Excavating the Premonition of Downsizing in a Telecomm Company of Pakistan with Respect to Job Satisfaction: Engulfing Procedural Justice, Distributive Justice and Interactional Justice in Mediating Roles

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Abstract

The said endeavor argues on the concept of downsizing, when practiced as a tool by the organization then what happens to as a result to the performance & environment of organization in general and to the performance and satisfaction of employee in specific? To scrutinize the said conceptualization a sample of 87 people was taken, belonging from variegated cadres, from the telecommunication company of Pakistan. To do the investigation of the hypothesis statistical tools of Linear Regression and chi square were employed. Inferences clearly supported the concept presented in hypothesis that when downsizing practice prevails in an organization and justice is found missing in the procedures practiced, distributions allotted and interactions made in the organization, then one's satisfaction faces dire calamities and ultimately poison the overall work environment which is suggesting to ensure fair and competitive environment where everyone can easily holds what they deserve in realm.

Keywords: Downsizing, Justice, Job satisfaction, Telecom.

Introduction

In the decade of 1980's, downsizing has been a consistent blaze among all kinds of firms throughout the globe (Cascio, 1993; Cascio, Young, & Morris, 1997; Fisher and White 2000; Landry, 2004; Mickee-Ryan &Kinicki, 2002; Naumann, Bies& Martin, 1995). From the resource based view, specifically in the epoch of knowledge economy, organizations indentured the strategies of downsizing in order to reduce the redundancy and ensure a continuous screening for maintaining the best of all. But the story needed more explication as they still had to escalate the very quality of remaining human resource and had to put them on the path where they can elevate their Knowledge, skills and

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Abilities (KSA) and reinvigorate the overall organization by giving competitive advantages to the firm in the fierce business competition (Cascio, 2002; Howard, 2002).

The organizations of that era wanted to lay down their foundation stones with skilled human resource those who do not have just the learning of the organization but also have a competitive edge over others (Vera and Crossan, 2004). Moreover, the employee also had to have learning attitude which can ensure a consistent growth of the organization (Crossan, Lane and White, 1999; Senge, 2003).Some endeavors were longitudinal in nature which uncovered the below carpet actualities such as the firms which were downsized couldn't succeed in their predetermined goals rather by cutting cost and having the aim of adding profit, made them drastically suffered and ended them up in the amidst of nowhere. The eventualities of all the aforesaid applications were no other then but less commitment of employees and hollow loyalties which not only hampered the quality of business operations but also deteriorated the customer service repo (Cameron, 1994; Cascio, 1993, 2002; Chadwick, Hunter, Walston, 2004; Howard, 2002; Rigby, 2002).

These business nightmares undo all those smokes screens which focused damaging the psychological well-being of personnel and expected them to work efficiently. Rather, the focus was diverted to a care giving approach of the remaining employees and most importantly by behaving with them in a 'well done' attitude in order to ensure ultimate job satisfaction (Maierhofer, Kabanoff, & Griffin 2002; Mitchell & Lee, 2001). Distributive justice revolves around the conceptualization of equity. Personnel examine the deal of fairness by doing the comparison of given and gained outputs. Thenceforth, when this proportionality is found equaled then the distributive justice is said to be justified (Maxham & Netemeyer, 2002).

Procedural justice, on the other hand, is inculcated with those supportive procedures of the organization that smoothen the operational embodiment of the service delivery. When the organization is administered in an unrivalled manner then customers start forming the bond of positive attitude towards an organization and rate their service quality towering (Bowen et al., 1999; Cropanzano, Prehar, & Chen 2002). Interactional justice also plays an integral part in making and jeopardizing an organizational decorum. When customer experience a service delivery of unacceptable nature especially with an unfair way of interaction then they may express an abrupt negative effect as they are not calculating the justice in figures rather experiencing the effect of it; on which they react accordingly (Chebat and Slusarczyk, 2005).

By underscoring all the above explained concepts, this very endeavor is aimed to excavate the role of downsizing in job satisfaction by having the mediating role of procedural justice, distributive justice and interactional justice. The problem highlighted by this research is the associated dilemma of business arena i.e. by cutting down their human resource and undermining the organizational tools of procedural justice, distributive justice and interactional justice they can demarcate strength to strength progressive move of their organization. Thenceforth, this research is purposive to find out the real insight of downsizing with respect to ones' job satisfaction by having procedural justice, distributive justice and interactional justice in the role of mediator. This cataclysmic issue provides enough legitimacy to concoct the objective of the research study which comprises

- To scrutinize the effect of downsizing on employees' job satisfaction with the mediating role of procedural justice.
- To scrutinize the effect of downsizing on employees' job satisfaction in regards with distributive justice as mediator.
- To scrutinize the effect of downsizing on employees' job satisfaction in relation to interactional justice as mediator.

Downsizing has been extensively apprehended as a breath taking tool of restructuring which pave a way to enhanced efficiency in both public and private sectors. Hitherto, down-sizing was misunderstood as a pointer portraying the decline of a firm, now it was regarded as a defensible strategy (McKinley et al., 1995). Shah (2000) in his research studies elucidated downsizing strategy as a tool of achieving competitive edge and enhanced technological echelons which pave a way to prosperous and flourishing organization. These studies also argued that companies executed downsizing strategy in order to elevate rather than decline

Many research studies elucidated the fact that downsizing could also be the product of increasing globalization and mergers/acquisitions to avail zenith in economies of scale (Hirschman, 2001; Tsai, 2001). Plethora of research intelligentsias have vested their efforts to frame downsizing as an stratagem undertaken by firms to deliberately descend superfluous workforce eventually in order to advance the quality of human capital and escalate their competitive leads (Howard, 2002; Cameron, 1994; McKinley et al., 1995).

Rigby (2002) emphasized his research efforts on elucidating downsizing as an inefficient strategy to bolster company's prosperity which can pave a way to catastrophic aftermaths. Job satisfaction has been widely demarcated by oodles of scholars. The most generic definition of job satisfaction portrays it as an individual's totality of feelings in regards with work place which encompassed the work itself, internal and external organizational environments, and even family life (Cribbin, 1972). Seal and Knight (1988) intellectualized satisfaction from a psychological perspective: job satisfaction involves the inclusive motive or assessment reactions from the employees to the job itself. Mitchell & Lee (2001) explicated in their research endeavors that job satisfaction can serve as a predicting utensil to apprehend an employees' organizational attitude and behaviors e.g. their intention to leave the organization

Initially compensation served as a prominent foundation of instigating job satisfaction measures but with the passage of time it progressively advanced into multifaceted dimension (Smith, Kendall, & Hulin, 1969). McKenna (2000) elucidated job satisfaction as an individual's attitude to how .It has been described as an individual attitude to how thriving individual prospects at job resembles to consequences. Plethora of research savants argued in their studies that distributive justice comprehends the apparent evenhandedness and fairness of outcomes. Organizations, where employees feel insecure with respect to distributive justice, are destined to experience dire catastrophes (Blodgett et al., 1997).

Cohen-Charash & Spector (2001) have also epitomized in their research efforts those distributive justice sways sentimental reactions with respect to particular outcomes. Hence, when an employee professes something to be bigoted or unfair it paves a way to influence affect and ultimately leads to annoyance, pleasure, superciliousness or culpability. Likewise McCollough, Berry &Yadav (2000) have also argued inequity, unfairness to be the unequivocal reason behind employees' job dissatisfaction. Their studies demarcates that whenever an individual is confronted with inequity it will inevitably pave a way to grumpiness.

Hypothesis

H₁: Is there any relationship of downsizing with procedural, distributive, and interactional justice.

H₂: Is there any relationship of satisfaction with procedural, distributive, and interactional justice.

Research Methodology

PTCL, Pakistan Telecommunication Company Limited, is the organization that was taken as universe of the study which is a semigovernment organization and is providing its service of telecommunication, all around Pakistan. Sample size of 87 personnel of variegated cadres comprised the very sample of the said endeavor.

Regression Analysis and chi square were the statistical tools utilized for the scrutiny of the hypothesis with respect to the data gathered; the formulization of the said tool is given as under.

$$\mathbf{Y} = \boldsymbol{\alpha} + \boldsymbol{\beta}\mathbf{X} + \boldsymbol{\varepsilon}$$

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Responses of the respondents were gathered through 5 point Liker scale. Usually, a person may agree or disagree with an opinion but if the ask is of psychological nature then saying agree or disagree is not sufficient. For example, if a person is asked that how much you are happy then the answer cannot be in agree or disagree rather it requires further explanation that's is why a scale called Likert scale is used and in this endeavor Likert scale of 5 point was used in order to gather psychological responses. Likert Scale is a five (or seven) point scale which is used to allow the individual to express how much they agree or disagree with a particular statement.

Results and Discussion

The focal point of this chapter is to conclude the said research in a decisive manner by interpreting its responses gathered through questionnaire from the respondents.

Demographic silhouette of the respondents

In the below stated table that envelops demographic variables it is vivid that with respect to age, maximum number of respondents fall in the age group of 31 to 40 i.e. (46.5). This enhanced picture irrevocably constitutes to the fact that in the organizations like PTCL where management efficiency is coupled with technical they require people with both management and technical efficiency which can highly be found in the age group of 31 to 40 because they have got management experience along with technical know-how which provides them with an edge over the later cadre of the organization along with fresh candidates. Similarly, in the income column of the demographics, maximum respondents were found in the income group of 50000-70000 and thus record the percentage of (37.2). This heightened percentage amounts to the dogma that provides sufficient basis of inflicting inflation rate in Pakistan. At times of economic crisis, this percentage rate of income clearly demonstrates the high inflation rate in Pakistan which can only cultivate sufficient need of employee to support their basic necessities. However, in the experience column the maximum respondents were of 15 and above years' experience with the percentage of (39.5). And lastly maximum employees were having their employment status as permanent (55.8). Even in a competitive economy of today, people in the under developed countries prefer securing their jobs in one organization rather than switching to many which is depicted in the percentage of 15 years and above along with their employment status as permanent (55.8) in the respondents category which lays sufficient vividness to employee tentativeness when exposed to downsizing rumors. Similarly, it is quite obvious that male percentage is greater than female by having the

percentage of 90.7. This dominancy adds sufficient base to the fact that Pakistan being a male dominant society considers male as more vigilant as compared to female. In adjunct to this it is also worth mentioning here that male are considered more staunch regarding their stress handling as compared to female which is vivid in the escalated picture of male in PTC as compared to female.

Reliability analysis

The explication of results show us the cronbach's alpha with the indicators of 0.815, 0.831, 0.860, 0.805 and 0.614 for downsizing, distributive justice, procedural justice, interactional justice and job satisfaction respectively. The data regarding all the variables shows vivid reliability regarding Cronbach's alpha value which excpet for job satisfaction i.e.0.614. The percentage regarding Cronbach's alpha is observed with the percentage of 70 from each variable under study which signifies the reliability of the data collected except job satisfaction which falls slightly lower than the reliability range i.e. 0.614.(Cronbach's 1951).

Distribution of respondents in regards with Downsizing

The respondents are distributed with questionnaires using likert scale from 1 to 5 (1=strongly disagree, 2=disagree, 3=neutral, 4=agree and 5=Strongly Agree). The overall mean score of 3.1798 expounds that affirmation is given by maximum of the respondents with respect of the enquiries asked. This affirmation clearly signifies that downsizing is found to be the active venomous phenomenon that infects the strength to strength move of the work environment and eventually ends up in blame game and no gains.

1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, 5 = strongly agree; MAS = mean average score; the values in parenthesis are the percentages.

S.No		Downsizing					
	1	2	3	4	5		
1	0 (0.0)	18(20.9)	12(14.0)	36(41.9)	20(23.3)	3.6744	
2	0 (0.0)	14(16.3)	18(20.9)	36(41.9)	18(20.9)	3.6744	
3	2 (2.3)	20(23.3)	18(20.9)	38(44.2)	8(9.2)	3.3488	
4	2 (2.3)	26(30.2)	32(30.7)	20(20.3)	6(7.0)	3.0233	
5	4 (4.7)	18(20.9)	32(37.2)	24(27.9)	8(9.3)	3.1628	
6	8 (9.3)	30(34.9)	24(27.9)	12(14.0)	12(14.0)	2.8837	
7	8 (9.3)	24(27.9)	28(32.6)	20(23.3)	6(7.0)	2.9070	
8	0 (0.0)	6 (7.0)	34 (39.5)	24 (27.9)	22 (25.6)	3.7209	
9	0 (0.0)	18(20.9)	26(30.2)	38(44.2)	4(4.7)	3.3256	
10	0 (0.0)	30(34.9)	22(25.6)	28(32.6)	6(7.0)	3.1163	
11	2 (2.3)	28(32.6)	24(27.9)	26(30.2)	6(7.0)	3.0698	
12	4 (4.7)	14(16.3)	26(30.2)	38(44.2)	4(4.7)	3.2791	
13	0 (0.0)	12(14.0)	26(30.2)	38(44.2)	10(11.6)	3.5349	
14	20 (23.3)	32(37.2)	14(16.2)	16(18.6)	4(4.7)	2.4419	
15	10 (11.6)	38(44.2)	22(35.6)	14(16.3)	2(2.3)	2.5349	
						3.1798	

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Distribution of respondents in regards with Distributive justice

The overall average score of 2.6511 in table 4.5 shows the pathetic level of distributive justice provided to the employees due to which neither they can focus on the contemporary effectiveness of their job nor they can step into dynamism.

S.No	Distributive Justice						
	1	2	3	4	5	-	
1	6 (7.0)	34 (39.5)	22 (25.6)	20 (23.3)	4 (4.7)	2.7907	
2	6 (7.0)	34 (39.5)	30 (34.9)	16 (18.6)	0 (0.0)	2.6512	
3	6 (7.0)	34 (39.5)	30 (34.9)	12 (14.0)	4 (4.7)	2.6977	
4	10 (11.6)	34 (39.4)	30 (34.9)	10 (11.6)	2 (2.3)	2.5349	
5	8 (9.3)	34 (39.5)	31 (37.2)	10 (11.6)	2 (2.3)	2.5814	
						2.6511	

1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, 5 = strongly agree; MAS = mean average score; the values in parenthesis are the percentages

Distribution of respondents in regards with Procedural justice

The overall mean average score of 2.3314 in table 4.6 clearly depicts that the other wing of justice is also damaged at the said organization due to which the zealous performance cannot be docketed.

S.No	Procedural Justice					
	1	2	3	4	5	
1	20 (23.3)	48 (55.8)	8 (9.3)	8 (9.3)	2 (2.3)	2.1163
2	16 (18.6)	38 (44.2)	22 (25.6)	8 (9.3)	2 (2.3)	2.3256
3	20 (23.3)	46 (53.5)	14 (16.3)	4 (4.7)	2 (2.3)	2.0930
4	16 (18.6)	20 (23.3)	22 (25.6)	22 (25.6)	6 (7.0)	2.7907
						2.3314

1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, 5 = strongly agree; MAS = mean average score; the values in parenthesis are the percentages

Distribution of respondents in regards with interactional justice

The last shade of justice that is of interactional nature is also found to be in miserable condition with the overall mean average score of 2.7287, presented in table 4.7 which provides solid evidence with respect to highly stressful work environment

Items		MAS				
	1	2	3	4	5	
1	10 (11.6)	24 (27.9)	28 (32.6)	22 (25.6)	2 (2.3)	2.7907
2	6 (7.0)	14 (16.3)	38 (44.2)	28 (32.6)	0 (0.0)	3.0233
3	18 (20.9)	36 (41.9)	18 (20.9)	10 (11.6)	4 (4.7)	2.3721
						2.7287

Distribution of respondents in regards with job satisfaction

By taking in consideration all the above observations, it is of no wonder to find scarcity of job satisfaction at workplace which is found in the table 4.8 below i.e. MAS 2.8914. It is because of the high level of anxiety and tentativeness existing in work environment solidifies the job satisfaction to be at its minimum among the employees.

Items	Job Satisfaction					
	1	2	3	4	5	—
1	4 (4.7)	8 (9.3)	22 (25.6)	48 (55.8)	4 (4.7)	3.4651
2	10 (11.6)	32 (37.2)	18 (20.9)	24 (27.9)	2 (2.3)	2.7209
3	2 (2.3)	2 (2.3)	20 (23.3)	46 (53.5)	16 (18.6)	3.8372
4	30 (34.9)	40(46.5)	8 (9.3)	8 (9.3)	0 (0.0)	1.9302
5	22 (25.6)	38 (44.2)	10 (11.6)	12 (14.0)	4 (4.7)	2.2791
6	6 (7.0)	8 (9.3)	44 (51.2)	26 (30.2)	2 (2.3)	3.1163
						2.8914

Summary of Perception of employees regarding Downsizing, Distributive justice, Procedural justice, Interactional justice and Job satisfaction

To envelop the responses in a nut shell it should be stated that most of the respondents were found to be disagreed (2.6511, 2.3314, 2.7287) when enquired about the overall justice in general and interactional, procedural and distributive in particular and agreed (3.1798) when enquired about the downsizing prevailing at the organization. Thenceforth the satisfaction level was found to be on consistent decline (2.8914) as per the responses.

Regression analysis

The statistical utensil of Regression analysis was also applied in order to perceive the significant or insignificant upshot regarding downsizing, distributive justice, procedural justice, interactional justice and job satisfaction.

Description of Regression Analysis

In a chronological manner the results are found to be significant with respect to downsizing and job satisfaction (P=0.03, R square= 0.05, B= - 0.23, F=4.392, T=-2.096) (Philip et al., 2007), downsizing and distributive justice (P=0.03, R square=0.05, B= -0.30, F=4.41, T= -2.10) (Sharon & Bart 2006), downsizing and procedural justice (P=0.01, R square=0.07, B= -0.44, F= 6.99, T= -2.64) (Sharon & Bart 2006), downsizing and interactional justice (P=0.02, R square= 0.05, B= -0.38, F= 5.13, T= -2.26) (Janice and Jane 2002). Similar significance was docketed between distributive justice and job satisfaction (P=.00, R square= 0.22, B= 0.36, F= 24.17, T= 4.917) (Maxham & Netemeyer, 2002), interactional and job satisfaction (P=0.01, R square= 0.11, B= 0.22, F= 10.8, T= 3.287) (Michael et al., 2007). However, the

relationship between procedural justice and job satisfaction was found to be insignificant (P=0.08, R square= 0.03, B= 0.12, F= 3.05, T= 1.747) (Colquitte, 2001). In the aforesaid explications it is vivid that T value is greater than 2 i.e. (T>2). The value of R square depicts the percentage contribution of one variable in other. The value of B illustrates the positivity or negativity of the relationship among variables. The value of F illustrates the overall fitness level among afore- mentioned associations which is greater than 3.

Indexation

Nachmias and Nachmias (1992): Indexation method is mostly concocted to amalgamate the qualitative responses of respondents of a set of items describing an attribute/variable. In order to gain attributes from a list of items, the responses of an individual were transformed into the average scores and were decided to be placed in either agree, neutral or disagree category.

Chi square test

In addition to regression analysis, Chi square statistical tool is also utilized in order to escalate apprehensions and draw dogmatic foundation with respect to the association between downsizing, job satisfaction, distributive justice, procedural justice and interactional justice. The inferences drawn from these associations are resounded in the tables, described as follows.

Description of chi-square analysis

In a consecutive manner the results are found to be significant and negative with respect to the association between downsizing and job satisfaction (chi square=8.35, P=0.006, Gamma= -0.485) (Walston, 2004), downsizing and distributive justice (chi square=4.255, P=0.187(insignificant), Gamma= -0.224) (Jody et al 2005), downsizing and procedural justice (chi square=6.767, P=0.05, Gamma= -0.349) (Jody et al 2005), downsizing and interactional justice (chi square=7.886, P=0.655(insignificant), Gamma= -0.081) (Aniel and Grechen 1998). Similar significance was perpetuated between distributive justice and job satisfaction (chi square=15.257, P=0.001, Gamma=0.513) (Maxham & Netemeyer, 2002), procedural justice and job satisfaction (chi square=7.332, P=0.04, Gamma= 0.358) (Prehar, & Chen 2002), and interactional and job satisfaction (chi square=16.407, P=0.000, Gamma= 0.597) (Chebat and Slusarczyk, 2005).

All the previous endeavors penned justice in totality with job satisfaction which was a phenomenon of general understanding as well that wherever justice prevailed job satisfaction prevailed. In contrary to this, in recent decades when justice was defined with its organs (distributive, procedural, interactional) then it was found that the concept of justice, in general professional environment, is only known with its few major classifications (procedural) while rest of the classifications are not even clearly defined in the minds of employees (distributive, interactional). Therefore akin to the aforesaid inferences, in the said endeavor when respondents were enquired about justice with respect to downsizing then it was found that they only possess the knowledge of procedural justice the results of which came significant with that of downsizing (which means they agreed that the absence of procedural justice is leading to downsizing and thus eventually deteriorates and contaminate the feelings of job satisfaction). However, due to the less knowledge and in depth view of the justice they couldn't respond in a justified manner, when enquired about other classifications, that is why the results of rest of the classifications such as distributive justice and interactional justice came insignificant with respect to downsizing (which means that they are not clear with the concept that when distributive justice and interactional justice is found missing it may escalate downsizing in an organization).

Conclusively, the knowledge of the respondents about the concept 'justice' reside in procedural justice only that is why in totality they considered distributive justice and interactional justice as procedural justice (or the part of procedural justice) which, if provided, is ameliorating one's satisfaction and is clearly depicted where all classifications of justice came significant with that of job satisfaction.

Summary, Conclusion and Recommendation

In order to summarize this research endeavor it would be the clear affirmation and like many previous research studies regarding downsizing that it is the catastrophic phenomenon that not only roots out the symphony of the organization but the overall work environment after having this practice practiced becomes the lead to work chaos. Similarly the aim of the organization behind this hierarchal shrinkage is to cut down cost and record an increased amount of profit. However, the tool practiced for the cutting down costs (downsizing) is never an efficient one as per the depiction of most of the previous endeavors and the same is found to be true in the said contemporary research endeavor (Fisher and White 2000; Landry, 2004; Mickee-Ryan &Kinicki, 2002; Naumann, Bies & Martin, 1995).

This research gave new perspective by amalgamating different managerial aspects in a modular form. Mammoth research work can be underscored which shows the relationship of downsizing with job satisfaction. However, the said research included various shades of justice as catalyst which eventually showed various reflections of downsizing over job satisfaction Thenceforth, in conclusion it should be said that, cutting down the organs (employees) of the organization is not the solution to the problem instead of it the coalition among employees should be encouraged by ensuring justice. Once they get satisfied from the inner work environment then they can face the outside challenges more exuberantly. Moreover, when the rumors/practices of downsizing prevail in the organization then the work quality suffers drastically. Coupled with the said situation when employees do not find justice as well in the procedures, distribution of authorities/rewards along with level of interaction then it is the satisfaction that fades away which ultimately results in organizational calamity. Thus following are the recommendations found to be effective for the research endeavor:

- To ensure the justice of all three levels in organizational operations.
- To develop a transparent evaluation system of performance that boosts up and mirrors the performance to them without utilizing the catastrophic tool of downsizing.
- To ensure the rewards provision on fair and legit grounds so that the rewards can inculcate an escalation to other employees of the organization.

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