1	2	3	4	5	6	7	8	9
1) Lypj		.50 (159)	.82 (144)	.78 (144)	.49 (166)	.66 (164)	-.35 (167)	.50 (167)	.54 (165)
2) Lydj			.42 (146)	.35 (146)	.33 (173)	.25 (170)	-.05* (173)	.23 (173)	.18 (172)
3) IntA			.98	.36 (150)	.49 (154)	-.29 (151)	.43 (155)	.39 (155)	(152)
4) IntB				.35	.56 (152)	-.34 (149)	.43 (153)	.42 (153)	(150)
5) Plfdj						.51 (185)	-.22 (190)	.39 (190)	.47 (188)
6) Plfpj							-.49 (186)	.57 (186)	.68 (183)
7) Jins								-.35 (191)	-.39 (188)
8) Ocq									.46 (188)
9) Trust									

(Unless otherwise marked all were significant at the $p < .01$ level or better for statistical significance.) * $p < .05$ The sample sizes are in parentheses.

Means and Reliability Coefficients

	<u>Mean</u>	<u>Std.Dev</u>	<u>Alpha</u>	<u>N</u>
Lypj	2.22	.53	.91	167
Lydj	2.01	.65	.81	173
IntjA	2.41	.58	.90	155
IntjB	2.37	.58	.89	153
Plfdj	2.22	.79	.89	190
Plfpj	2.31	.54	.92	186
Jins	2.91	.70	.76	191
Ocq	2.37	.55	.84	191
Trust	2.53	.68	.83	188
PsychAtt	1.69	.39	.81	190
Control	6.03	2.01	.62	187
Locus	5.61	2.12	.46	187
Stable	5.29	2.20	.52	188

Lypj - layoff procedural justice,

Lydj - layoff distributive justice,

IntA - interactional justice A,

IntB - interactional justice B,

Plfpj - post layoff procedural justice,

Plfdj - post layoff distributive justice,

Jins - job insecurity (coded so that high scores indicate high insecurity).

Ocq - organizational commitment questionnaire,

Trust - trust in management scale.

Table 6 Zero Order & Partial Correlations

	Zero Order		Partial		PsycAttachment	
	Trust	OCQ	Trust	OCQ	Trust	Ocq
Control	-.23 (184)	-.31 (187)	-.15* (130)	-.19 (130)	-.25 (130)	-.28 (130)
Locus	-.38 (184)	-.37 (187)	-.3 (130)	-.29 (130)	-.40 (130)	-.37 (130)
Stable	-.07NS (185)	-.10NS (188)	-.17@ (130)	-.09 (130)	-.17 (130)	-.09NS (130)
IntA	.39 (152)	.43 (155)	.29 (130)	.37 (130)	.39 (130)	.45 (130)
IntB	.42 (150)	.43 (153)	.29 (130)	.36 (130)	.4 (130)	.45 (130)
Jins	-.39 (188)	-.35 (191)	NA	NA	-.46 (130)	-.39 (130)
LYDJ	.18 (172)	.23 (173)	.15* (130)	.19 (130)	-.17 (130)	.2 (130)
LYPJ	.54 (165)	.50 (167)	.44 (130)	.41 (130)	.55 (130)	.51 (130)
PLYDJ	.47 (188)	.39 (190)	.37 (130)	.34 (130)	.43 (130)	.39 (130)
PLYPJ	.68 (183)	.57 (186)	.56 (130)	.48 (130)	.67 (130)	.58 (130)

Unless otherwise marked all correlation significant at $p < .01$ level.

* = $P < .08$, NS - statistically nonsignificant, NA not applicable, @ $p < .04$,

Lypj - layoff procedural justice,

Lydj - layoff distributive justice,

IntA - interactional justice A,

IntB - interactional justice B,

Plfpj - post layoff procedural justice,

Plfdj - post layoff distributive justice,

Jins - job insecurity

Ocq - organizational commitment questionnaire,

Trust - trust in management scale.

Table 7 Cell Means for the Job Insecurity by Layoff Procedural Justice Interaction for Organizational Commitment

	Layoff PJ	Layoff PJ
Job Insecurity	low	high
low	2.31, n=72	2.66, n=59
high	2.10, n=45	2.29, n=15

Table 8 Cell Means for the Job Insecurity by Layoff Procedural Justice Interaction for Trust in Management

	Layoff PJ	Layoff PJ
Job Insecurity	low	high
low	2.49, n=66	2.92, n=58
high	2.07, n=44	2.6, n=14

Table 9 Cell Means for the Job Insecurity by Post Layoff Procedural Justice Interaction for Trust in Management

	Post Layoff PJ	Post Layoff PJ
Job Insecurity	low	high
low	2.29, n=52	2.93, n=78
high	2.05, n=42	2.57, n=16

Table 10 Cell Means for the Job Insecurity by Post Layoff Procedural Justice Interaction for Organizational Commitment

	Post Layoff PJ	Post Layoff PJ
Job Insecurity	low	high
low	2.17, n=52	2.67, n=79
high	2.12, n=43	2.24, n=17

Table 11 Cell Means for the Job Insecurity by Interactional Justice A Interaction for Organizational Commitment

	Interactional Justice A	Interactional Justice A
Job Insecurity	low	high
low	2.33, n=76	2.66, n=55
high	2.13, n=42	2.2, n=18

Table 12 Cell Means for the Job Insecurity by Interactional Justice A Interaction for Trust in Management

	Interactional Justice A	Interactional Justice A
Job Insecurity	low	high
low	2.55, n=76	2.85, n=54
high	2.03, n=41	2.59, n=17

Table 13 Cell Means for the Job Insecurity by Interactional Justice B Interaction for Trust in Management

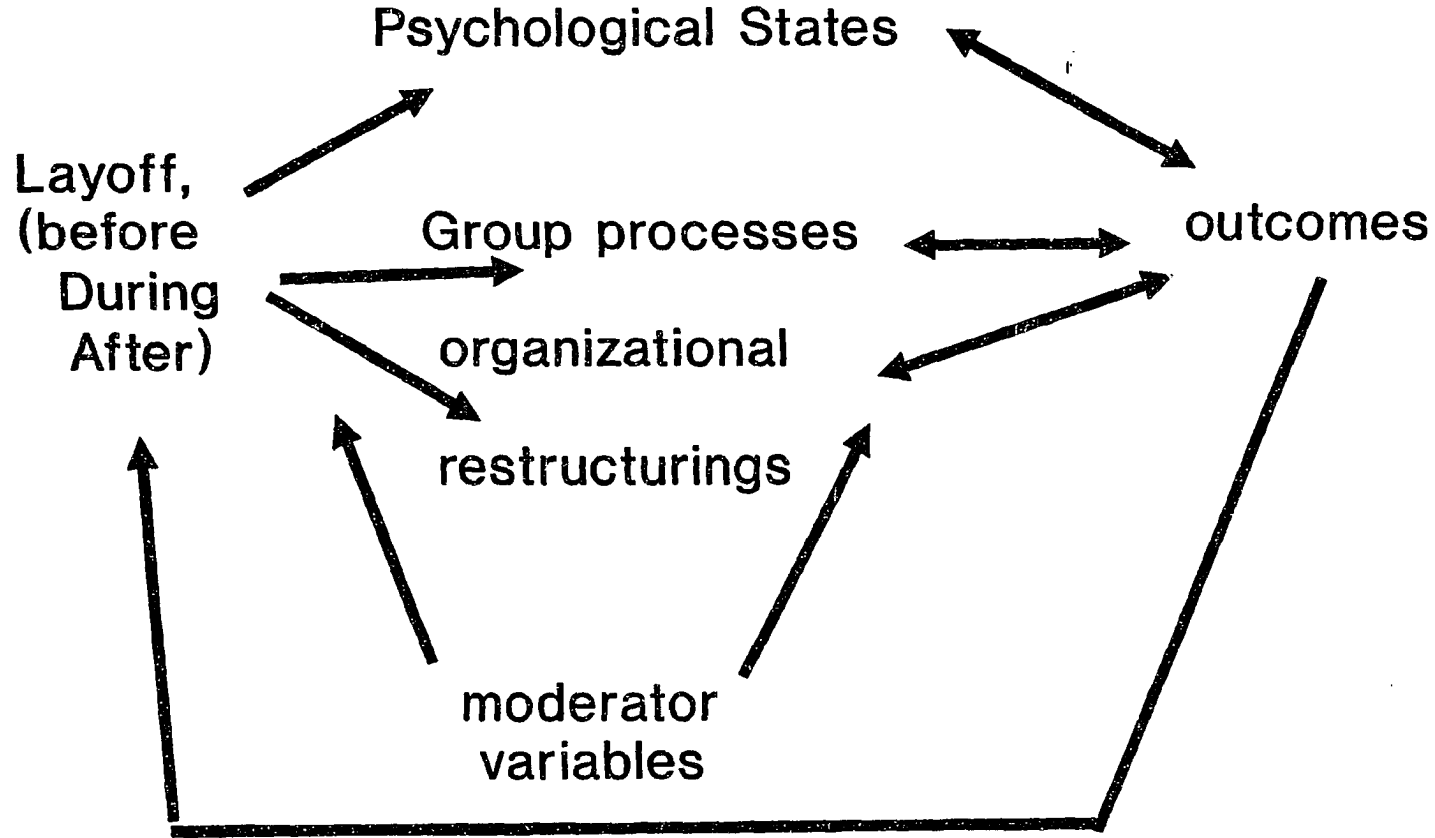
	Interactional Justice A	Interactional Justice A
Job Insecurity	low	high
low	2.53, n=69	2.84, n=61
high	1.98, n=36	2.55, n=22

Table 14 Cell Means for the Job Insecurity by Interactional Justice B Interaction for Organizational Commitment

	Interactional Justice A	Interactional Justice A
Job Insecurity	low	high
low	2.31, n=69	2.64, n=62
high	2.08, n=37	2.26, n=23

Appendix One

Brockner's (1988) proposed Conceptual model of layoffs
from Brockner (1988) Effects of work layoffs on survivors.
in Research in Org. Behavior Vol.10, 213-255.



Appendix Two

Organizational Employment Practices Survey

I am a City University of New York Graduate Center and Baruch College graduate student investigating the effects of corporate downsizings / layoffs upon the **Remaining** employees for my dissertation. Research has examined the impact of job loss upon those out of work, but very little research has examined its impact upon those still employed after a staff reduction.

Your frank and honest opinions are needed so that we can better understand the results of staff reductions. There are no right or wrong answers, only your personal opinions. Place any comments you may have at the end of the survey. THIS SURVEY IS ANONYMOUS AND CONFIDENTIAL. Please do not skip any questions.

Please answer all of the questions to the best of your ability. If you are unsure of a question answer it as best you can. Please do not put your name on any part of this survey so that your anonymity is protected. After you have answered all of the questions please place the survey in the postage paid addressed envelope.

Tear this sheet from the remaining questionnaire and keep it for your records. If you have any questions please contact William Verdi, at Baruch College, City University of New York, Box 512, Psychology Department, 17 Lexington Avenue, New York, NY, 10010, (212) 387-1540.

Thank you for your participation.

Organizational Employment Practices Survey

- 1) Are you currently in an organization that has laid off some of its workforce? yes no
- 2) How long ago was the layoff implemented? _____
- 3) Are you still employed by this organization? Yes No
- 4) Was an explanation for the layoff provided? Yes No [If No Skip to Question 9]
- 5) How clear was the explanation given for the layoff?
 Very Clear Clear Unclear Very Unclear
- 6) How adequately did the explanation provided answer all of your questions concerning why the layoff happened. Was the explanation . . .
 very adequate adequate inadequate very inadequate
- 7) What was the explanation or reason given by management for the layoff?

- 8) Do you believe the explanation management provided for the layoff? Yes[skip Q 9]
 No [answer Q 9]
- 9) Please state what you believe to be the real reason for the layoff.

- 10) Did you personally know well any of the laid off employees? Yes No
- 11) Did you work closely with any of the laid off employees? Yes No
- 12) Were any of the laid off employees in your department? Yes No

Please rate the explanation / reason you believe to be the real reason for the layoff. The items below concern your impressions or opinions of this explanation. Circle the number that best expresses your opinion.

13. Did the cause of the layoff:
 Reflect an aspect of company 9 8 7 6 5 4 3 2 1 Reflect an aspect
 of management. situation. the company's

14. Was the cause of the layoff:
 Uncontrollable by 9 8 7 6 5 4 3 2 1 Controllable by
 management. management.

- 28) News of the layoff was delivered in a nice way to those laid off.
 Strongly Agree Agree Disagree Strongly Disagree
- 29) The company provided enough advance warning of the layoff to those who would be laidoff.
 Strongly Agree Agree Disagree Strongly Disagree

Listed below are a series of statements that represent possible feelings individuals might have about the company or organization for which they work. With respect to your own feelings about your organization, please answer each item by circling your answer. The answers choices are:

A (Agree strongly), a (agree), d (disagree) and D (disagree strongly).

30. A a d D I am willing to put in a great deal of effort beyond that normally expected to help this organization be successful.
31. A a d D I talk up this organization to my friends as a great organization to work for.
32. A a d D I feel very little loyalty to this organization.
33. A a d D I would accept almost any type of job assignment in order to keep working for this company.
34. A a d D I find that my values and the organization's values are similar.
35. A a d D I am proud to tell others that I am part of this organization.
36. A a d D I could just as well be working for a different organization as long as the type of work was similar.
37. A a d D This organization really inspires the very best in me in the way of job performance.
38. A a d D It would take very little change in my present circumstances to cause me to leave this organization.
39. A a d D I am extremely glad that I chose this organization to work for over others I was considering at the time I joined.
40. A a d D There's not too much to be gained by sticking with this organization indefinitely.
41. A a d D Often, I find it difficult to agree with this organization's policies on important matters relating to its employees.
42. A a d D I really care about the fate of this organization.
43. A a d D For me this is the best of all possible organizations for which to work.
44. A a d D Deciding to work for this organization was a definite mistake on my part.

During an organizational change, interactions between employees and their supervisors can become critical. Please answer the following questions dealing with employee -- supervisor interactions.

- 45) How free do you feel to discuss with your immediate supervisor the problems and difficulties in your job without jeopardizing your position or having it held against you later?
 Completely free Somewhat Free Cautious Very Cautious
- 46) Immediate superiors at times must make decisions which seem against your interests. When this happens to you how much trust do you have that your immediate supervisor's decision was justified by other considerations?
 Trust Completely Trust Somewhat Feel Distrustful Feel Very Distrustful
- 47) How much confidence do you have in your immediate superior regarding his/her general fairness?
 Complete confidence Some confidence Little confidence No confidence
- 48) I can trust the head of my department to make decisions which I consider appropriate.
 Strongly agree Agree Disagree Strongly disagree
- 49) I can trust senior management to make decisions which I consider appropriate.
 Strongly agree Agree Disagree Strongly disagree

Fairness in the following questions means the extent to which a person's contributions to the group are related to the rewards received. Money recognition and physical facilities are examples of rewards. Please circle your response. The answer choices are: A (Very fairly distributed), a (Fairly distributed), d (Unfairly distributed), D (Very unfairly distributed).

In the post layoff organization:

- 50.A a d D I am fairly rewarded considering the responsibilities I have
- 51.A a d D I am fairly rewarded taking into account the amount of education and training I have had.
- 52.A a d D I am fairly rewarded for the amount of experience I have.
- 53.A a d D I am fairly rewarded for the amount of effort that I put forth.
- 54.A a d D I am fairly rewarded for work that I have done well.
- 55.A a d D I am fairly rewarded for the stresses and strains of my job.

Please answer the following questions with regard to how the layoff was implemented.

- 56.A a d D The severance pay that the organization offered to those laid off was generous
- 57.A a d D Management tried to help those laid off find a comparable job outside the organization
- 58.A a d D Management continued the health and/or other kinds of insurance coverage for those laid off

59. A a d D Management tried to help those laid off find a comparable job elsewhere in this organization.
60. A a d D Those laid off in my work group received the amount of severance they deserved.
61. A a d D Those laid off in my work group received the amount of outplacement assistance they deserved

Indicate the extent to which your organization did each of the following. Please answer each item by circling your answer. The responses are:

A (Agree strongly), a (agree), d (disagree), D (disagree strongly).

62. A a d D I have enough power in this organization to control events that might effect my job.
63. A a d D In this organization, I can prevent negative things from affecting my work situation.
64. A a d D I understand this organization well enough to be able to control things that effect me.

Indicate how much you agree or disagree with the following statements. Please answer each item by circling your answer. The responses are:

A (Agree strongly), a (agree), d (disagree), D (disagree strongly).

The post layoff organization:

65. A a d D is honest and ethical in dealing with me.
66. A a d D gives me an opportunity to express my opinion.
67. A a d D uses consistent standards in evaluating my performance.
68. A a d D considers my views regarding my performance.
69. A a d D gives me feedback that helps me learn how well I am doing.
70. A a d D is candid and frank with me.
71. A a d D shows a real interest in trying to be fair.
72. A a d D gets input from me before a recommendation is made.
73. A a d D makes clear what is expected of me.
74. A a d D gives me feedback to help me to improve my performance.
75. A a d D resolves difficulties with my supervisor concerning my duties and responsibilities.
76. A a d D obtains accurate information about my performance.

- 77.A a d D finds out how well I think I am doing my job.
- 78.A a d D asks for my ideas on what I can do to improve company performance.
- 79.A a d D frequently observes my performance.
- 80.A a d D behaves in a way that I think is Inappropriate.
- 81.A a d D allows personal motives or biases to influence recommendations.
- 82.A a d D allows me to find out about my department's personnel decisions.
- 83.A a d D allows me to make an appeal about my department's personnel decisions.
- 84.A a d D allows me to discuss, with my supervisor, how my performance is evaluated.

Please answer the following questions with regard to how the layoff was implemented.

During the layoff:

- 85.A a d D the organization had procedures designed to hear the concerns of those affected by the layoff
- 86.A a d D the organization had procedures designed to provide useful feedback regarding the layoff decision and its implementation
- 87.A a d D the organization was fair in the way that it implemented the layoff.
- 88.A a d D the way the organization made the layoff decision was Not fair to me.
- 89.A a d D the procedures set up to administer the layoff within my work group were fair.
- 90.A a d D the company wide procedures used to make decisions concerning the layoff were fair.
- 91.A a d D management tried hard to be fair when deciding whether or not to lay off staff.
- 92.A a d D the process used by my immediate manager to determine whom would be laid off was fair.
- 93.A a d D the organization was honest and ethical in dealing with me.
- 94.A a d D the organization considered my views regarding my performance.
- 95.A a d D the organization was candid and frank with me.
- 96.A a d D the organization showed a real interest in trying to be fair.
- 97.A a d D the organization asked for my ideas on how to improve company performance.

98.A a d D I was able to find out about my department's personnel decisions.

99.A a d D I was able to make an appeal about my department's layoff decisions.

100.A a d D I was able to express my feelings to my supervisor about salary decisions

101.A a d D the organization behaved in a way I think was Inappropriate.

102.A a d D The criteria that were used to decide who would be laid off were fair.

For statistical tabulation reasons please answer all of the following demographic questions.

103) Age _____ 104) Gender M__ F__

105) Highest education attained __ Grammar School __ High School __ Some College
__ College Degree __ Masters _____ Ph.D.

106) Your job title _____

107) How long have you been in this position _____ years.

108) How long have you been in this organization _____ years.

109) Total number of years of work experience _____ years.

Thank you for participating. Please write any comments you have on this page.

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