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**ASSESSING SURVIVOR SYNDROME DURING ECONOMIC RECESSION IN
NEW ZEALAND**

A thesis
submitted in partial fulfilment
of the requirements for the degree
of
Master of Applied Psychology
at
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Abstract

The present study aimed to gain an understanding of and assess survivor syndrome during the time of economic crises among public service employees in New Zealand. This study also explored the relationship between fulfilment of psychological contract and trust and faith in management and the relationship these phenomenon have with survivor syndrome. An online questionnaire was completed by 231 members of the Public Service Association (PSA) of New Zealand. The participants were divided in two groups, those who knew someone who had been made redundant in the previous 12 months (affected by organisational restructuring) and those who did not know anyone in the organisation who had been made redundant (employees not affected by organisational restructuring). Findings suggest that, as in previous studies done in New Zealand, employees do not suffer strongly from survivor syndrome. However there were significant differences in the scores of those affected and those not affected by organisational restructuring in survivor syndrome, morale, job security, job satisfaction, fulfilment of psychological contract and trust and faith in management for both groups. Fulfilment of psychological contract and trust and faith in management shared a positive relationship with survivor syndrome. Research by Wisener, Vermeulen and Littler (1999) and Littler, Wisener and Dunford (2003) has had an influence on the present study by offering a definition of survivor syndrome and the model of assessing it. However in this study survivor syndrome is assessed on an individual level (employees) where it is experienced. Managers in organisations could benefit from extending their awareness of survivor syndrome and managing the most important resource post restructuring – the surviving employees.

Acknowledgements

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CHAPTER ONE

INTRODUCTION

OVERVIEW

This research project examined the phenomenon of survivor syndrome and its effects on employees whose colleagues have been laid off from work. The various variables that are related to, and make up the concept of survivor syndrome are discussed. Whether employees who survive organisational restructuring display the signs of survivor syndrome and the extent of survivor syndrome found among employees, was assessed. Survivor syndrome includes the reactions, emotional or physical, of an employee who has undergone and survived a layoff or organisational downsizing.

Severe or mild, economic recession brings bad news for the bread winners of families. It poses tough times for employees who lose their jobs and families who have to unwillingly go through this turmoil. Organizations face a real challenge as they respond to the economic crisis by making significant changes through downsizing employment (Mullins, 2002). Downsizing as a byproduct of technological revolution in mid-1970s, that would affect the lives of many individuals, was first predicted by Charles Handy (Appelbaum, Everard, & Hung, 1999). Downsizing has been considered a management “mantra” (Lecky, 1998) and the most popular restructuring strategy used by various companies (Cameron, 1994). Robbins (1997) described downsizing as the act of reduction of the organization’s size following extensive layoffs.

However, employees who survive downsizing may not be better off either **just/only** because they still retain their job and thus a steady income. Ndlovu and Parumasur (2005) stated that the organizational change affects both survivors and those made redundant equally deeply. Downsizing leads to increased burden on employees who remain in the organization, leaving them questioning the commitment of the organization (Drummond, 2000). So, if the reason for downsizing or restructuring is survival of the organization and maintaining the health of an organization, the staff that are left behind, the survivors, should be well taken care of.

Survivor syndrome was defined as a set of reactions and behavior portrayed by people who survive an adverse event (Doherty, Bank, & Vinnicombe, 1996). It can also be described as “a mixed bag of emotions often exhibited by remaining employees following an organizational downsizing” (Doherty & Horsted, 1995, p. 26). It is characterized by many feelings such as anger, loss of motivation, loss of job security, loss of trust, loss of morale, questioning of self worth and anxiety (Amundsen, Borgen, Jordan, & Erlebach, 2004).

The term was first used to describe the feelings and emotions of people who survived the World War II Holocaust, including numbness and depression and mourning for the loss of fellow humans. It was then introduced by Brockner (1992b) to management studies to illustrate the feelings of people who survived a restructuring exercise within an organization, when their colleagues/friends were made redundant. In organizations that have restructured or laid off employees, similar emotions are experienced by those who have survived. They also suffer from the guilt of surviving the layoffs while others did not (Appelbaum & Donia, 2000). The responses shown by survivors comprise emotions such as anger, insecurity, a perception of unfairness, disbelief, betrayal, resentment against management, guilt, insecurity, depression, reduced risk taking behaviour and motivation, and low morale (Thornhill, Saunders, & Stead, 1997; Vries & Balazs, 1997). Being aware of this comparison or similarity is imperative to understand the importance and gravity of the issue (Noer, 2009). It is an important area to study

as it reviews the adverse effect of layoffs on survivors. It can affect productivity and the work climate of the organization. “Management sometimes believes that the surviving employees will be so relieved to still have a job, that they will eagerly get down to business; however, often any relief felt by survivors is overwhelmed by less pleasant emotions of downsizing survivor syndrome” (Rubach, 1995, p. 25).

The emotional strain that the survivors of organizational restructure go through is often overlooked (Umiker, 1999). Survivor syndrome can also lead to employees indulging in less risk taking behavior and becoming less flexible (Cascio, 1993). Wiesner, Vermeulen and Littler (1999) defined it in terms of six human resource variables, organizational commitment (decreased levels), perceived promotion opportunities (decreased expectations), job security, (decreased levels), job satisfaction (decreased levels), staff motivation (decreased levels) and morale (decreased levels). They used these variables across their survey to assess survivor syndrome. These variables and others like job involvement and stress have been repeatedly measured across various other studies (Armstrong-Stassen, 1993; Brockner 1988).

The types of cost cutting interventions used in organizations generally work well when the people who are left behind start to work more efficiently. However, this is generally not the case because the effects of such interventions on the employees who survive the layoffs are not usually thought about, and thus the intervention is weak (Wood, 2009). This leads to problems in the organization post downsizing and one of the major side effects is survivor syndrome (Appelbaum & Donia, 2000).

Survivor syndrome should be addressed by the organization as its implications are potentially very serious. The implication does not only involve upsetting emotional health but also involves physical strain as well. This is because the workload increases for those employees who are still working within the organization as they also have to cover for their colleagues who have been made redundant. During an economic recession, when there is

prevalence of downsizing for cost cutting and unemployment is generally high, it becomes vital to know how the employees who stay in an organization feel about the situation. Understanding the side effects of downsizing and how it will affect the survivors of the layoffs should essentially be the first step before planning the organizational downsizing. This is because the emotions that will surface after organizational downsizing can be negative and therefore detrimental to the health of the organization (Appelbaum & Donia, 2000). Anecdotal evidence suggests that survivors are generally left out and ignored during a majority of organizational downsizings, even though they are the most important components in achieving organizational goals after the organization is streamlined (Moskal, 1992)

Appelbaum and Donia (2000) talk about three practices that contribute to the emergence of survivor syndrome within an organization post downsizing. These include the reason for downsizing, duration and frequency of downsizing, and assistance given to the employees who have been laid off. It is seen that the companies sometimes conduct the process of downsizing over a period of months or years (Boroson & Burgess, 1992). This can cause lot of mental stress among employees as the fear of their jobs being made redundant is constant. This situation can be aggravated if the survivors can identify with those who have been made redundant (Brockner, Grover, Reed, DeWitt, & O'Malley, 1987)

Survivor syndrome should be of concern to management of the organization because of the above mentioned consequences. It also becomes important because the employees who remain (survivors) are responsible for the productivity in that period of uncertainty. Berglas (2009) mentioned that the main reason for survivor syndrome was the fact that with less people left to do all the work, there are high chances of frustration and anger. This becomes especially true when the employees think that an organization has low commitment towards their future.

Downsizing is common during a recession and can be unfavourable for the organisation involved. It is a complex and many-sided phenomenon (Gandolfi, 2006) and so are the reasons

behind downsizing, from mergers and acquisition to global competition, for competitive advantage to technical innovation (Sahdev, 2003). Sometimes the “economic situation is a cunning shorthand for firms dumping some unwanted staff members, cruelly regarded as ‘dead wood’, using the spectre of a recession to avoid legal repercussions from such dismissals” (Wilson, 2009).

During times of an economic crisis such as recession, survivor syndrome would likely have even more serious repercussions as surviving employees know that there are fewer job opportunities available for their colleagues who have been laid off. This might lead to a heightened state of all the previously mentioned emotions including guilt, insecurity, depression, de-motivation and so on. The dearth of jobs in the market can make people who stay feel guiltier and more insecure about their own jobs. It was during such times (recession) in 1980 that survivor syndrome was noticed (Berglas, 2009). This is because in a recessionary economy, job opportunities shrink and employees who are made redundant may find it even more difficult to find another job. Kinder (2009) stated that these changes in emotions of the survivors can be detrimental as they may lead to more conflicts amid the teams and poorer customer service among other things due to the rise in their stress levels. Also as their loyalty has been compromised when they saw their colleagues losing jobs at their expense, as soon as the conditions in the market improve there can be a high risk of turnover. Furthermore, downsizing also leads to less promotion opportunities, feeling de-motivated or unsure about fulfilling the personal goals employees have set for themselves (Ndlovu & Parumasur, 2005; Thornhill & Saunders, 1998)

Conclusion

Survivor syndrome affects restructuring survivors' attitudes and emotions. Thus, survivor syndrome, if not recognized, can be a great threat to the health of employees and the organization. Having established this, it is important to consider the variables that are related to and make up the concept of survivor syndrome, so that the holistic picture of this syndrome is more comprehensible. In the following section the variables that compose survivor syndrome will be discussed in detail. Littler (2000, p.63) stated that there has been no "cause-and-effect relations among the range of feelings apparently experienced by survivors". This research used the definition of survivor syndrome given by Wiesner, Vermeulen and Littler (1999) mentioned before (p.3), and thus discusses the variables mentioned in it as the composite variables of survivor syndrome.

Within the context of this research, employees who are more likely to exhibit survivor syndrome and be affected by organizational restructuring are those who knew someone who was made redundant in the last 12 months. Brockner et al, (1987) stated that survivors of the organizational restructuring would feel and react more negatively and would regard the restructuring more unfair if they were closer to the victims. It is hypothesized that these employees would be more likely to show the behavior related to survivor syndrome than employees who didn't know anyone who was made redundant. For the ease of understanding the former group of employees is called 'employees affected by organizational restructuring'.

Component Variables of Survivor Syndrome

Organizational Commitment

Organizational commitment is “multidimensional in nature, involving an employee’s loyalty to the organization, willingness to exert effort on behalf of the organization, degree of goal and value congruency with the organization, and desire to maintain membership” (Bateman & Strasser, 1984, p.95). Organizational commitment, as Rashid, Sambasivan and Johari (2003) described, is an important variable that portrays the relationship between the organization and its employees. It is an important attribute to be present in an employee, as research states that committed employees benefit the firm by being less absent, giving positive contributions and having the tendency to stay with the organization (DeCotiis & Summers, 1987).

Organizational commitment has been studied under three component conceptualizations (Meyer & Allen, 1991). I will discuss the two components that are more relevant for this research.

These are:

- Affective commitment, defined by Rashid, Sambasivan and Johari (2003) as ‘emotional attachment and identification’ of the employee with the organization. This commitment makes employees retain their membership with the organization out of choice as they identify with the goals of the organization (Meyer & Allen, 1997).
- Continuance commitment, defined as a tendency to “engage in consistent lines of activity” (Becker, 1960, p.33) according to the employee’s recognition of the cost of leaving, like years of employment, benefits received and so on.

Ndlovu and Parumasur (2005) mentioned that the quality of the organization that makes it stand out as a successful organization is being more productive through effective management and the commitment employees have to the organization. Surviving an organizational downsizing can have a negative effect on organizational commitment of the employees. According to Marrow (1983, cited in Thornhill, Sanders & Stead, 1997) staff that remain in an organization after organizational downsizing and restructuring has occurred (i.e. survivors) may find that these dimensions of commitment have altered. However, Baruch (1998) believed that in changing times the definition of commitment that an employee has towards his/her organization is also bound to change. This is especially true for continuance commitment, as it is more of a 'calculative' dimension of organizational commitment (Srivastava & Sager, 1999). Although employees may, after the restructuring, indicate that they will put more effort into helping the organization be successful, this may be done as an attempt to keep their jobs and not because of any particular attachment to/with the organization. Drummond (2000) stated that the act of downsizing can affect the commitment levels of the workers who have survived. Newell and Dopson (1996) stated that the commitment thus portrayed is that of fear rather than loyalty towards the organization. Organizational commitment is a valued attitude within an organization as it is related to turnover intention, performance, and productivity. Baruch and Winkelmann-Gleed (2002) stated that the employees who stay within the organisation would find it really hard to maintain those levels of commitment after the organisation has downsized.

From this analysis, two hypotheses were constructed:

Hypothesis 1(a) Employees affected by organisational restructuring will report lower levels of affective commitment than those who were not.

Hypothesis 1(b) Employees affected by organisational restructuring will report higher levels of continuance commitment than those who were not.

Perceived Promotion Opportunities

Stewman and Konda (1983, cited in Harlan, 1989 p. 769) stated that “positional or promotion opportunities is determined by the structural properties of the social system: the distribution of jobs among grade levels, corporate rates of growth and decline, the amount of external hiring and turnover and cohort sizes affect the number of openings in higher level jobs available for promotion.”

The process of downsizing in any organization would lead to a decrease in career advancement opportunities (Thornhill & Saunders, 1998). Dorthey and Horsted (1995) stated that downsizing when enforced leads to increased confidence in the future of the organization but decreased confidence in one’s own future. Perceived promotion opportunities were mentioned by 51% of the restructured organizations in the Australian Organizational Restructuring project (Littler et al. 1997b). In a recent study by Ndlovu and Parumasur (2005), it was found that downsizing leaves survivors unsure about their future and the future goals that they had set for themselves within an organization, which in turn leaves them less motivated and less satisfied. Ebadan and Winstanley (1997) also concluded in their study that 50% of survivors believed perceived promotion opportunities deteriorate after an organization has been downsized. Marchant (1999) also found that organisational restructuring leads to survivor syndrome which can be seen through increased job insecurity and lower perceived promotion opportunities.

From the above discussion the following hypothesis was developed:

Hypothesis 2: Employees affected by organisational restructuring will report lower levels of perceived promotion opportunities than those who were not.

Job Insecurity

Job insecurity or concern about job security is defined as “an internal event reflecting a transformation of beliefs about what is happening in the organisation and its environment.” Jacobson (1991, p.15). Concern about job security or the fear of being rendered unemployed can be of major concern to the survivors of an organisational downsizing. Noer (1993) mentioned job insecurity as the first among the twelve types of negative feelings that survivors experience. Layoff survivors worry about the next job cutting exercise and the possibility of finding another suitable job after that, which in turn affects their current performance. Employees, when faced with low job security, will have a need to outperform themselves to secure their place resulting in low morale and increased turnover intentions (Leung & Chang, 2002). This may also be tough for employees as the phase of job insecurity preceding redundancy can result in psychological distress like depression, fatigue and poor concentration (Kuhnert, 1987). Additionally, job insecurity has found to be associated with job dissatisfaction, withdrawal intentions and reduced organisational commitment (Davy, Kinicki, & Scheck, 1997). It was also found that any sort of certainty regarding the job situation, even if it is certainty of being made redundant, is less damaging psychologically than the uncertainty of those who still have jobs but are constantly under the fear of losing their jobs (Dekker & Schaufeli, 1995). In a period of recession, turnover intentions can increase after the economy stabilizes. Job insecurity can lead to employees being less satisfied, emotionally and psychologically withdrawn from the work and reduction in job performance, during the times when employees don't have any alternative besides their present job (Rickey, 1992). Applebaum et al. (1997) also mentioned that employees, who do not have an alternative job in their mind, psychologically withdraw themselves from their current job thus leading to a decrease in job satisfaction.

The following hypothesis was proposed from the above discussion:

Hypothesis 3: Employees affected by organisational restructuring will report lower levels of job security than those who were not.

Job Satisfaction

Job satisfaction is defined as a “pleasurable or positive emotional state resulting from the appraisal of one’s job or job experience.” Locke (1976, p. 1300). Job satisfaction is an important attitude to measure and monitor in an organisation as it effects the individual and organisational efficiency (Green, Felstead, & Burchell, 2000). There is no one view about the effect of Survivor syndrome on job satisfaction. For example, Brockner (1992b) stated that Survivor syndrome may not always have a negative impact on job satisfaction. It may have no negative impact if the survivors have a strong work ethic or have no close relationship with the victim of the downsizing. In that case the additional job burden that they experience may be taken up by them as challenge and variety. Littler (2000) showed that, at least in New Zealand, there was no change in job satisfaction after downsizing. It also has been seen that this depends on the way the process of downsizing has been implemented. If the treatment given to the employees (survivors) in gaining their trust and loyalty is well portrayed it can result in higher job satisfaction. Although, according to Burke and Greenglass (2001), restructuring of an organization leads to an environment of change and the feeling of survivor syndrome can further lead to feelings of not being able to successfully finish the given task hence affecting an employee’s motivation and satisfaction.

From this analysis following hypothesis was constructed:

Hypothesis 4: Employees affected by organisational restructuring will report lower level of job satisfaction than those who were not.

Job Motivation

Motivation can be defined as "a process that starts with a physiological or psychological deficiency or need that activates behaviour or a drive that is aimed at a goal or incentive" (Luthans 1992, p. 147). Olajide (2000, cited in Tella, Ayeni, & Popoola, 2007) stated that motivation is "goal-directed, and therefore cannot be outside the goals of any organization whether public, private, or non profit". Brockner (1988) mentioned that guilt, anger, job insecurity, relief and feelings of iniquity that are brought on by downsizing can effect job performance, commitment, satisfaction and motivation. Littler (2000) also mentioned that job motivation, along with morale and commitment, makes up the core variables that can measure the affect of survivor syndrome. Huy (1999) mentioned that motivation is one of the challenges people feel in times of change. According to Littler's research in three countries (Littler, Wisener, Vermeulen, Dunford and Bramble, 1997; Littler, Wisener & Dunford, 2003) South Africa, Australia and New Zealand, two countries, South Africa and Australia showed a steep decrease in job motivation after downsizing of organisations. In South Africa job motivation decreased by as much as 70.8%. New Zealand was an exception as staff motivation increased after downsizing. The results from when the study was done were explained as being era specific during which restructuring was considered the norm in New Zealand. As for job satisfaction, motivation will also depend upon how the process of downsizing is perceived. If the survivors perceive the process of downsizing as not being fair, this would be reflected in productivity and efficiency of the staff that in turn is governed by how much the employee is motivated to work. Appelbaum, Delage, Labib and Gault (1997) used the expectancy theory of motivation to explain this idea. If the survivors believe that the process of downsizing was fair i.e. performance was the criterion for making their co-workers redundant, employees would be more motivated to work but if this is not the case, they will lose the incentive to work, which

will in turn lower their motivation. Motivation is thus an important variable that can help in measuring survivor syndrome among employees.

From this analysis the following hypothesis was constructed:

Hypothesis 5: Employees affected by organisational restructuring will report lower levels of motivation than those who were not.

Morale

Morale was defined as a “state of mind and emotions affecting the attitude and willingness to work, which in turn, affects individual and organisation objective” (Kumar 1997, p. 262). Morale has an important effect on productivity (Bewley, 1999). It is however seen that behind any failed restructuring or downsizing of an organisation there is a lack of understanding and preparation to handle the low morale of the survivors of the change (Isabella, 1989). With the sinking of the morale of remaining employees (or survivors) the productivity of the firm suffers (Cascio, 1993). Even though morale correlates strongly with job satisfaction, it is seen that job satisfaction is a broader term which encompasses all features of the job and the work environment (Hartline & Ferrell, 1996) whereas morale is more of an attitude towards work. The early concept of morale was used in terms of a group rather than an individual concept but in organizational psychology it is now considered as an individual trait, so morale can be treated as both a group and an individual trait (Stowe, 2009). Young (1940, cited in Stowe, 2009, p. 148) described morale as “the subjective, internal state - ideas, attitudes, feelings, and emotions—associated with a job, qualified, of course, by various features of wider social configuration. More specifically, it refers to the zest for activity, cooperativeness, sense of satisfaction and well-being, loyalty, and courage to carry on a task”. Morale is an important variable as unlike other physical assets, morale cannot be duplicated by any other organization that stands in competition. Having high morale among an organisation’s staff is important as it

is related to job satisfaction, high work effort, creativity, initiative and commitment towards one's organisation and also enhances the organisation's performance by putting group performance over personal goals (Linz, 2006). Worrall, Campbell and Cooper (1999) found that redundancy particularly leads to a reduction in morale of the existing workforce. Post restructuring, employees have to work more as they handle the work of their colleagues who were made redundant. This leads to surviving employees being over worked and thus hampering the morale and productivity (Lincoln, 1995).

Morale is an important variable to measure as a decrease in morale can lead to a feeling of mistrust among survivors and also decline in productivity (Cascio, 1993). To conclude, morale is influential to accomplish goals which entail individual effort. It is also important to know that the morale of an individual employee is inter-reliant on the morale of co-workers (Stowe, 2009). Therefore it becomes even more important to measure morale of individual employees as it can affect the collective morale of the organisation.

From this analysis the following hypothesis was constructed:

Hypothesis 6: Employees affected by organisational restructuring will report lower levels of morale than those who were not.

Summary

The conclusion drawn from the research reviewed is that individuals who stay within an organization after it has been restructured, or 'layoff survivors' as termed by organizational psychologists, suffer from various kinds of adverse effects of the change process. This effect can vary in the degree of its occurrence. Also as Baruch and Hind (2000) found in their study, survivor syndrome is not found across all business sites or all the organizations that have undergone restructuring, and it thus becomes more important to see what the extent of survivor

syndrome in a given organization is and what sort of symptoms it exhibits. Any organizational transformation has the potential to bring about a large range of positive and negative emotional responses among employees. It has been seen that employees who knew someone who was made redundant were affected more negatively than others (Shah, 2000).

The research reviewed also concluded that the six variables mentioned together form the composite variable of survivor syndrome. It is thus important to study the inter-correlations among these variables to see how these variables interact with each other to contribute to Survivor syndrome. It was hypothesized that different variables would correlate differently to form the composite variable: survivor syndrome. The proposed inter-correlations between the variables are expressed in the following figures/hypotheses. These hypotheses are presented using four figures to reduce the complexity.

Based on the definition of Wiesner, Vermeulen and Littler (1999), and a review of research on the variables that are influenced by survivor syndrome, the following hypotheses are proposed:

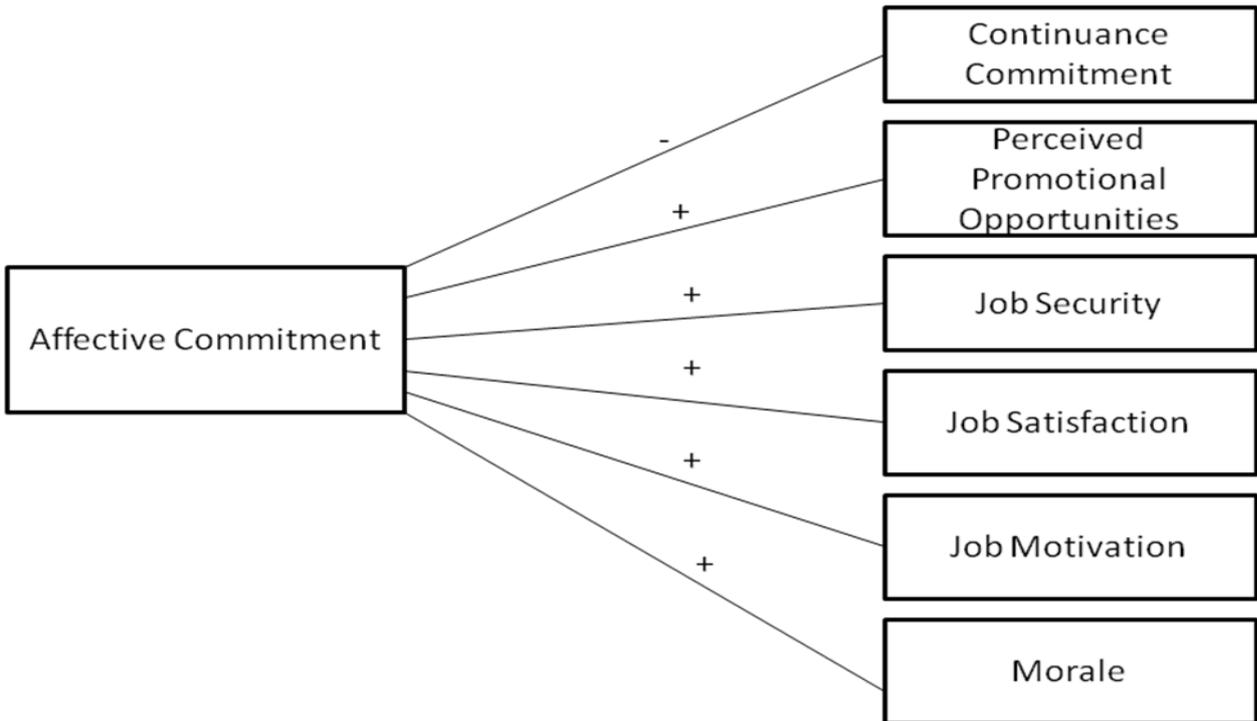


Figure 1 – Relationship of affective commitment to other research variables.

From Figure 1, the following hypotheses can be proposed:

Hypothesis 7. Affective commitment will be more:

- a) negatively related to continuance commitment for those affected by organisational restructuring than for those not affected.
- b) positively related to perceived promotion opportunities for those affected by organisational restructuring than for those not affected.
- c) positively related to job security for those affected by organisational restructuring than for those not affected
- d) positively related to job satisfaction for those affected by organisational restructuring than for those not affected.
- e) positively related to job motivation for those affected by organisational restructuring than for those not affected.
- f) positively related to morale for those affected by organisational restructuring than for those not affected.

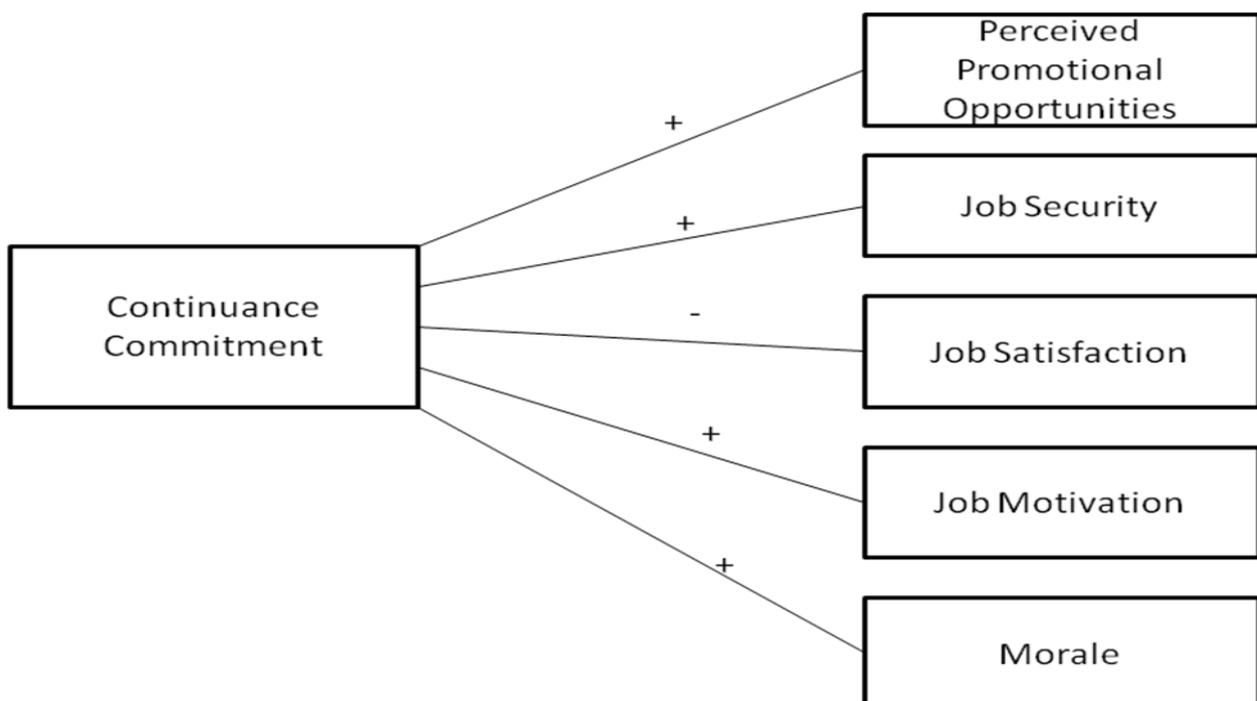


Figure 2 – Relationship of continuance commitment to other research variable.

From Figure 2 the following hypotheses can be proposed:

Hypothesis 8. Continuance commitment will be more

- a) positively related to perceived promotion opportunities for those affected by organisational restructuring than for those not affected.
- b) positively related to job security for those affected by organisational restructuring than those not affected.
- c) negatively related to job satisfaction for those affected by organisational restructuring than those not affected.
- d) positively related to job motivation for those affected by organisational restructuring than those not affected.
- e) positively related to morale for those affected by organisational restructuring than those not affected.

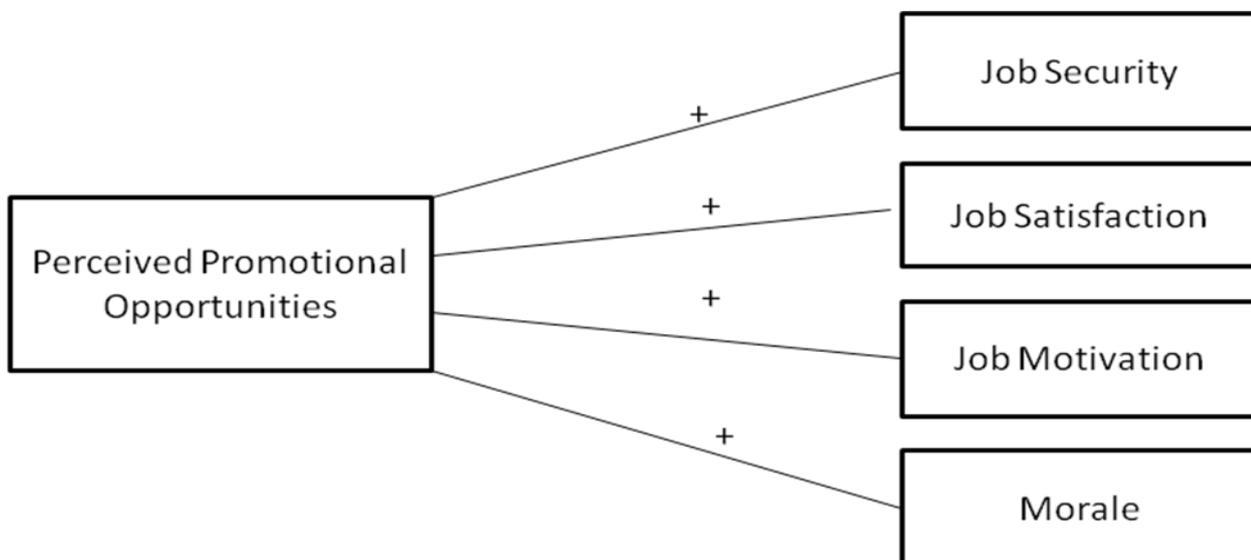


Figure 3- Relationship of perceived promotional opportunities to other research variables.

From Figure 3 the following hypotheses can be proposed:

Hypothesis 9. Perceived promotion opportunities will be more:

- a) positively related to job security for those affected by organisational restructuring than those not affected
- b) positively related to job satisfaction for those affected by organisational restructuring than those not affected.
- c) positively related to job motivation for those affected by organisational restructuring than those not affected
- d) positively related to morale for those affected by organisational restructuring than those not affected.

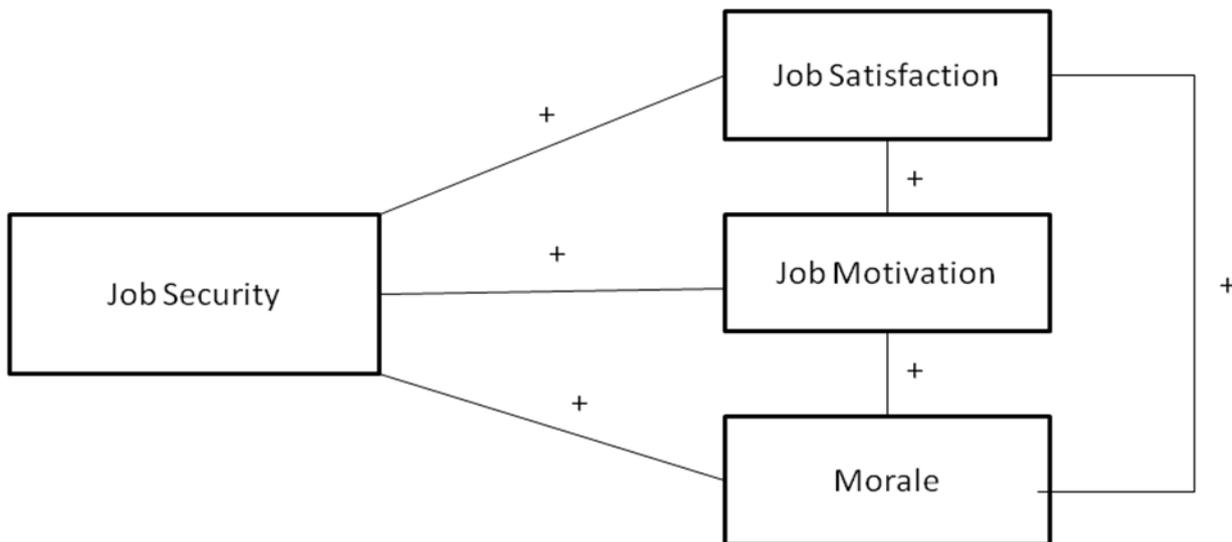


Figure 4 – Relationship of job security with other research variables.

From Figure 4 the following hypotheses can be proposed:

Hypothesis 10. Job security will be more

- (a) positively related to job satisfaction for those affected by organisational restructuring than for those not affected.

(b) positively related to job motivation for those affected by organisational restructuring than for those not affected.

(c) positively related to morale for those affected by organisational restructuring than for those not affected.

Hypothesis 11. Job satisfaction will be more

(a) positively related to morale for those affected by organisational restructuring than for those not affected.

(b) positively related to job motivation for those affected by organisational restructuring than for those not affected.

Hypothesis 12. Job motivation will be more positively related to morale for those affected by organisational restructuring than for those not affected.

Wiesner, Vermeulen and Littler (1999) stated that survivor syndrome is experienced by an employee who survives a restructuring in an organisation, which makes it clear that survivor syndrome is not an organisational condition but an individual condition. Hence I decided to assess it at the individual level in contrast to a study by Wiesner et al (1999) which adapted an organisational analysis. Survivor syndrome is measured as the composite scores of the seven variables mentioned above. Therefore the higher score would indicate lower survivor syndrome. Hypotheses mentioned above look at the relationship between those variables. Once that is done the relationship between survivor syndrome experienced by the employees and the fulfilment of psychological contract is also explored as is the relationship between survivor syndrome and trust and faith in management. This is done because the psychological contract defines the relationship of an employee with the organisation, it is then important to see how far reaching the effect of survivor syndrome can be. This can further affect trust and faith in

management which is an important variable on which an organisation builds itself. These two variables are discussed below:

Survivor Syndrome and Fulfilment of Psychological Contract

The psychological contract is defined as “individual beliefs, shaped by the organization, regarding terms of an exchange agreement between individuals and their organization.” (Rousseau, 1995, p.9). The implicit relationship an employee shares with their organisation about what he/she will receive in exchange for his/her services is called the psychological contract (Rousseau & Parks, 1992). The concept was first utilized to describe the exchange of relationship between individuals and their organizations (Argyris, 1960). It starts with the employee believing that the organization also has the obligation to pay them back for his/her contributions (Andersson, 1996). One of the important functions of the psychological contract is helping the employees work smoothly in times of uncertainty and risk such as during corporate restructuring (Morrison, 1994)

Therefore, as Scase and Goffee (1989) stated, after downsizing, survivors of an organisation feel a sense of breach of their psychological contract and also experience high pressure of work which leads to lower levels of commitment.

“Unless a company is willing to undertake the hard but necessary work of developing a new contract to replace the old one, employees will just feel betrayed and this shows in many ways including lost loyalty, poor morale, health problems and reduced customer service” (Challenger in Laabs, 1999, cited in Vermeulen & Wiesner, 2000, p.390).

The new employment contract is not about loyalty to the organisation but loyalty to one's work (Noer, 2009). Hence, the old psychological contract that rested on the premise that job security

or permanent employment is granted if the employee carries his duties well, is now diluted (Cooper, 2005).

Unlike other written contracts, psychological contracts are subject to change during an employee's tenure (Rousseau & Parks, 1993). Conway and Briner (2005) believed that a breach of the psychological contract could lead to low productivity and employees negatively perceiving their relationship with the organisation. Affective commitment and job performance are strongly related to the psychological contract (Sturges, Conway, Guest, & Liefoghe, 2005). There is a clear relationship between the psychological contract and affective commitment as affective commitment is affected by the relationship between the individual needs and expectations about the organisation and their actual relationship.

Survivor syndrome brings with it the feeling of abandonment of the psychological contract. This is because the job security and career advancement that was promised by the organisation in return for their commitment and loyalty towards work is not fulfilled thus making employees feel that their psychological contract has been abandoned (Brockner, Tyler & Cooper-Schneider, 1992). The feeling of breach of the psychological contract can lead to feelings of job dissatisfaction, decrease in job motivation and affect intentions to quit regardless of the fact whether these feelings are accurate or not (Robinson, 1996). Also, during a time of recession, with the growing fear of job insecurity there also exists pressure on the employees to perform not only efficiently but also show enough flexibility to work in the place of those who have been made redundant. This pressure can prove to be detrimental to the health of employees as it can be very stressful. This can alter the way employees see their psychological contract as being fulfilled or otherwise.

Survivor Syndrome and Trust and Faith in Management

Trust is defined as “the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trust or, irrespective of the ability to monitor or control that party” (Mayer, Davis, & Schoorman, 1995, p. 712)

Closely related to the concept of breach and violation of psychological contract is the concept of trust and faith in management. In periods of downsizing and restructuring of organizations, the feeling of mistrust and of not being treated fairly develop (Brockner, Lonovsky, Cooper-Schneider, Martin, & Bies, 1994). Worrall, Campbell and Cooper (1999) mentioned that along with organisational commitment and motivation, level of trust in management also figures in the emotions portrayed by survivors of redundancy in an organisation. Trust in management and the organization is an expression of belief in managements’ dependability and honesty (Mayer et al., 1995). Trust can also be defined as “a psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behaviour of another” (Rousseau, Sitkin, Burt, & Camerer, 1998 p.395). Trust is also an important component for a change effort within an organisation for its success (Lee & Teo, 2005; Mishra & Spreitzer, 1998). This trust can suffer a great loss as an outcome of employees feeling their psychological contract has been breached (Robinson, 1996) or during the phases of restructuring of the organisation (Morgan & Zeffane, 2003). The survivors, however, can develop healthy and positive responses to the organisational change and result in constructive behaviour on the part of survivors if it is handled well (Ozag, 2001). So this means managing employees to have trust and faith in management during and after the period of restructuring through various ways like effective flow of communication, is important for survivors to get through the crucial phase.

Here three hypotheses can be developed.

Hypothesis 12. Survivor syndrome will be positively related to feelings of breach of the psychological contract

Hypothesis 13. Survivor syndrome will be negatively related to trust and faith in management.

Hypothesis 14. Trust and faith in management will be negatively related to the feeling of breach of psychological contract.

Figure 5 summarizes the above mentioned hypotheses.

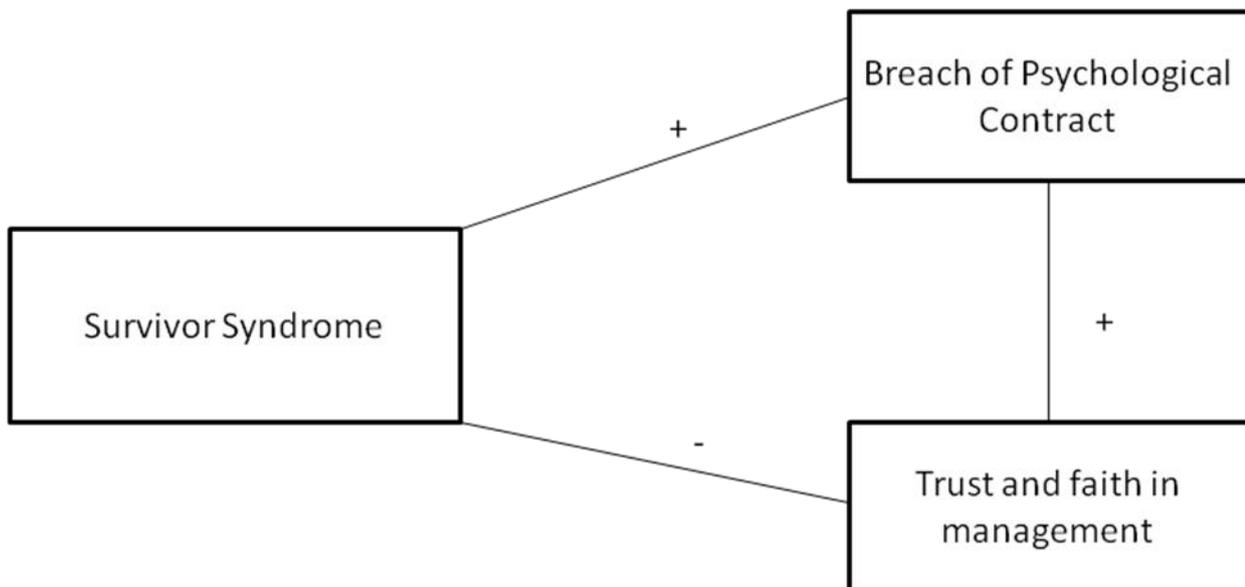


Figure 5. Relationship of Survivor syndrome with breach of psychological contract and trust and faith in management.

SUMMARY OF HYPOTHESES

Hypothesis 1(a) Employees affected by organisational restructuring (those who knew someone who was made redundant in last 12 months) will report lower levels of affective commitment than those who were not.

Hypothesis 1(b) Employees affected by organisational restructuring will report higher levels of continuance commitment than those were are not.

Hypothesis 2: Employees affected by organisational restructuring will report lower levels of perceived promotion opportunities than those who were not.

Hypothesis 3: Employees affected by organisational restructuring will report lower levels of job security than those who were not.

Hypothesis 4: Employees affected by organisational restructuring will report lower level of job satisfaction than those who were not.

Hypothesis 5: Employees affected by organisational restructuring will report lower levels of motivation than those who were not.

Hypothesis 6: Employees affected by organisational restructuring will report lower levels of morale than those who were not.

Hypothesis 7. Affective commitment will be more:

- a) negatively related to continuance commitment for those affected by organisational restructuring than for those not affected.
- b) positively related to perceived promotion opportunities for those affected by organisational restructuring than for those not affected.
- c) positively related to job security for those affected by organisational restructuring than for those not affected

- d) positively related to job satisfaction for those affected by organisational restructuring than for those not affected.
- e) positively related to job motivation for those affected by organisational restructuring than for those not affected.
- f) positively related to morale for those affected by organisational restructuring than for those not affected.

Hypothesis 8. Continuance commitment will be more

- a) positively related to perceived promotion opportunities for those affected by organisational restructuring than for those not affected.
- b) positively related to job security for those affected by organisational restructuring than those not affected.
- c) negatively related to job satisfaction for those affected by organisational restructuring than those not affected.
- d) positively related to job motivation for those affected by organisational restructuring than those not affected.
- e) positively related to morale for those affected by organisational restructuring than those not affected.

Hypothesis 9. Perceived promotion opportunities will be more:

- a) positively related to job security for those affected by organisational restructuring than those not affected
- b) positively related to job satisfaction for those affected by organisational restructuring than those not affected.
- c) positively related to job motivation for those affected by organisational restructuring than those not affected

- d) positively related to morale for those affected by organisational restructuring than those not affected.

Hypothesis 10. Job security will be more

- a) positively related to job satisfaction for those affected by organisational restructuring than for those not affected.
- b) positively related to job motivation for those affected by organisational restructuring than for those not affected.
- c) positively related to morale for those affected by organisational restructuring than for those not affected.

Hypothesis 11. Job satisfaction will be more

- a) positively related to morale for those affected by organisational restructuring than for those not affected.
- b) positively related to job motivation for those affected by organisational restructuring than for those not affected.

Hypothesis 12. Survivor syndrome will be positively related to feelings of breach of the psychological contract.

Hypothesis 13. Survivor syndrome will be negatively related to trust and faith in management.

Hypothesis 14. Trust and faith in management will be negatively related to the feeling of breach of psychological contract.

CHAPTER 2

METHOD

This cross sectional study used a survey method to examine employee attitudes following organisational restructuring. By surveying members of the Public Service Association, the objective was to assess the presence of survivor syndrome in public service employees during the times of economic crises like recession. Previous research (Brockner, 1992b; Shah, 2000) stated that employees were more negatively affected by restructuring within an organization if they knew someone who was made redundant. This supported the decision to create two groups differentiated on the basis of those affected by organizational restructuring (those who knew someone who was made redundant) in the previous 12 months and those who were not (those who did not know someone who was made redundant).

Participants

The New Zealand Public Service Association represents 57,000 employees working in public services. Participants (N = 232) were members of the New Zealand Public Service Association (PSA) employed in various public service organisations in New Zealand. Seventy percent of participants were female. The mean age of the participants was 47 years ranging from 21 to 67 years (SD = 11). Sixty-eight percent of the participants were married; 75% of the participants of the participants were European and 6.7% were Maori. Forty-three percent of the participants fell in the annual salary range of \$40000-\$59999. The average tenure of employees in their respective organisation was 12.29 years and the average tenure of employees in their

roles was 5.44 years. Sixty four percent (64.3%) of the participants knew someone in their organisation who had been made redundant within the previous 12 months.

Procedure

Members of Public Service Association were chosen as the participants for the study as unions at the time of recession were working for the employment rights of employees during redundancies and were trying to limit redundancies. A letter describing the research was sent to the Public Service Association's National Secretary. Subsequently the questionnaire (Appendix B) was sent to her and the editor of the PSA's electronic newsletter included the survey information in their upcoming newsletter. An online link to the survey was provided to the members of New Zealand Public Service Association (PSA) through their online newsletter. Ethical approval for the research was gained from the Department of Psychology Ethics Committee at the University of Waikato.

Data were collected over a seven day period. The survey was anonymous and voluntary and the goals of the research were also mentioned to the participants. SPSS 16 was used to conduct all analysis.

Measures

The questionnaire (Appendix B) measured affective commitment, continuance commitment, perceived promotional opportunities, job security, job satisfaction, job motivation and morale to assess the extent to which employees were displaying symptoms of survivor syndrome. These measures used to assess these variables are discussed below. Survivor syndrome was measured by drawing on a study by Wiesner, Vermeulen, and Littler (1999) where survivor syndrome was defined and measured by six variables namely job dissatisfaction, decreased staff motivation, decreased perceived promotional opportunities, decreased staff

commitment, decreased morale and job insecurity. These variables were measured as a part of the survey to assess survivor syndrome. The scores on these items were added together to get a single score to measure survivor syndrome. The seven variables used in the current study and the study by Wiesner, Vermeulen, and Littler (1999) have been shown to have high convergent validity in a downsizing context. The psychological contract and faith and trust in management were also measured to determine the nature of their relationship with survivor syndrome.

The data were collected via a questionnaire (appendix B). A 7 point scale anchored from 'strongly agree' to strongly disagree 'was used for all variables except one variable (job insecurity) which was measured using dichotomous responses. Negative items were recoded.

Organisational Commitment (Affective and Continuance Commitment)

Allen and Meyer's (1997) scale was used to measure organisational commitment and six items were included in the affective commitment scale and continuance commitment scales. Cronbach's alpha = .83, .79 respectively. For affective commitment, participants were asked to rate their level of agreement with statements about their emotional sense of commitment to the organisation. Sample items were "I do not feel 'emotionally attached' to this organization" and "This organization has a great deal of personal meaning for me". For continuance commitment participants were asked to rate their level of agreement with statements related to the costs to the participants if they left the organisation. Sample items were "Right now, staying with my organization is a matter of necessity as much as desire" and "One of the few negative consequences of leaving this organization would be the scarcity of available alternatives". The Cronbach's alpha for affective commitment items and continuance commitment items were .84 and .73 for this study, respectively.

Perceived promotion opportunity

Perceived promotion opportunity was measured using Tejada's (2006) 3-item measure. Cronbach's alpha = .79. Sample items were "I am very satisfied with the promotion opportunities of my current job" and "I feel that I have a very good chance of promotion in my current job". Cronbach's alpha for this study was .92.

Job Security

Job security was measured with five items from the Copenhagen Psychosocial Questionnaire (Kristensen, Hannerz, Hogh, & Borg, 2005). Cronbach's alpha was not reported. Sample items were "Are you worried about difficulties finding another job/place of work if you become unemployed?" and "Are you worried about being unable to work?" A yes was coded as 1 and no as 2. Cronbach's alpha in the present study was .78

Job Satisfaction

Job satisfaction was measured using Cammann, Fichman, Fenkins and Flesh's (1983 cited in Fields, 2003) overall job satisfaction scale. Coefficient alpha values for this measure have ranged from .67 to .95 (Fields, 2002). Sample items were "All in all I am satisfied with my job", "In general, I like working here". Cronbach's alpha for this study was .81.

Job Motivation

Job motivation was measured using six items from the Job Diagnostic Survey (Kim & Schuler, 1979), Cronbach's alpha = .70. Sample items were "Most people on this job feel a great sense of personal satisfaction when they do the job well" and "Most people on this job feel bad or unhappy when they find they have performed work poorly." Cronbach's alpha for the present study was .70.

Morale

Morale was measured with three items from the Australian Workplace Industrial Relation Survey. The measure was used by Weakliem and Frenkel (2006) in their study, where it was measured using a five point scale. Cronbach's alpha was not reported. Sample items were "Management can be trusted to tell things the way they are" and "I am satisfied with the way the management treats me and others here." Cronbach's alpha for the present study was .89.

Psychological contract fulfilment

A nine-item scale measuring feelings of violation and perceived contract breach was used (Robinson & Morrison, 2000). Negative items were recoded to measure the fulfilment of psychological contract as opposed to breach or violation of psychological contract. Cronbach's alpha = .92. Participants were asked to rate their level of agreement with statements relating to their perception of promises kept or broken by the organisation. Sample items were "My employer has broken many of its promises even though I have upheld my side of the deal" and "Almost all the promises made by my employer during recruitment have been kept so far". Cronbach's alpha of this scale for this study was .94.

Trust and Faith in Management

For measuring trust and faith in management, two sub scales (Faith in management and confidence in management) from the Interpersonal Trust at Work measure (Cook & Wall, 1980) were used. The present scale had six items. Cronbach's alpha in their study was .78 and .79 for the two sub scales that were combined for this study. Sample items were "Management at my firm is sincere in its attempt to meet workers' point of view" and "Our management

would be quite prepared to gain advantage by deceiving the workers.” Cronbach’s alpha for this study was .87.

Data Analysis

Exploratory factor analysis was conducted to determine if all the items in each scale fell under one factor. This research conducted principal axis factoring (PAF) with Varimax rotation for exploring the underlying factors and extract the main factor from each measure. PAF is used when the purpose of research is theory confirmation and causal modeling. Tables showing factor loading for all the variables are given in Appendix C. Factor analysis revealed that for three scales: organizational commitment, job security and job motivation there were more than one factor. For organizational commitment scale, factor analysis produced three distinct factors within the items. Two factor for affective commitment items and one for continuance commitment. The obvious observable difference between the two factors for affective commitment items is that items in the first factor are positively worded and items in the second factor were ones that were negatively worded and were reverse coded for the analysis. For job motivation and job security two factors each were produced. For job motivation item 14c and 14f had similar wordings and both were pertaining the feelings of the employees after finding that the work given to them is not properly done. However, the scree plot for job motivation indicated one factor. For job security there were two factors produced but the second factor did not have very strong factor loadings. The reasons for having more than one factors in the those three scales, as seen above, were either the similar wording of certain items or factor loadings which was then rejected by reading on scree plot. Hence it was decided to go with the original factoring of the scale and rather than the ones found in the present factor analysis.

After factor analysis, reliability analysis was conducted. Subsequent to deeming the scales reliable, bi-variate correlations and T-tests were performed to test the hypotheses. The data were analyzed to determine if there was a significant difference between the two groups, employees who knew someone who has been made redundant in the previous 12 months (affected by organizational restructuring), and employees who did not know someone who was made redundant and those who did not (not affected by organizational restructuring). T tests were performed to determine whether there was a significant difference between the scores of the two groups in the study along with simple bi-variate correlation which gave the measure of linear relationship between different variables in the two groups. Correlation coefficients were analysed and compared using tables to see if they were significant in order to test the hypothesis.

CHAPTER 3

RESULTS

This chapter reports the results of the statistical analysis of the data from this study. It is divided into two sections. Section one introduces the descriptive statistics and the inter-correlation among the variables and the difference between the two groups; those affected by organisational restructuring and those who were not. Section two discusses the hypotheses.

Descriptive Statistics and Inter-correlations

Table 3.1 includes the inter-correlations between the key demographic variables and the study variables, and the sample size, means and standard deviations for all study variables.

It confirms fairly average scores for all the variables, even though the mean score for each variable varied a lot across different scales. The mean score for most scales was close to 4 (neutral). However, the highest score (in the seven point scale) 5.47 was shown by motivation, which means that participants were motivated to do their current job. Job security had a score slightly below the neutral score (1.5) as well which means that participants in this study felt a low level of job security. A low score on perceived promotional opportunities shows that participants perceived relatively lower promotional opportunities. Score on affective commitment (3.67) was lower than score on continuance commitment (4.71). The means for the 7-point scale ranged from 2.73 (perceived promotional opportunity) to 5.47 (motivation).

Survivor syndrome was assessed by computing the seven variables used in this research - affective commitment, continuance commitment, perceived promotional opportunities, job

security, job satisfaction, job motivation, morale. Computing all the values for the seven variables determines survivor syndrome a mean of 123.08. The minimum score that could be obtained was 32 and the maximum was 199 as there were 32 questions in the survey and all were on 1-7 scale except job security which was on 1-2 scale. Higher score denotes less survivor syndrome, as all the variables mentioned above are measured positively.

As the nature of the data was ordinal, the Spearman's correlation was used instead of the Pearson's correlation to calculate the correlations later in this section. For a correlation to be significant the probability level must be below the .05 level. All the variables were significantly and positively correlated with the each other in general and survivor syndrome in particular. The correlations are given for all variables in Table. 3 (next page).

Table 3.1 Descriptive statistics and Correlations

Variables	Mean	SD	1	2	3	4	5	6	7	8	9	10
1. Survivor Syndrome	123.09	19.44	-									
2. Affective Commitment	3.78	1.32	.79**	.81								
3. Continuance Commitment	4.71	1.25	.16*	-.08	.93							
4. Perceived Promotional Opportunities	2.73	1.55	.50**	.37**	-.22**	.71						
5. Job Security^a	1.41	0.35	.17*	.22**	-.51**	.27**	.83					
6. Job Satisfaction	4.87	1.46	.66**	.60**	-.17**	.42**	.26**	.79				
7. Motivation	5.47	0.78	.38**	.26**	.16*	.07	-.09	.17**	.89			
8. Morale	3.34	1.64	.60**	.54**	-.31**	.44**	.37**	.53**	.05	.78		
9. Fulfilment of Psychological Contract	4.02	1.51	.56**	.53**	-.29**	.45**	.33**	.61**	.07	.70**	.94	
10. Trust and Faith in Management	3.43	1.31	.57**	.50**	-.29**	.44**	.36**	.60**	.03	.80**	.74**	.87

** . Correlation is significant at the 0.01 level (2 tailed). * . Correlation is significant at the 0.05 level (2- tailed)

Cronbach's Alpha on the diagonal. a. Job security was measured using dichotomous scale; other component variables were measured using 1-7 scale.

Hypotheses

Affective Commitment

Affective commitment was significantly and positively related to perceived promotional opportunities ($r = .37, p < .01$) job security ($r = .22, p < .01$), job satisfaction ($r = .60, p < .01$), motivation ($r = .26, p < .01$), morale ($r = .54, p < .01$), fulfillment of psychological contract ($r = .53, p < .01$) and trust and faith in management ($r = .50, p < .01$), but was not significantly related to continuance commitment ($r = -0.08$).

Hypothesis 1a stated that employees affected by organizational restructuring would report lower levels of affective commitment than those who were not. There was not a significant difference in the scores for employees not affected by organizational restructuring ($M=4.01, SD=1.41$) and employees affected by organizational restructuring ($M=3.67, SD=1.26$); $t(221) = -1.84, p = .06$. These results suggest that knowing someone who had been made redundant in the previous 12 months did not have any effect on the level of affective commitment for respondents in this study. Specifically, this confirms that affective commitment was not significantly different for those employees who knew someone who had been made redundant and those who did not know someone who had been made redundant in the previous 12 months. Hypothesis 1(a) was therefore rejected.

Hypothesis 7a stated that affective commitment would be more negatively related to continuance commitment for those affected by organizational restructuring than for those not affected. As already indicated affective commitment was not significantly related to continuance commitment; for employees who were affected by organizational restructuring ($r=-.03$) and for

employees who were not affected by organizational restructuring ($r = -.10$). Additionally, the correlation between affective commitment and continuance commitment between the two groups also produced the same results; affective commitment was not significantly correlated to continuance commitment for either group. The comparison of correlation coefficients (Millsap, Zalkind, & Xenos, 1990) revealed that there was not a significant difference in the correlation between affective commitment and continuance commitment for the two groups. Hypothesis 7a was therefore rejected.

Hypothesis 7b stated that affective commitment would be more positively related to perceived promotion opportunities for those affected by organizational restructuring than for those not affected. Affective commitment in both groups was significantly correlated to perceived promotional opportunities, employees affected by organizational restructuring ($r = .36, p < .01$) and employees not affected by organizational restructuring ($r = .36, p < .01$). However, as the correlations were the same, hypothesis 7b was rejected.

Hypothesis 7c stated that affective commitment would be more positively related to job security for those affected by organizational restructuring than for those not affected. Affective commitment was significantly correlated with job security for those who were not affected by organizational restructuring ($r = .36, p < .01$). For employees affected by organizational restructuring, affective commitment was not significantly correlated with job security ($r = .12$). However the comparison of correlation coefficients of both groups (Millsap, Zalkind, & Xenos, 1990) revealed that the difference in the correlation was not significant. Hypothesis 7c was therefore rejected.

Hypothesis 7d stated that affective commitment would be more positively related to job satisfaction for those affected by organizational restructuring than for those not affected. Affective commitment for both groups was significantly correlated to job satisfaction, employees affected by organizational restructuring ($r = .52, p < .01$) and employees not affected by organizational restructuring ($r = .62, p < .01$.) The comparison of correlation coefficients (Millsap, Zalkind, & Xenos, 1990) revealed that the difference in the correlation between affective commitment and job satisfaction for the two groups was not significant. Hypothesis 7d was therefore rejected.

Hypothesis 7e stated that affective commitment would be more positively related to job motivation for those affected by organizational restructuring than for those not affected. Affective commitment in both groups was significantly correlated to job motivation, employees affected by organizational restructuring ($r = .19, p < .05$) and employees not affected by organizational restructuring ($r = .30, p < .01$). However, the comparison of correlation coefficients (Millsap, Zalkind, & Xenos, 1990) revealed that there was not a significant difference in the correlation between affective commitment and job motivation for the two groups. Hypothesis 7e was therefore rejected.

Hypothesis 7f stated that affective commitment would be more positively related to morale for those affected by organizational restructuring than for those not affected. Affective commitment in the two groups was significantly correlated to morale, employees affected by organizational restructuring ($r = .52, p < .01$) and employees not affected by organizational restructuring ($r = .54, p < .01$). The comparison of correlation coefficients (Millsap, Zalkind, & Xenos, 1990) revealed that the difference in the correlation between affective commitment and morale in both the groups was not significant. Hypothesis 7f was therefore rejected.

Continuance Commitment

Continuance commitment was significantly and negatively related to perceived promotional opportunities ($r = -.22, p < .01$) job security ($r = -.51, p < .01$), job satisfaction ($r = -.17, p < .05$), morale ($r = -.31, p < .01$), fulfillment of psychological contract ($r = -.29, p < .01$) and trust and faith in management ($r = -.29, p < .01$) but it was significantly and positively related to motivation ($r = .16, p < .05$).

Hypothesis 1b stated that employees affected by organizational restructuring would report higher levels of continuance commitment than those who were not. There was not a significant difference in the scores for those not affected by organisational restructuring ($M=4.50, SD=1.12$) and employees affected by organisational restructuring ($M=4.82, SD=1.32$); $t(221) = 1.75, p = .08$. These results suggest that knowing someone who had been made redundant in the previous 12 months did not affect levels of continuance commitment for respondents in the study. Specifically this confirms that continuance commitment was not significantly different for those employees who knew someone who had been made redundant and those who did not know someone who had been made redundant in the previous 12 months. Hypothesis 1b was therefore rejected.

Hypothesis 8a stated that continuance commitment would be more positively related to perceived promotion opportunities for those affected by organizational restructuring than for those not affected. However continuance commitment in both two groups was negatively and significantly correlated to perceived promotional opportunities, employees affected by organizational restructuring ($r = -.18, p < .05$) and employees not affected by organizational restructuring ($r = -.26, p < .05$). The comparison of correlation coefficients (Millsap, Zalkind, & Xenos, 1990) revealed that the difference in the correlation between continuance commitment and

perceived promotional opportunities in both the groups was not significant. Hypothesis 8a was therefore rejected.

Hypothesis 8b stated that continuance commitment would be more positively related to job security for those affected by organizational restructuring than for those not affected. However continuance commitment in both groups was negatively and significantly correlated to job security, employees affected by organizational restructuring ($r = -.51, p < .01$) and employees not affected by organizational restructuring ($r = -.41, p < .01$). The comparison of correlation coefficients (Millsap, Zalkind, & Xenos, 1990) revealed that the difference in the correlation between continuance commitment and job security in both the groups was not significant. Hypothesis 8b was therefore rejected.

Hypothesis 8c stated that continuance commitment would be more negatively related to job satisfaction for those affected by organizational restructuring than for those not affected. Continuance commitment was significantly and negatively correlated with job satisfaction, for those who were affected by organizational restructuring ($r = -.16, p < .05$) and for employees not affected by organizational restructuring continuance commitment was not significantly related with job satisfaction ($r = -.13$). However the comparison of correlation coefficients (Millsap, Zalkind, & Xenos, 1990) revealed that the difference in the correlation between continuance commitment and job satisfaction in both the groups was not significant. Hypothesis 8c was therefore rejected.

Hypothesis 8d stated that continuance commitment would be more positively related to job motivation for those affected by organizational restructuring than for those not affected. Continuance commitment for employees affected by organizational restructuring was positively

and significantly correlated to job motivation, ($r = .17, p < .05$) and for employees not affected by organizational restructuring ($r = .13$) was not significantly correlated. The comparison of correlation coefficients (Millsap, Zalkind, & Xenos, 1990) revealed that the difference in the correlation between continuance commitment and job motivation in both the groups was not significant. Hypothesis 8d was therefore rejected.

Hypothesis 8e stated that continuance commitment would be more positively related to morale for those affected by organizational restructuring than for those not affected. Continuance commitment in both groups was negatively and significantly correlated to morale, employees affected by organizational restructuring ($r = -.29, p < .01$) and employees not affected by organizational restructuring ($r = -.26, p < .05$). The comparison of correlation coefficients (Millsap, Zalkind, & Xenos, 1990) revealed that the difference in the correlation between continuance commitment and morale in both the groups was not significant. Hypothesis 8e was therefore rejected.

Perceived Promotional Opportunities

Perceived promotional opportunities was significantly and positively related to job security ($r = .27, p < .01$), job satisfaction ($r = .42, p < .01$), morale ($r = .44, p < .01$), fulfillment of psychological contract ($r = .45, p < .01$) and trust and faith in management ($r = .44, p < .01$) but it was not significantly related to motivation ($r = .07$).

Hypothesis 2 stated that employees affected by organizational restructuring would report lower levels of perceived promotional opportunities than those who were not. There was no significant difference in the scores for those not affected by organisational restructuring ($M=2.92, SD=1.70$) and employees affected by organisational restructuring ($M=2.65, SD=1.47$); $t(221) = -$

1.11, $p=.26$. These results suggest that knowing someone who had been made redundant in the previous 12 months did not have an impact on the level of perceived promotional opportunities. Specifically this confirms that perceived promotional opportunities was not significantly different for those employees who knew someone who had been made redundant and those who did not know someone who had been made redundant in the previous 12 months. Hypothesis 2 was therefore rejected.

Hypothesis 9a stated that perceived promotional opportunities would be more positively related to job security for those affected by organizational restructuring than for those not affected. Perceived promotional opportunities in both groups was positively and significantly correlated to job security, employees affected by organizational restructuring ($r = .20, p < .05$) and employees not affected by organizational restructuring ($r = .37, p < .01$). The comparison of correlation coefficients (Millsap, Zalkind, & Xenos, 1990) revealed that the difference in the correlation between perceived promotional opportunities and job security in both the groups was not significant. Hypothesis 9a was therefore rejected.

Hypothesis 9b stated that perceived promotional opportunities would be more positively related to job satisfaction for those affected by organizational restructuring than for those not affected. Perceived promotional opportunities in both two groups was positively and significantly correlated to job satisfaction, employees affected by organizational restructuring ($r = .48, p < .01$) and employees not affected by organizational restructuring ($r = .27, p < .05$). The comparison of correlation coefficients (Millsap, Zalkind, & Xenos, 1990) revealed that the difference in the correlation between perceived promotional opportunities and job satisfaction in both the groups was not significant. Hypothesis 9b was therefore rejected.

Hypothesis 9c stated that perceived promotional opportunities would be more positively related to job motivation for those affected by organizational restructuring than for those not affected. Perceived promotional opportunities in both groups was not significantly correlated to job motivation, employees affected by organizational restructuring ($r=.09$) and employees not affected by organizational restructuring ($r=.04$). The comparison of correlation coefficients (Millsap, Zalkind, & Xenos, 1990) revealed that the difference in the correlation between perceived promotional opportunities and job motivation in both the groups was not significant. Hypothesis 9c was therefore rejected.

Hypothesis 9d stated that perceived promotional opportunities would be more positively related to morale for those affected by organizational restructuring than for those not affected. Perceived promotional opportunities in both groups was positively and significantly correlated to morale, employees affected by organizational restructuring ($r = .42, p < .01$) and employees not affected by organizational restructuring ($r = .47, p < .01$). The comparison of correlation coefficients (Millsap, Zalkind, & Xenos, 1990) revealed that the difference in the correlation between perceived promotional opportunities and morale in both the groups was not significant. Hypothesis 9d was therefore rejected.

Job Security

Job security was significantly and positively related to job satisfaction ($r =.27, p < .01$), morale ($r =.37, p < .01$), fulfillment of psychological contract ($r =.33, p < .01$) and trust and faith in management ($r =.36, p < .01$) and was not significantly related to job motivation ($r =-.08$).

Hypothesis 3 stated that employees affected by organizational restructuring would report lower levels of job security than those who were not. There was a significant difference in the

scores for those not affected by organisational restructuring ($M=1.5$, $SD=0.35$) and employees affected by organisational restructuring ($M=1.36$, $SD=0.35$); $t(221) = -2.83$, $p = .005$. These results suggest that knowing someone who had been made redundant in the previous 12 months did affect the level of job security for respondents in this study. Specifically this confirms that job security was significantly different for those employees who knew someone who had been made redundant and those who did not know someone who had been made redundant in the previous 12 months. Hypothesis 3 was therefore accepted.

Hypothesis 10a stated that job security would be more positively related to job satisfaction for those affected by organizational restructuring than for those not affected. Job security for employees not affected by organizational restructuring was positively and significantly correlated to job satisfaction, ($r = .24$, $p < .05$) and for employees affected by organizational restructuring ($r = .21$) was not significantly correlated. The comparison of correlation coefficients (Millsap, Zalkind, & Xenos, 1990) revealed that the difference in the correlation between job security and job satisfaction in both the groups was not significant. Hypothesis 10a was therefore rejected.

Hypothesis 10b stated that job security would be more positively related to job motivation for those affected by organizational restructuring than for those not affected. Job security in both groups was not significantly correlated to job motivation, employees affected by organizational restructuring ($r = -.11$) and employees not affected by organizational restructuring ($r = -.02$). The comparison of correlation coefficients (Millsap, Zalkind, & Xenos, 1990) revealed that the difference in the correlation between job security and job motivation in both the groups was not significant. Hypothesis 10b was therefore rejected.

Hypothesis 10c stated that job security would be more positively related to morale for those affected by organizational restructuring than for those not affected. Job security in both groups was positively and significantly correlated to morale, employees affected by organizational restructuring ($r = .35, p < .01$) and employees not affected by organizational restructuring ($r = .30, p < .01$). The comparison of correlation coefficients (Millsap, Zalkind, & Xenos, 1990) revealed that the difference in the correlation between job security and morale in both the groups was not significant. Hypothesis 10c was therefore rejected.

Job Satisfaction

Job satisfaction was significantly and positively related to job motivation ($r = .17, p < .01$), morale ($r = .53, p < .01$), fulfillment of psychological contract ($r = .61, p < .01$) and trust and faith in management ($r = .60, p < .01$).

Hypothesis 4 stated that employees affected by organizational restructuring would report lower levels of job satisfaction than those who were not. There was a significant difference in the scores for those not affected by organisational restructuring ($M=5.13, SD=1.36$) and employees affected by organisational restructuring ($M=4.73, SD=1.43$); $t(210) = -1.95, p = .05$. These results suggest that knowing someone who had been made redundant in the previous 12 months did have an effect on the level of job satisfaction. Employees not affected by organizational restructuring reported higher levels of job satisfaction than those who were not. Hypothesis 4 was therefore accepted.

Hypothesis 11a stated that job satisfaction would be more positively related to morale for those affected by organizational restructuring than for those not affected. Job satisfaction in both groups was positively and significantly correlated to morale, employees affected by organizational

restructuring ($r = .52, p < .01$) and employees not affected by organizational restructuring ($r = .54, p < .01$). The comparison of correlation coefficients (Millsap, Zalkind, & Xenos, 1990) revealed that the difference in the correlation between job satisfaction and morale in both the groups was not significant. Hypothesis 11a was therefore rejected.

Hypothesis 11b stated that job satisfaction would be more positively related to job motivation for those affected by organizational restructuring than for those not affected. Job satisfaction for employees not affected by organizational restructuring was positively and significantly correlated to job motivation, ($r = .43, p < .01$) and for employees affected by organizational restructuring ($r = .03$) was not significantly correlated. The comparison of correlation coefficients (Millsap, Zalkind, & Xenos, 1990) revealed that the difference in the correlation between job satisfaction and job motivation in both the groups was significant. However this seem to contradict the Hypothesis rather than confirming it as Job satisfaction was more positively related to Job motivation for employees not effected by organizational restructuring. Hypothesis 11b was therefore rejected.

Job Motivation

Job motivation was not significantly related to morale, fulfillment of psychological contract or trust and faith in management.

Hypothesis 5 stated that employees affected by organizational restructuring would report lower levels of job motivation than those who were not. There was not a significant difference in the scores for those not affected by organisational restructuring ($M=5.45, SD=0.75$) and employees affected by organisational restructuring ($M=5.48, SD=0.80$); $t(221) = .42, p = .67$. These results suggest that knowing someone who had been made redundant in previous 12 months did not have an impact on the level of job motivation. Specifically this confirms that job motivation

was not significantly different for those employees who knew someone who had been made redundant and those who did not know someone who had been made redundant in previous 12 months. However, it is notable that motivation increased even though slightly for employees who were affected by organizational restructuring. Hypothesis 3 was therefore rejected.

Morale

Morale was significantly and positively related to fulfillment of psychological contract ($r = .70, p < .01$) and trust and faith in management ($r = .80, p < .01$).

Hypothesis 6 stated that employees affected by organizational restructuring would report lower levels of morale than those who were not. There was a significant difference in the scores for those not affected by organisational restructuring ($M=3.76, SD=1.85$) and employees affected by organisational restructuring ($M=3.13, SD=1.50$); $t(125.65) = -2.56, p = .01$. These results suggest that knowing someone who had been made redundant in previous 12 months did have an impact on the level of morale. Specifically this confirms that morale was significantly lower for those employees who knew someone who had been made redundant and those who did not know someone who had been made redundant in previous 12 months. Hypothesis 3 was therefore accepted.

Fulfillment of Psychological Contract and Trust and Faith in Management

Hypothesis 12 stated that survivor syndrome would be negatively related to fulfillment of psychological contract. However survivor syndrome was positively and significantly correlated with fulfillment of psychological contract, ($r = .56, p < .01$). This result suggests that fulfillment of psychological contract increases as Survivor syndrome increases. In the present study, because the survivor syndrome is sum total of the seven composite variables, the higher the score the lesser

survivor syndrome experienced. So this result suggests the lesser the survivor syndrome experienced the higher the fulfillment of psychological contract. Hypothesis 12 was therefore accepted.

Hypothesis 13 stated that survivor syndrome would be negatively related to trust and faith in management. However survivor syndrome was positively and significantly related to trust and faith in management, ($r = .56$, $p < .01$). This result suggests that trust and faith in management increases as Survivor syndrome increases. However, in the present study, because the survivor syndrome is sum total of the seven composite variables, the higher the score the lesser survivor syndrome experienced. So this result suggests the lesser the survivor syndrome experienced the higher the trust and faith in management. Hypothesis 13 was therefore accepted.

Hypothesis 14 stated that trust and faith in management would be positively related to fulfillment of psychological contract. Correlation between trust and faith in management and fulfillment of psychological contract was significant and positive, ($r = .74$, $p < .01$). This result suggests that higher the fulfillment of psychological contract of an employee in this study the higher was the trust and faith in management. Hypothesis 14 was therefore accepted.

The independent T-tests were carried for fulfillment of psychological contract, trust and faith in management and survivor syndrome. This was done to understand the results of the current sample in more depth.

Fulfillment of Psychological Contract

There was a significant difference in the scores for those not affected by organizational restructuring ($M=4.48$) and employees affected by organizational restructuring ($M=3.76$); t

(127.95) =-3.27, $p=.001$. These results suggest that knowing someone who had been made redundant in previous 12 months did have an impact on the level of fulfillment with psychological contract. Specifically this confirms that fulfillment of psychological contract was higher for those employees who knew someone who was made redundant than those who did not know someone who was made redundant in previous 12 months.

Trust and Faith in Management

There was a significant difference in the scores for those not affected by organizational restructuring ($M=4.48$) and employees affected by organizational restructuring ($M=3.97$); $t(121.76) =-3.30$, $p=.001$. These results suggest that knowing someone who had been made redundant in previous 12 months did have an impact on the level of trust and faith in management. Specifically this confirms that trust and faith in management was higher for those employees who knew someone who was made redundant than those who did not know someone who was made redundant in previous 12 months.

Survivor Syndrome

There was a significant difference in the scores for those not affected by organizational restructuring ($M=126.62$) and employees affected by organizational restructuring ($M=121.30$); $t(221) =-2.06$, $p=.04$. These results suggest that knowing someone who had been made redundant in previous 12 months did have an impact on the level of survivor syndrome. Specifically this confirms that level of survivor syndrome was higher (the higher the score the lower the level of survivor syndrome and vice versa) for those employees who knew someone who was made redundant than those who did not know someone who was made redundant in previous 12 months.

Conclusion

The results in this study suggest that decrease in the levels of morale, job satisfaction, job security, fulfillment of psychological contract and trust and faith in management can contribute to an increase in the levels of survivor syndrome. The relationships between the component variables of survivor syndrome were not significantly different in both the groups. Survivors go through a variety of negative emotions post downsizing which then affects their morale, motivation, distrust in management and feelings about job security (Casico, 1993). These results and their effects will be discussed in the next chapter.

CHAPTER 4

DISCUSSION

The aim of this research was to explore the phenomenon and possible existence of survivor syndrome and its effects among employees whose colleagues had been laid off from work. As the previous research in this field suggests (Noer, 2009; Rubach, 1995, Littler, Wisener & Dunford, 2003) it is important for management to honestly assess the employees who survive organisational restructuring and find out if they display any signs of survivor syndrome as this has the potential to affect both the health of an employee and the organisation they work for. Littler, Wisener and Dunford (2003) remarked on the dearth of research conducted in this area outside the US and the UK. By acknowledging the needs of the employees affected by organisational restructuring, an organisation can take a positive and wholesome approach towards future management. Specifically, the goal of this research was to assess the presence of survivor syndrome among the employees affected by organisational restructuring and the difference with those who were not affected. The variables associated with survivor syndrome (fulfillment of psychological contract and trust and faith in management) and variables comprising the definition of survivor syndrome (affective commitment, continuance commitment, perceived promotional opportunities, job security, job satisfaction, motivation and morale) were also assessed.

In this study, the employees who knew someone who was made redundant in the previous 12 months were termed as being affected by organisational restructuring and those employees who did not know someone who was made redundant in the previous 12 months were termed as not being affected by organisational restructuring. This distinction was made on the basis of previous

research by Brockner (1987) and Shah (2000). They pointed out that employees who knew someone who was made redundant were affected more negatively than others.

Overall, the results support some of the research findings by Littler, Wisener & Dunford, (2003), which includes the higher motivation, higher job insecurity and an overall more positive results for New Zealand. Littler, Wisener and Dunford (2003) concluded that few component variables of survivor syndrome like morale, motivation, commitment can rise post organisational downsizing. This study was not longitudinal; however, the results concluded that employees affected by organisational restructuring in this study had higher motivation and job insecurity and lower satisfaction than those who were not affected.

This chapter is divided into four sections. The first section discusses the main findings, which includes all the hypotheses. The following sections discuss the strengths and limitations of the research, future research, and conclusion of the findings drawn from this research.

4.1 Component variables of Survivor Syndrome

In this research affective commitment, continuance commitment, perceived promotional opportunities, job security, job satisfaction, job motivation, morale were considered the component variables of survivor syndrome. All the variables were positively and significantly correlated with survivor syndrome suggesting strong inter-relationship among the variables. The overall findings suggested that there was a significant difference on the levels of survivor syndrome between the employees who were affected by organisational restructuring and those who were not. Survivor syndrome was higher for employees affected than the employees who were not affected by organisational restructuring. This was in line with a study by Brockner (1992b), which concluded that survivors who have been close to the employees who were laid off suffer from lower productivity and commitment than survivors who did not know someone who was made redundant. It was hypothesized that knowing someone who was made redundant would

have different effect on the relationship between variables than not knowing someone who was made redundant. However this was found true only for three variables - job satisfaction, job security and morale as these were significantly lower for those who knew someone who was made redundant.

Affective Commitment

Affective commitment was defined as an emotional attachment and identification of the employee with the organisation (Rashid, Sambasivan & Johri, 2003). In the present study, knowing someone who was made redundant in the previous 12 months did not have a significant effect on levels of affective commitment. Employees scored lower on affective commitment compared to continuance commitment (Appendix C). Newell and Dopson (1996) stated that surviving managers, after a restructuring process, would show a decrease in affective commitment and would move towards continuance commitment, thus supporting the results of affective commitment in this study. They mentioned that during a period of recession, when there is the breach of psychological contract, survivors tend to make this negative shift from affective commitment to continuance commitment. There was a difference, although not significant, between affective commitment and continuance commitment in this study. Management of the organization that undergoes restructuring should remember the negative effect it can have on the emotional well being of the employees and the level of job satisfaction. In this study job satisfaction shares a positive and significant relationship with affective commitment suggesting that a decrease in affective commitment can lead to a decrease in job satisfaction. However, the results confirmed that the relationship affective commitment had with all the other six variables (continuance commitment, perceived promotional opportunity, job security, job satisfaction, job motivation and morale) was not significantly different across the two groups.

Continuance Commitment

Continuance Commitment was defined as a tendency to “engage in consistent lines of activity” (Becker, 1960, p.33) according to the employee’s recognition of the cost of leaving, like years of employment, benefits received and so on. The findings from the research did not support any of the hypotheses of continuance commitment in this study. In the present study, knowing someone who was made redundant did not have an influence on the levels of continuance commitment of the employees significantly in this study. It also did not influence the relationship of continuance commitment with any of the component variables of survivor syndrome. However, continuance commitment was higher than affective commitment for both the group (Appendix C). This suggests that employees in the time of economic recession would move towards continuance commitment as they might perceive high cost of losing organizational membership. Newell and Dopson (1996) described continuance commitment as a negative attachment for those who score high on continuance commitment as this suggests that employees seek financial security without their involvement in the values and main beliefs of the organisation. William and Hazer (1985) stated that continuance commitment increases when employees witness lower employment alternative as the perceived costs associated with leaving the job increase. This could have resulted in increased continuance commitment in this study.

Perceived Promotional Opportunities

Thornhill and Saunders (1998) stated that the process of downsizing in any organization would lead to a decrease in perceived career advancement opportunities. In the present study, perceived promotional opportunities were not significantly different among employees of the two groups. The decrease in the means of perceived promotional opportunities (Appendix 2) was only minimal for employees who were affected by organisational restructuring and not significant. This is somewhat similar with the study by Littler, Dunford, Bramble and Hede (1997) where it was

found that promotional opportunities in New Zealand increased more than they decreased post downsizing. The picture was slightly worse for managers than it was for employees. This was explained by the lower frequency of downsizing of firms in New Zealand as compared to Australia and South Africa involved in that survey. This could also be explained by the transactional terms of the psychological contract affecting the relational rewards as they are not independent of each other (Guzzo & Noonan 1994). Therefore, when an employee is designated with more responsibilities, which tends to be the case post-downsizing, he/she may start to expect the chances of his/her promotion to increase.

Job Security

Job security is defined as “an internal event reflecting a transformation of beliefs about what is happening in the organisation and its environment.” Jacobson (1991, p.15). As hypothesized, job security was significantly lower for those employees who knew someone who had been made redundant and those who did not know someone who had been made redundant in the previous 12 months. Worrall, Cooper and Campbell (2000) in their study involving public sector stated that reduced psychological wellbeing and job security are the negative effects of downsizing among managers. Previous research indicates that survivors display signs, such as demotivation, insecurity, demoralization and lower organizational commitment (Baruch and Hind, 2000). Brockner and Wiesenfeld (1993) stated that the most negative effects of survivor syndrome occurred when job security was under threat along with perceived injustice of the whole downsizing process and decreased motivation. In the present study, job security was significantly lower for those employees who knew someone who was made redundant and those who did not know someone who was made redundant in previous 12 months. However, the relationship of job security with other variables for employees affected by organizational restructuring did not significantly vary for employees who were not affected by organizational restructuring. Decreases

in job security contributed to increases in survivor syndrome in this study. This can have very negative effect on employees. A decrease in job security creates an atmosphere of uncertainty and helplessness (Jacobson, 1991). This feeling of uncertainty can lead to psychological stress which is then avoided or coped with by using many passive strategies (Hartley, Jacobson, Klandermans & van Vuuren, 1991). One of the strategies is to psychologically distancing oneself from the job or the organization (Greenhalgh & Rosenblatt, 1984). Job security thus effects the organization on the whole by leading to demoralization of the workforce, reduction in job satisfaction, increased anxiety and increase in turnover (Cameron, Whetten & Mayung, 1987). It then becomes important for the management to decrease the negative effects of job security for the surviving employees of the organization. One of the ways to achieve this is for management to have open and clear communication about the organizational changes (Schweiger & DeNisi, 1991).

Job Satisfaction

Job satisfaction is defined as a “pleasurable or positive emotional state resulting from the appraisal of one’s job or job experience.” Locke (1976, p. 1300). In this study job satisfaction was found to be significantly different for both the groups. It was significantly lower for those who were affected by organisational restructuring than those who were not. This means knowing someone who was made redundant definitely had a significant effect on job satisfaction of the employees. This result is different from the study by Littler (2000) where no difference was found in job satisfaction levels post downsizing. The T-tests results show that trust and faith in management was significantly lower for those who were affected by organizational restructuring. Reichers, Wanous and Austin (1997) stated that with decrease in trust and faith in management employees may become cynical and show signs of lowered motivation, job satisfaction, commitment and overall productivity. Another factor supporting decrease in job satisfaction in present study was the decrease in job security and increase in continuance commitment (or the

cost associated with leaving the organization). During recession the future job opportunities are impaired which in turn makes employees increasingly insecure during the time of restructuring and post downsizing. This insecurity results in employees withdrawing psychologically from the job thus lowering their job satisfaction (Rickey, 1992). Job satisfaction is associated with trust in management of the organization (Shockley-Zalabak, Ellis & Winograd, 2000). In this study as well decrease in job satisfaction was strongly correlated with trust and faith in management ($r = .60$). Decrease in job satisfaction is an important issue within an organization that management should deal with as it can affect the emotional health of the employees (Rowden, 2002).

Job motivation

Motivation can be defined as "a process that starts with a physiological or psychological deficiency or need that activates behaviour or a drive that is aimed at a goal or incentive" (Luthans 2002, p. 249)". It was interesting to note that even though there was not a significant difference in the level of motivation between the two groups; job motivation was higher for employees who were affected by organisational restructuring. This is in line with comparative survey of 1321 public and private sector organizations in Australia in New Zealand by Littler, Dunford, Bramble and Hede (1997) where New Zealand presented an interesting case of increases in the levels of commitment and motivation post downsizing. This was explained by consensus for change in New Zealand society in comparison to other countries. It has been found in other studies that sometimes survivors do not generally experience the expected stress and low energy towards work and instead see restructuring as a positive opportunity for their growth (Emshoff, 1994; Henkoff, 1994). Brockner (1987) stated that when job insecurity is moderate rather than very high (rendering survivors helpless) or low (making them complacent), survivors work relatively hard.

Morale

Morale was defined as a “state of mind and emotions affecting the attitude and willingness to work, which in turn, affects individual and organisation objective” (Kumar 1997, p. 262). High morale is very important within an organisation as it represents the feelings of employees towards goals of the organisation (Singh, 2004). In this study morale was significantly lower for employees who were affected by organisational restructuring. Casico (1993) concluded in his study that post downsizing, faith and trust in management decreased leading to a decrease in productivity and morale. It has been seen that to lessen the effect of job insecurity, survivors of downsizing often try to demonstrate better performance (Isabella, 1989), the workload increases which further decreases the levels of morale and affective commitment (Brockner et al, 1993). In the present study as well there was decrease in affective commitment and morale for those who were affected by organisational restructuring. Morale thus is a variable that can be negatively affected post restructuring in an organisation. Mishra, Spreitzer and Mishra (1998) stated that one of the most important reasons for organisations not reaping the benefits of the restructuring or downsizing of an organisation is the lowered morale of the survivors. It is therefore very important for organisations to engage in morale building process post downsizing.

Fulfillment of psychological contract and trust and faith in management

The psychological contract is defined as “individual beliefs, shaped by the organization, regarding terms of an exchange agreement between individuals and their organization.” (Rousseau, 1995, p.9). Psychological contract is a complex term and can often be confusing to interpret. However, Robinson, Karats, and Rousseau (1994) described the primary aim of psychological contract as follows: ‘serving to bind individuals and organisations together and to regulate their behaviour’ (p.2)

In this study fulfillment of the psychological contract was found to have a significant and a positive correlation with trust and faith in management. Noer (1993) attributed the existence of survivor syndrome to the breach of psychological contract in an organisation. He argued that the trust between the employees and the management fosters a sense of security in employees which is threatened during or after a downsizing in an organisation. Newell and Dopson (1996) maintained that a reason managers move away from affective commitment towards a negative type of attachment towards the organization, which is continuance commitment, during and after restructuring is the breach of psychological contract. In this study this was demonstrated well as affective commitment was found to be lower than continuance commitment. What sets psychological contract apart from other contracts is that it is about the relational and reciprocal obligations of the employees themselves and the employer. These relational obligations contribute in the building of trust and bringing both the parties together, which in turn affects the commitment between these two parties (Rousseau & Tijoriwali 1998; Guzzo & Noonan 1994).

The breach of psychological contract can lead to the erosion of trust and faith in management. Robinson (1996) stated that trust played an important role in the experience of psychological contract as employees with lower trust would, in comparison with employees who experience higher trust, be more careful with the breaches of psychological contract. This means employees with higher trust will be more vigilant about the breaches of psychological contract. The trust construct is highly important for psychological contract because it is temporal in nature and becomes highly important in social relationships as the people who trust are willing to be vulnerable as there is confidence in the ability of person or party that is trusted (Deutch 1962; Morgan & Hunt 1994). Trust is defined as “the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trust or, irrespective of the ability to monitor or control that party” (Mayer, Davis, & Schoorman, 1995, p. 712). Post restructuring employees left in the organisation may face the

challenge of doing the work of those who were laid off, thus increasing the workload on them. Increased work load and increasing job insecurity can leave employees with lesser morale and decreased trust in management (Fisher, 1991). In this study as well, (as shown in Table 2 in the Appendix C) the trust and faith was lower for employees who were affected by organizational restructuring.

The results in this study confirm a significant inverse correlation between fulfillment of the psychological contract and survivor syndrome as well as between trust and faith in management and survivor syndrome. Both fulfillment of psychological contract and trust and faith in management is lower for employees affected by organizational restructuring. Rousseau and Parks (1993) stated that breach of psychological occurs during periods of change in the organization. Sparrow and Cooper (1998) stated that when the employees have decreased trust in the management there is a sign of breach of psychological contract. Fulfillment of psychological contract was positively correlated with affective commitment and negatively correlated with continuance commitment in this study, suggesting that employees who were fulfilled with their psychological contract were likely to demonstrate high levels of affective commitment, and low levels of continuance commitment. This is in line with Newell and Dopson (1996) stating the shift of employee commitment from affective to continuance when employees feel a breach of psychological contract. This study clearly points out the presence of damaged psychological contract and its impact on the assessment of survivor syndrome. It is thus important for organizations to counter the effects of damaged psychological contract by creating an environment of trust and fairness in the organization during or post restructuring.

Strengths and Limitations

The survivor syndrome definition given by Littler, Wisener and Dunford (2003) and explanation of the concept by Brocker (1992) helped in forming the composite variable model for

survivor syndrome in this research. This study provided knowledge about survivor syndrome in the times of economic crises – recession. By looking at survivor syndrome during recession, this allowed a better understanding of survivor syndrome and its composite variables.

This research builds on the previous research on survivor syndrome within a New Zealand context. It not only endeavored to look at the direct effects of survivor syndrome but also explored the effect of knowing someone who was made redundant in the organisation to study survivor syndrome in more depth. The seven composite variables provided a comprehensive examination of survivor syndrome. This research also looked into the relationship between these variables when an employee knew someone who was made redundant versus when an employee did not know someone who was made redundant in an organisation.

This study had a number of limitations as well. Job security was measured using a dichotomous (yes/no) response scale, while other variables were measured using a seven point scale. This could have interfered in the computation of the survivor syndrome scale and could have worked against the role of job security in computing survivor syndrome. This could be avoided by using equal or similar scales for all the variables used to measure survivor syndrome.

This research was cross sectional, and was susceptible to time of measurement effects. It would be beneficial to conduct this study longitudinally to study the effects of survivor syndrome over time and also to compare before and after effects of downsizing on the surviving employees.

The influence of common method bias when using a self report method is an issue faced by all researchers (Spector, 2006). This study involved the use of a self reporting measure – survey, to get the data. This could have resulted in common method bias (Doty & Glick, 1998). However, it was not possible in this study to get any useful data using any other method of study. Nunnally and Bernstein (1994) suggested few measures that could be taken to minimize the effect of common method bias. This included not implying the preference of one response over the

other, providing clear instructions for the respondents and paying attention to item wording among others. Those measures were taken during the development of the survey for this research.

Future Research

This research contributed to the area of survivor syndrome in New Zealand context. It helped in understanding the state of New Zealand's public service employees (survivors in various restructuring initiative) during the time of economic recession. However it would be beneficial to do a longitudinal study to see if the working population of New Zealand is suffering from any harmful effect of survivor syndrome.

The sample was taken from union workers working in various organisations. It would be more useful to have a sample from a single organisation or a single job position to study survivor syndrome in a much organized fashion and would provide some industry specific or role specific results.

Future research should work on carrying this study longitudinally, which can further enhance our understanding of the concept. Data in this research was only taken from one point in time. New Zealand has been an exception in feeling the symptoms of survivor syndrome. This should be further analyzed by in depth study of this phenomenon in New Zealand.

Conclusion

The present study supported affective commitment, continuance commitment, perceived promotional opportunities, job security, job satisfaction, job motivation, morale as the composite variables of survivor syndrome. Job satisfaction, job security and morale were lowered if employees knew someone who was made redundant. On the whole results from this New Zealand data showed the mean score (123) on survivor syndrome for participants in this study was higher than the scale average (115.5) confirming overall lower levels of survivor syndrome for the

sample. The higher the score the less the survivor syndrome) on survivor syndrome. Baruch and Hind (2000) stated that with the changing times, downsizing is now considered a necessary evil and employees are getting used to the concept of redundancies and many have accepted the new psychological contract which is based on loyalty to one's work rather than to one's organization. The changed (positive) attitude towards downsizing (McKinley, Sanchez, & Schick, 1995) could affect the reactions of survivors. This could help in explaining the overall results of this study.

Organisations need to make sure that job security and morale should be reinforced during the restructuring initiatives so that trust and faith in management is not affected. It is very important for the organisations that employees do not feel that their psychological contract is breached. Survivors should be talked through the process of restructuring to make sure they understand what is going to happen with their jobs and how the restructuring process is going to be executed in future. Good communication goes a long way in reassuring the surviving employees of their future and reducing their stress levels. As was discussed in the introduction, the old psychological contract that rested on giving job security to an employee if he/she works hard and carries his/her duties well is now no longer in place (Cooper, 2005). Companies should help employees in adopting the new psychological contract in the organisation that is based on loyalty to one's work to avoid the feeling of breach of psychological contract that further affects employee's commitment during the times of restructuring.

Continuance commitment is described as a negative type of attachment specially when there is a move away from affective commitment which means that employees are not committed to the values of the organisation but are just afraid of losing the job when there is scarcity of other employment options. This can prove to be hazardous for the morale of the organisation. Therefore employees should be well informed about the reason behind the job cuts so that they are not misled in moving away from affective commitment.

Chipunza and Berry (2010) stated that there are studies that point out the negative effect of downsizing on the attitudes of survivors and survivors well being and there are studies that point how some survivors increased the productivity or improved the performance over time. Hence the effect of downsizing on survivors is inconclusive and varies with the context of the study.

Dekker and Schaufeli (1995) also experienced difficulties with organisations not wanting to participate in a study during or after restructuring (especially as it concerned understanding the state of employees after an organisational restructuring) as they suspect this might disturb or cause unrest among their employees. What management negates is the possibility of finding some important points that maybe overlooked or suggestions that can be given.

In summary the effects survivors' reaction have on the component variables of survivor syndrome in general and job security, job satisfaction, morale, psychological contract and trust and faith in management in particular point out the importance of post restructuring analysis of the process used to implement the change within the organisation. It is vital for a healthy organisation to notice the negative effects of the restructuring early, provide emotional support to the survivors who will essentially be the ones who will work towards strengthening the organisation post restructuring.

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Appendix A

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THE UNIVERSITY OF
WAIKATO
Te Whare Wānanga o Waikato

Dear Sir/Madam

I am a Student of the University of Waikato currently undertaking my Masters in Organisational Psychology. I am conducting postgraduate research on the phenomenon of Survivor Syndrome and am seeking the support and participation of organisations that have recently implemented a restructuring initiative. I am doing this research under the supervision of Dr. Donald Cable.

Survivor Syndrome is a term coined by psychologists to define the emotions and feelings of the survivor of an 'adverse event'. It can result from downsizing, delayering, reengineering or any other method used to implement significant organizational change. It can be characterized by feelings such as anger, loss of motivation, loss of job security, loss of trust, lowered morale, questioning of self worth, and anxiety. This phenomenon is important as, it is the remaining employees who determine the long-term health of the organisation; a point which holds particular relevance in the present recessionary economy.

I will be surveying the employees of organisations that have restructured and intend collecting information from them. My intention is to assess the extent of Survivor Syndrome and those aspects associated with it.

Understanding the impact of the Survivor Syndrome within an organisation can help in the management of the remaining staff in a more effective way by identifying areas that need immediate attention. Identifying those areas can support organizations in addressing issues such as job dissatisfaction, staff motivation, staff commitment, morale among staff, concern about job security and perceived promotional opportunities and help management deal with day to day problems.

The study will also look into the psychological contract and staff's faith and trust in management which will help organisations in determining the effectiveness of current human resource practices and whether these align with and support employees. Research says that effective management of the surviving staff after restructuring can lead to efficiency in productivity and emotional well being of the staff. Scientific knowledge of human behaviour depends on research.

So, besides it being beneficial for your own organisation, your participation in this research will contribute to our knowledge of the potential effects of Survivor Syndrome. Furthermore, this research project has received ethics approval by the Psychology Ethics Committee of the University of Waikato.

I invite you to support my research by extending an invitation to employees of your organization. Participation in the survey is entirely voluntary and there are no anticipated risks to participation in this study. Anonymity and confidentiality of participants is ensured and your organization won't be named unless you provide/express consent to be identified. When the results of my study are available, you will receive a copy of the executive summary. I will be happy to discuss this with you should you so wish.

If you have any questions regarding this study, or would like additional information about participation, please contact me at **021 044 3978** or by email **sirjana.sodhi@gmail.com**. I am looking forward to hearing from you. I will give you call in a week's time to know about your response. Thank you for taking the time to consider my proposal.

Thank you in advance for your interest and assistance with this research.

Regards,



Sirjana Singh



Donald Cable, PhD
Supervisor

Appendix B

Research Questionnaire

Employee Attitudes Following Organizational Change

Note: You have a choice as to how you complete the questionnaire. You may complete the questionnaire on-line via the internet or you may complete the questionnaire attached (hard-copy) and return to me in the enclosed pre paid envelope.

COMPLETING THE QUESTIONNAIRE ON LINE:

To complete the questionnaire on-line via the internet please enter the following URL into your web browser:

<http://psychology.waikato.ac.nz/surveys/Attitudes/index.htm>

and follow the instructions provided.

COMPLETING THE QUESTIONNAIRE IN HARD COPY:

To complete the questionnaire as attached please read the following instructions:

1. Please do not write your name on the questionnaire.
2. Please answer the questionnaire yourself giving your answers only.
3. Please complete all sections taking care not to skip any pages.
4. Please complete the questionnaire as soon as possible.
5. It is recommended that you complete the questionnaire in one sitting.
6. Remember to complete the final page if you wish to receive a summary of the results.
7. Please return the questionnaire as soon as you have completed it using the envelope provided.

Please use this scale to answer the following questions by circling the appropriate response

1	2	3	4	5	6	7
Strongly Disagree	Disagree	Slightly Disagree	Neither agree nor disagree	Slightly Agree	Agree	Strongly Agree

Section 1

1.1. Satisfaction with your current job: This scale measures your level of satisfaction with the current job you are undertaking.

To what extent do you believe that

1. All in all I am satisfied with my job	1	2	3	4	5	6	7
2. In general, I don't like my job	1	2	3	4	5	6	7
3. In general, I like working here	1	2	3	4	5	6	7

1.2. Perceptions about Management: This scale measures the level of trust and faith that you have in management.

1. Management at my firm is sincere in its attempt to meet workers' point of view	1	2	3	4	5	6	7
2. I feel quite confident that the firm will always try to treat me fairly	1	2	3	4	5	6	7
3. Our management would be quite prepared to gain advantage by deceiving the workers	1	2	3	4	5	6	7
4. Our firm has a poor future unless it can attract better managers	1	2	3	4	5	6	7
5. Management can be trusted to make sensible decisions for the firm's future	1	2	3	4	5	6	7
6. Management at work seems to do an efficient job	1	2	3	4	5	6	7

Please use this scale to answer the following questions by circling the appropriate response

1	2	3	4	5	6	7
Strongly Disagree	Disagree	Slightly Disagree	Neither agree nor disagree	Slightly Agree	Agree	Strongly Agree

1.3. Opportunity for Promotion: This scale measures your perception about the promotional opportunities within your organization.

1. I am very satisfied with the promotional opportunities of my current job	1	2	3	4	5	6	7
2. I feel that I have a very good chance of promotion in my current job	1	2	3	4	5	6	7
3. I feel I have a good opportunity for advancement in my current job	1	2	3	4	5	6	7

1.4. Motivation to perform current job: This scale measures the level of your motivation or how driven you are to perform your current job.

1. My opinion of myself goes up when I do this job well	1	2	3	4	5	6	7
2. I feel a great sense of personal satisfaction when I do this job well	1	2	3	4	5	6	7
3. I feel bad and unhappy when I discover that I have performed poorly on this job	1	2	3	4	5	6	7
4. My own feelings generally are not affected much one way or the other by how well I do this job	1	2	3	4	5	6	7
5. Most people on this job feel a great sense of personal satisfaction when they do the job well	1	2	3	4	5	6	7
6. Most people on this job feel bad or unhappy when they find they have performed work poorly	1	2	3	4	5	6	7

Please use this scale to answer the following questions by circling the appropriate response

1	2	3	4	5	6	7
Strongly Disagree	Disagree	Slightly Disagree	Neither agree nor disagree	Slightly Agree	Agree	Strongly Agree

1.5. Commitment to the organization: This scale measures the degree of your commitment or psychological attachment or desire to belong to your organization.

1. I would be very happy to spend the rest of my career in this organisation	1	2	3	4	5	6	7
2. I really feel as if this organization’s problems are my own	1	2	3	4	5	6	7
3. Too much of my life would be disrupted if I decided I wanted to leave by organization right now.	1	2	3	4	5	6	7
4. I do not feel like “part of the family” at my organization	1	2	3	4	5	6	7
5. I do not feel “ emotionally attached” to this organization	1	2	3	4	5	6	7
6. It would be very hard for me to leave my organization right now, even if I wanted to	1	2	3	4	5	6	7
7. This organization has a great deal of personal meaning for me	1	2	3	4	5	6	7
8. I believe that I have too few options to consider leaving this organization	1	2	3	4	5	6	7
9. I do not feel a strong sense of belonging	1	2	3	4	5	6	7
10. Right now, staying with my organization is a matter of necessity as much as desire	1	2	3	4	5	6	7
11. One of the few negative consequences of leaving this organization would be the scarcity of available alternatives	1	2	3	4	5	6	7
12. If I had not already put so much of myself into this organization, I might consider working elsewhere	1	2	3	4	5	6	7

Please use this scale to answer the following questions by circling the appropriate response

1	2	3	4	5	6	7
Strongly Disagree	Disagree	Slightly Disagree	Neither agree nor disagree	Slightly Agree	Agree	Strongly Agree

1.6. Psychological contract fulfillment: It is the perceptions of the two parties, employee and employer, of what their mutual obligations are towards each other. So, psychological contract encompasses the actions employees believe are expected of them and what response they expect in return from the employer. This is an unwritten contract between these two parties.

1. Almost all the promises made by my employer during recruitment have been kept so far	1	2	3	4	5	6	7
2. I feel betrayed by my organization	1	2	3	4	5	6	7
3. So far my employer has done an excellent job of fulfilling its promises	1	2	3	4	5	6	7
4. I feel extremely frustrated by how I have been treated by my organization.	1	2	3	4	5	6	7
5. I feel great deal of anger towards my organization	1	2	3	4	5	6	7
6. I feel that my employer has come through in fulfilling the promises made to me when I was hired.	1	2	3	4	5	6	7
7. I feel that my organization has violated the contract between us	1	2	3	4	5	6	7
8. I have not received everything promised to me in return of my contribution	1	2	3	4	5	6	7
9. My employer has broken many of its promises even though I have upheld my side of the deal	1	2	3	4	5	6	7

Please use this scale to answer the following questions by circling the appropriate response

1	2	3	4	5	6	7
Strongly Disagree	Disagree	Slightly Disagree	Neither agree nor disagree	Slightly Agree	Agree	Strongly Agree

1.7. Morale: This scale will measure your internal state, ideas, emotions or attitudes associated with your job.

1. Management does its best to get along with employees	1	2	3	4	5	6	7
2. Management can be trusted to tell things the way they are	1	2	3	4	5	6	7
3. I am satisfied with the way the management treats me and others here	1	2	3	4	5	6	7

1.8. Job insecurity: This scale will measure the level of security in your current job. In the following scale Y= yes and N= no

1. Are you worried about being unemployed?	N	Y
2. Are you worried about being unable to work?	N	Y
3. Are you worried about difficulties finding another job/place of work if you become unemployed?	N	Y
4. Are you worried about being transferred to another job that you do not want?	N	Y
5. Are you worried about getting a new work schedule that does not suit you?	N	Y

Section 2: Demographic Information

The information you provide in this section will enable me to understand the results better and confirm what characteristics people participating in this research have.

Please record your response to the following questions by circling the appropriate choice, or by completing the questions as indicated.

1. What is your Age?

2. What Annual Salary Range do you fall into (in dollars)?

<40000	40000-59999	60000-79999	80000-99999	>100000
--------	-------------	-------------	-------------	---------

3. What is your Gender?

Male	Female
------	--------

4. How do you describe your Martial Status?

Married, or living as married	Not married, not living as married
-------------------------------	------------------------------------

5. How many years have you worked for this organisation?

6. How many years have you worked in your current job position?

7. What general Type of Work are you in?

8. How do you describe your ethnicity?

European	Maori	Asian	Pacific Island	Mixed	Other
----------	-------	-------	----------------	-------	-------

9. What is your highest level of educational attainment?

No formal	6 th Form	Technical	Undergraduate	Postgraduate
-----------	----------------------	-----------	---------------	--------------

qualification	Certificate or Bursary	certificate or diploma	degree/diploma (e.g. Bcom, BA, BSc, etc)	degree/diploma (e.g. MBA, MA, PhD, etc)
---------------	------------------------	------------------------	--	---

10. Did you/Do you know anyone in the organization who was made redundant in the past 12 months?

Yes	No
-----	----

This is the end of the questionnaire. Thank you for your participation.

Please return the questionnaire in the envelope provided.

To request a copy of the summary results please complete the following page.

SURVIVOR SYNDROME

Employee Attitude Following Organizational Change

Request Sheet for Summary of Research Results

If you wish to receive a summary of the results of this research please either:

- (a) To receive a copy of the results via email send an email to

survivorsyndrome@hotmail.com

with a subject line: Copy of results – Survivor Syndrome

The summary results will be sent via email to your originating email address,

Or

- (b) Complete the following details. Detach this sheet from the questionnaire and include it with the questionnaire in the envelope provided. The sheet will be separated from the questionnaire when envelope is opened and will be held separately until the study has been completed at which stage it will be used to forward the results to you. Confidentiality is assured. This sheet will not be used to identify any individual responses.

The summary results are planned to be available sometimes in 2010 and will be distributed about that time.

Name: _____

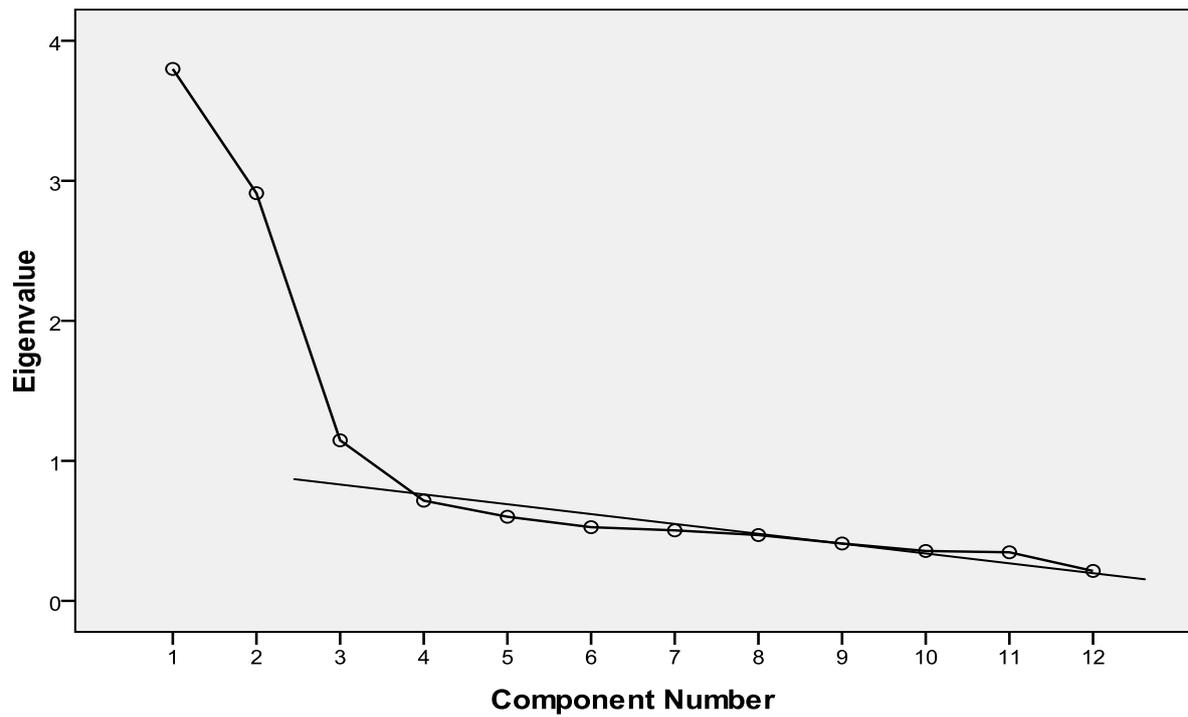
Address: _____

Appendix C

Scree Plot for Organizational Commitment

Factor analysis for Organizational Commitment revealed three factors

Scree Plot



Component Matrix^a

	Component		
	1	2	3
R15a	.555	.480	-.090
R15b	.458	.398	-.566
R15c	-.119	.677	.157
R15d	.726	.209	.481
R15e	.745	.298	.102
R15f	-.218	.749	.199
R15g	.502	.508	-.386
R15h	-.575	.564	.212
R15i	.791	.263	.336

R15j	-.728	.353	.036
R15k	-.552	.513	.186
R15l	-.306	.581	-.410

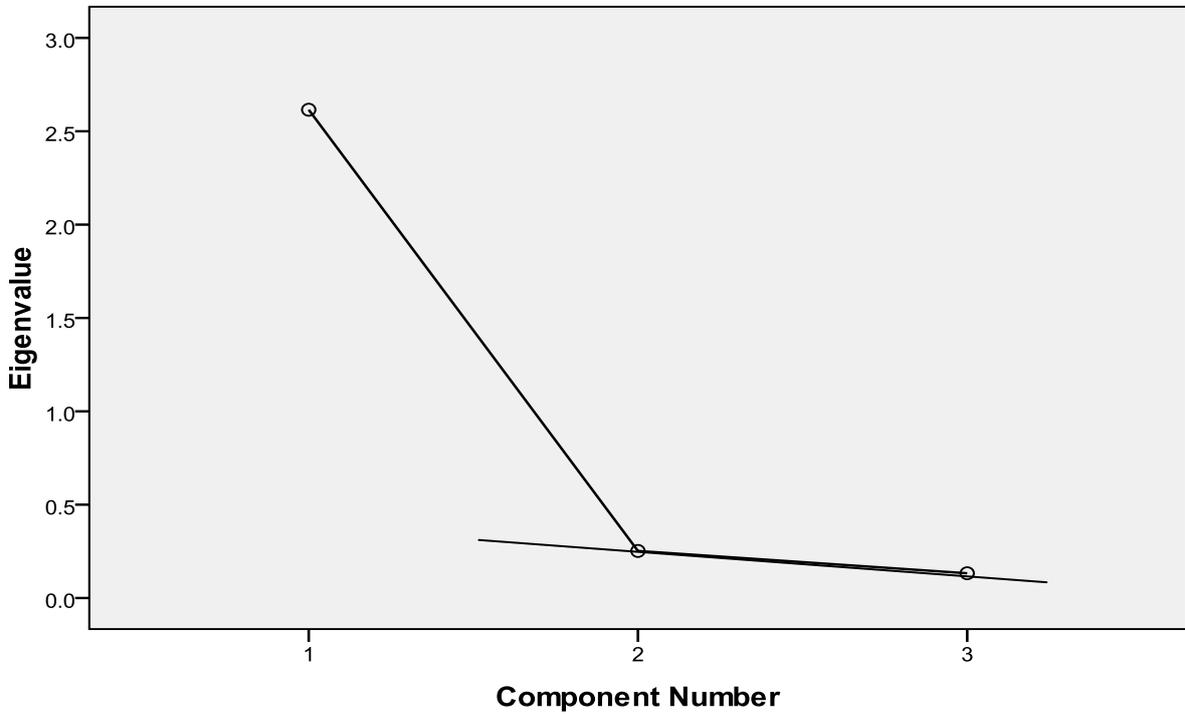
Extraction Method: Principal Component Analysis.

a. 3 components extracted.

Scree Plot for Perceived Promotional Opportunities.

Factor analysis for perceived promotional opportunities revealed one factor.

Scree Plot



Component Matrix^a

	Component
	1
R13a	.913
R13b	.953
R13c	.935

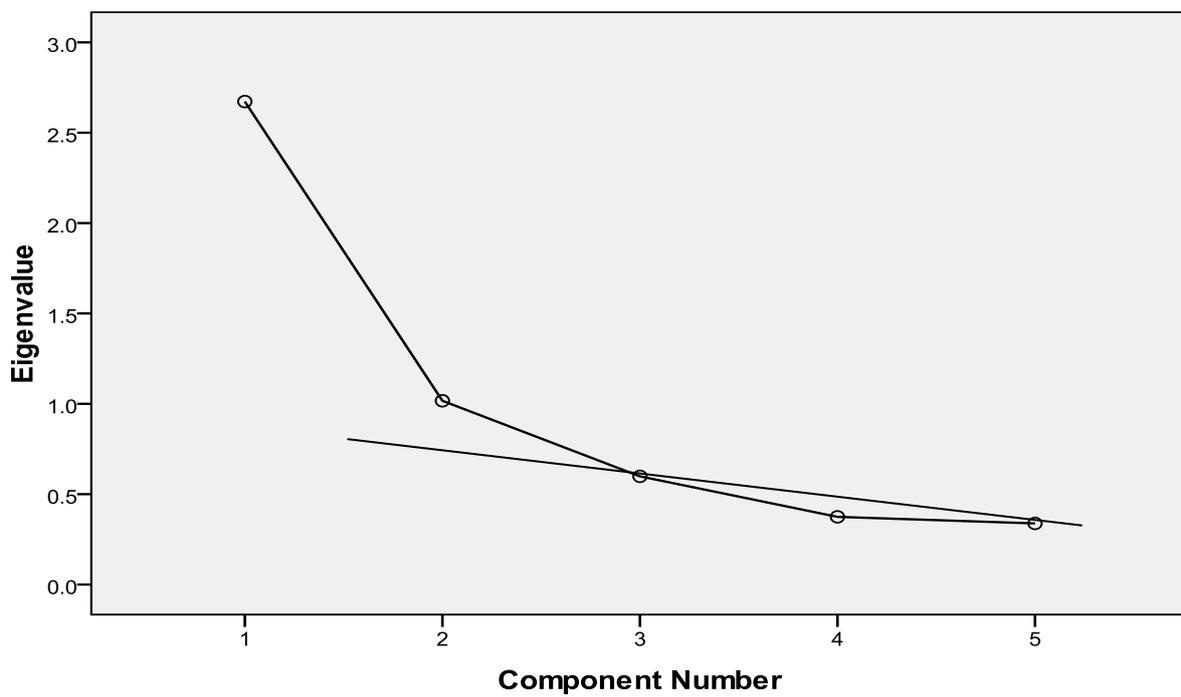
Extraction Method:
Principal Component
Analysis.

a. 1 components
extracted.

Scree Plot for Job Security.

Factor analysis for job security revealed two factors

Scree Plot



Component Matrix^a

	Component	
	1	2
R18a	.805	-.353
R18b	.773	-.251
R18c	.656	-.463
R18d	.710	.540
R18e	.702	.569

Extraction Method: Principal
Component Analysis.

Component Matrix^a

	Component	
	1	2
R18a	.805	-.353
R18b	.773	-.251
R18c	.656	-.463
R18d	.710	.540
R18e	.702	.569

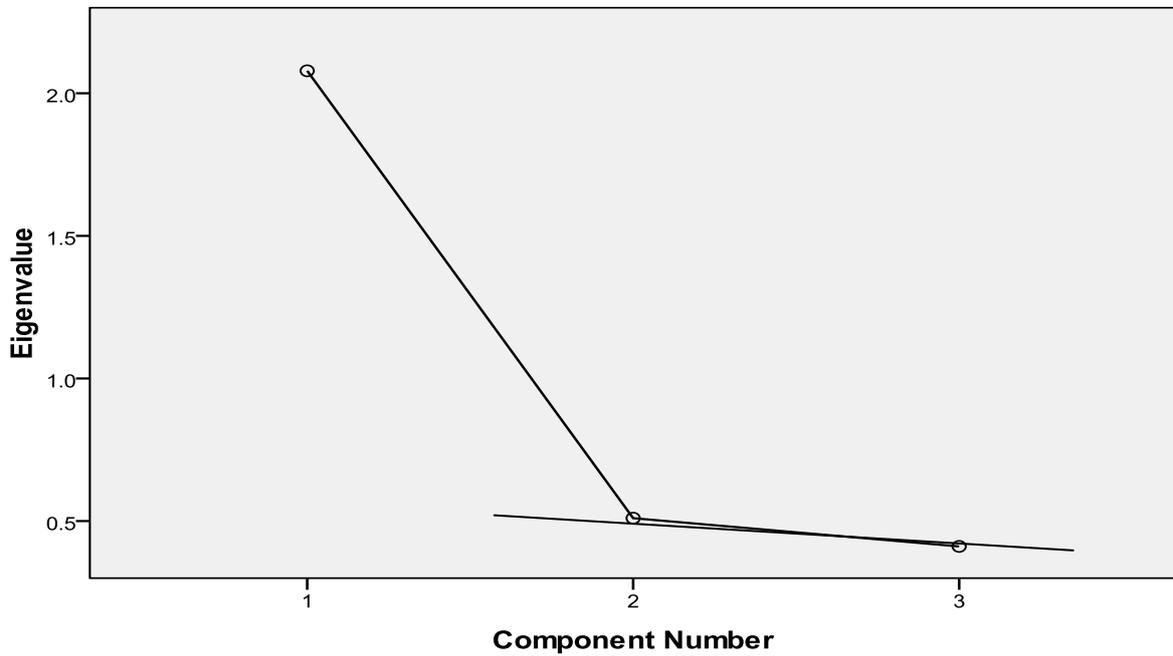
Extraction Method: Principal Component Analysis.

a. 2 components extracted.

Scree Plot for Job Satisfaction.

Factor analysis results for job satisfaction revealed one factor

Scree Plot



Component Matrix^a

	Component
	1
R11a	.851
R11b	.807
R11c	.838

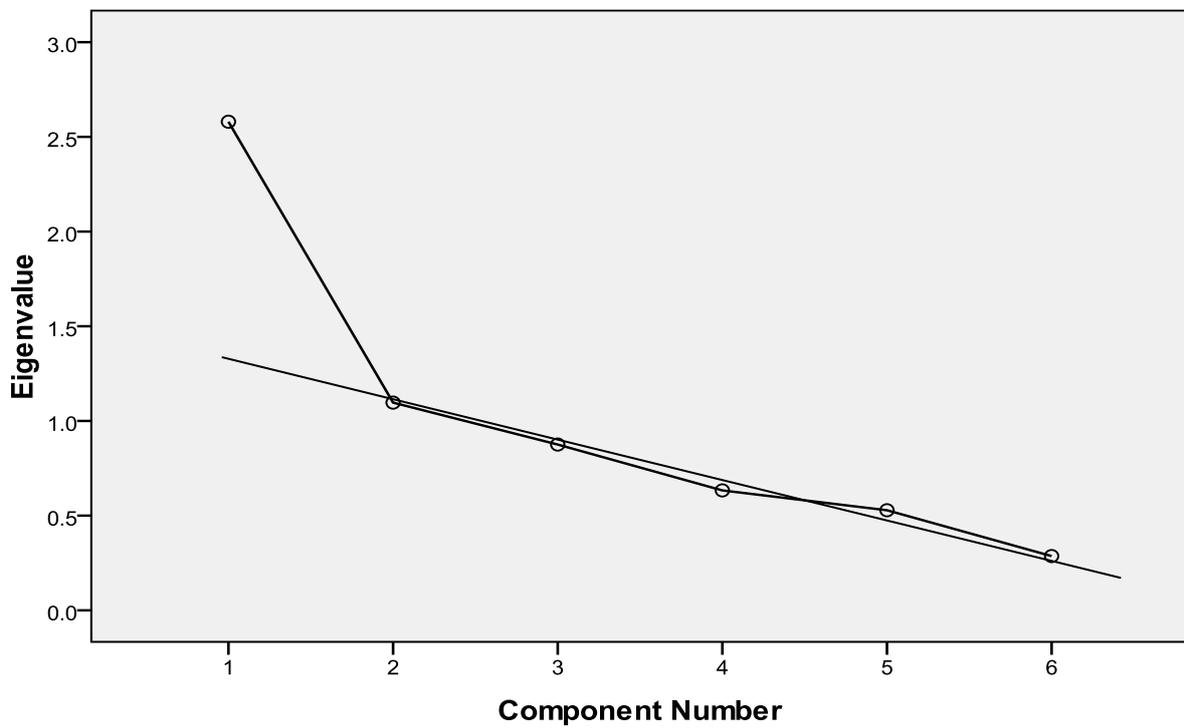
Extraction Method:
Principal Component
Analysis.

a. 1 components
extracted.

Scree Plot for Job Motivation

Factor analysis of job motivation revealed two factors although scree plot revealed one factor.

Scree Plot



Component Matrix^a

	Component	
	1	2
R14a	.771	-.413
R14b	.797	-.432
R14c	.515	.617
R14d	.536	.098
R14e	.717	-.031
R14f	.532	.590

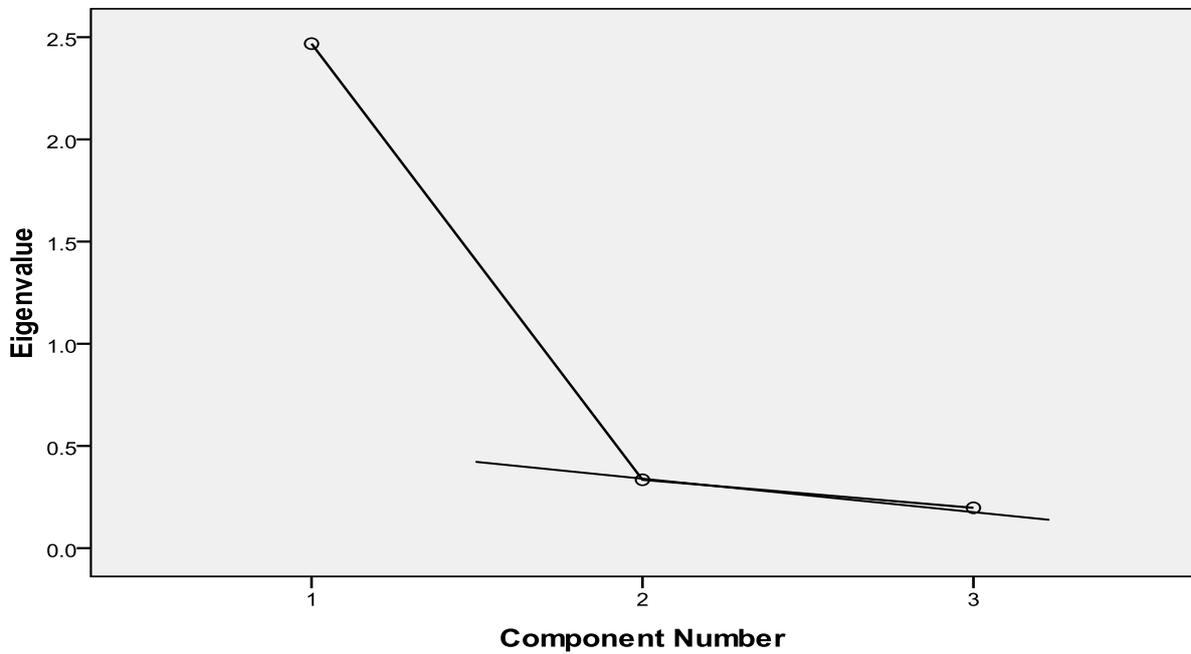
Extraction Method: Principal Component Analysis.

a. 2 components extracted.

Scree Plot for Morale

Factor analysis of morale revealed one factor

Scree Plot



Component Matrix^a

	Component
	1
R17a	.879
R17b	.915
R17c	.927

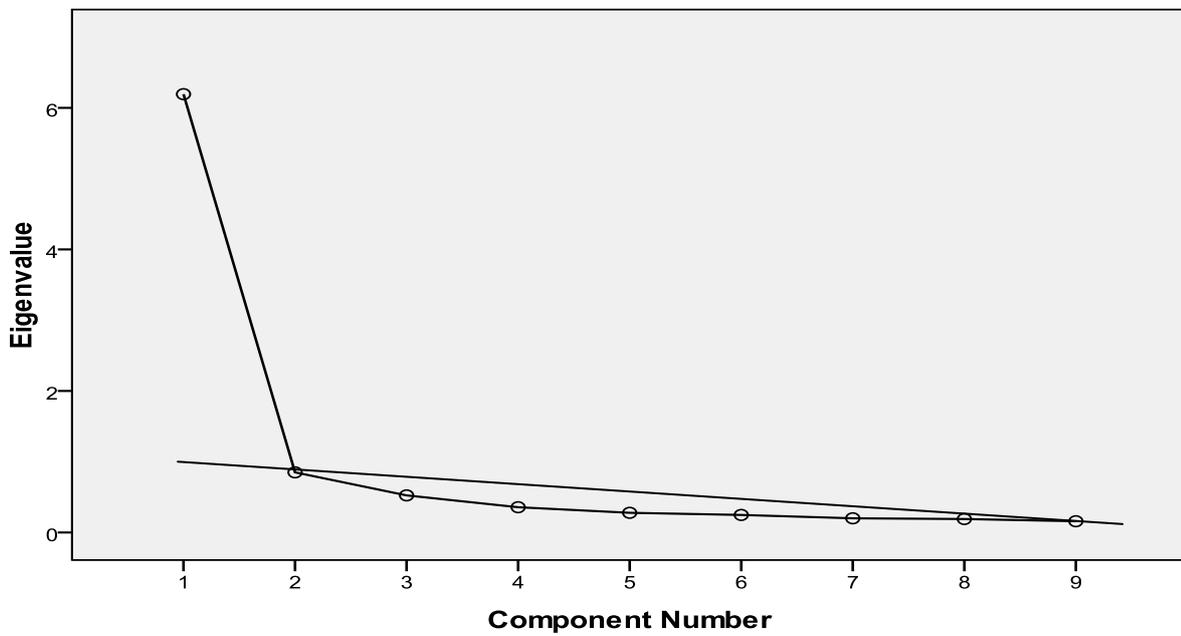
Extraction Method:
Principal Component
Analysis.

a. 1 components
extracted.

Scree Plot for Fulfillment of Psychological Contract

Fulfillment of psychological contract revealed one factor

Scree Plot



Component Matrix^a

	Component
	1
R16a	.810
R16b	.836
R16c	.824
R16d	.767
R16e	.818
R16f	.854
R16g	.883
R16h	.807
R16i	.860

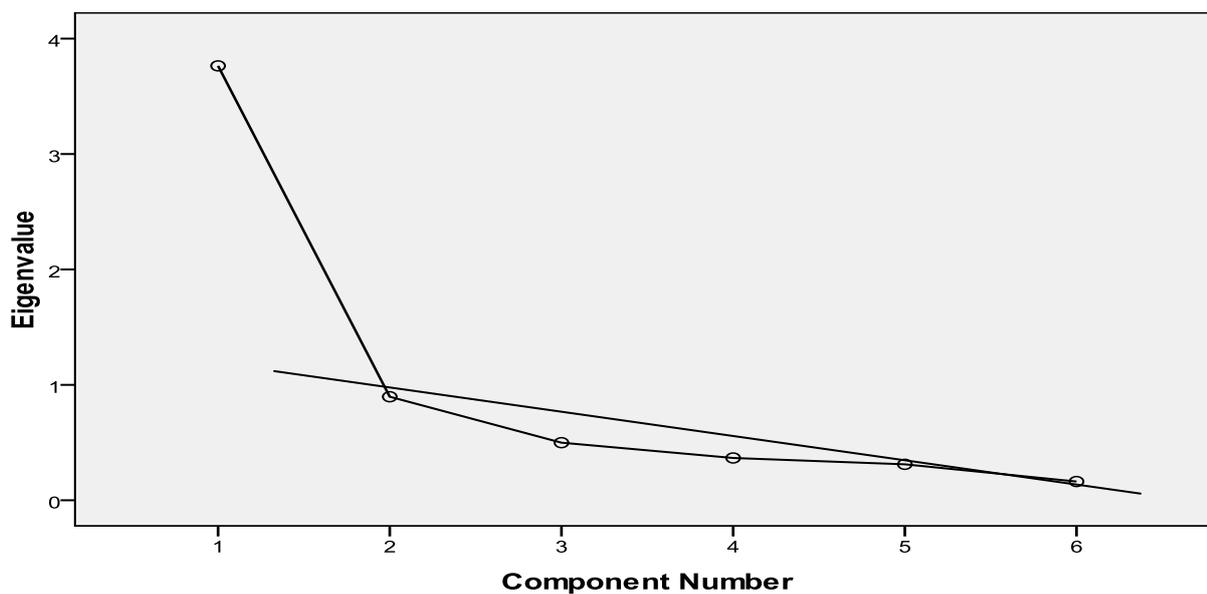
Extraction Method:
Principal Component
Analysis.

a. 1 components
extracted.

Scree plot for Trust and Faith in Management

Trust and faith in management revealed one factor

Scree Plot



Component Matrix^a

	Component
	1
R12a	.866
R12b	.891
R12c	.727
R12d	.585
R12e	.821
R12f	.822

Extraction Method:
Principal Component
Analysis.

a. 1 components
extracted.

Table 2 *Descriptive statistics of the two groups*

Variable	Employees affected by organisational restructuring		Employees not affected by organisational restructuring.	
	Mean	Standard deviation	Mean	Standard deviation
Affective Commitment	3.67	1.26	4.01	1.41
Continuance Commitment	4.82	1.32	4.50	1.12
Perceived Promotional Opportunities	2.65	1.47	2.89	1.67
Job Security	1.36*	.35	1.5*	.35
Job Satisfaction	4.73	1.43	5.13	1.36
Motivation	5.48	0.80	5.44	0.75
Morale	3.13	1.50	3.76	1.85
Fulfilment of Psychological Contract	3.76	1.37	4.48	1.65
Trust and Faith in Management	3.97	1.20	4.48	1.53

*. All response scales 1-7, except job security 1-2

Figure Captions

Figure 1. Caption of figure

[Figures – note that this page does not have the manuscript header and page number]