The consequences of feelings of job insecurity after company restructuring

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The Consequences Of Feelings Of Job Insecurity After Company Restructuring

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DECLARATION

I certify that the work presented in this thesis is, to the best of my knowledge and belief, original, except as acknowledged in the text, and that the material has not been submitted, either in whole or in part, for a degree at this or any other university.

I acknowledge that I have read and understood that University’s rules, requirements, procedures and policy relating to my higher degree research award and to my thesis. I certify that I have complied with the rules, requirements, procedures and policy of the University (as they may be from time to time).

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ABSTRACT

Organization restructuring is not uncommon nowadays, especially after the Asian financial crisis in 1997 that many organizations encountered financial difficulties. In order to survive, they have to cut down the costs such as labor cost and rental costs but at the same time have to increase their working efficiency in order to maintain the competence in the increasingly competitive market. However, it seems restructuring can often give a side effect of job insecurity feeling from most of the employees. Certainly this feeling will subsequently give reduced affective and normative organizational commitment, reduced organizational citizenship behavior (OCB) and increased withdrawal cognitions. The survivor employees will even develop cynicism towards the organization.

This research is to investigate whether there is a relationship between job insecurity and organizational cynicism under the organizational restructuring. Investigation also extends to the relationship between job insecurity and negative attitudes and behavior. What is more, this research would find out whether the above relationships can by moderated by having a supportive supervisor (in terms of perceived supervisor support and supervisors’ interactional justice) and by the extent to which the individual feels that they have no alternative other than to remain in the current organization (continuance commitment). Therefore, the hypotheses in this research are that having a supportive leader would reduce such effects, whilst feeling locked into the organization might strengthen the negative effects.

The above mentioned hypotheses were tested with 272 survivor employees in a foreign bank in Hong Kong. From the first hypothesis, no significant relationship was found between perceived job insecurity and (1) affective organizational commitment; (2) normative organizational commitment; (3) OCB; and (4)
withdrawal cognitions. The second hypothesis did provide evidence that no mediation of job insecurity and its consequences relationships by organizational cynicism, while the last hypothesis attested that the moderators did not affect the job insecurity and organizational cynicism relationship. However, it was shown that perceived supervisor support and supervisors' interactional justice could be strong reverse buffers, as evidenced by the post-hoc investigation on the relationships between organizational cynicism and behavioral outcomes. Based on these findings, theoretical and managerial implications were discussed to give an idea to those organizations who intend to perform restructuring in the future. A framework for organization restructuring was also proposed to give an idea on how this can be done in the real world with success.
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Obviously, all mistakes, errors or omissions of this thesis remain entirely mine.
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1. INTRODUCTION

1.1 Background

Since the Asian financial crisis in the mid 1990’s, the profitability of many companies has been affected. Many of these organizations have gone bankrupt or are facing global economic uncertainty and competition, and have been forced to engage in mergers and acquisitions in order to improve organizational effectiveness and efficient operations and gain competitiveness.

In recent years, especially after the economic crisis, acquisitions and mergers have been prevalent. Companies have been forced to merge in order to become more competitive. Local subsidiaries of foreign multinational companies under the pressure from their headquarters have been forced to restructure their business operations (Wah, 1999), including those in Hong Kong. Many organizations have restructured and downsized their operations as a strategic policy decision to cope with the intense competitive pressures (Andrews, 2001; Fisher et al., 2004).

According to the report, KPMG News on 12 January 2009, the number of completed merger and acquisition ("M&A") deals worldwide each year had been increasing with the M&A peak in 2000, declining from 2001 to 2003, and then increasing again since 2004. For the year 2008, the number of deals was around 38,000, a 19% rise on the previous peak in 2000 with 31,888 deals. The global M&A activity for completed deals for the years 2000-2008 is depicted in Figure 1.1.
Figure 1.1 Global M&A Activity for Completed Deals 2000-2008

With mergers and acquisitions, companies also undergo organizational change through downsizing, outsourcing and restructuring. The pace of organizational change has accelerated and many organizations are continuing to downsize or restructure, a trend that is likely to continue in the near future (McKinley et al., 1995).

Downsizing or restructuring is initially intended to provide organizations with ways to reduce cost, and increase productivity and profitability. However, it seems that the anticipated benefits have not been achieved as expected. These actions lead to large-scale workforce reductions and create a sense of job insecurity for individuals, make many employees feel insecure with regard to the nature and future existence of their jobs, and fundamentally change their beliefs about the organization (Jacobson, 1991), reduce employee morale, and increase employee absenteeism, cynicism and turnover (Lewin and Johnston, 2000). Moreover, there may also be a decrease in employee motivation and commitment to the organization, a decrease in work effort amongst employees who survive the restructuring, and in addition contribute towards a low level of trust in the working
environment (Brockner, 1988; Brockner et al., 1994; Brockner et al., 2004; Sutton and D'Aunno, 1989).

Job insecurity affects individuals in various ways, including emotionally and psychologically (Ashford, et al., 1989; Greenhalgh and Rosenblatt, 1984; Heaney, Israel, and House, 1994), it may affect their marital and family life (Westman et al., 2001; Small and Riley, 1990; Wilson et al., 1993), as well as having organizational effects (Brockner et al., 1990; Casey et al., 1997; Erera, 1992; Greenhalgh and Rosenblatt, 1984; Heaney et al., 1994; Lim, 1997; Mauno et al., 2001). Perception of job insecurity has a negative impact on employees' attitudes (Ashford, et al., 1989; Rosenblatt, et al., 1999). Employees with perceptions of low job security are more likely to engage in work withdrawal behavior (Q'Quin, 1998), lower organizational commitment (Preuss and Lautsch, 2002), more organizational cynicism (Abraham, 2000), and even increase their intention to quit, job search and thought of quitting (Ashford, et al., 1989).

There have been many studies of the antecedents of perceived job insecurity and its impact on individuals' psychological or attitudinal (such as job dissatisfaction, reduce in organizational commitment) and cognitive reactions (such as intention to quit, thoughts of quitting) (Bockner et al., 1992a), as well as of the mediators and moderators (such as job satisfaction and organizational commitment) of the relationship between job security and its consequences such as withdrawal cognitions (Davy, et al., 1997). However, few have studied the employees' perceived job insecurity behavior or reaction specifically in a post-merger or organizational restructuring context (Davy et al., 1997; Marks and Mirvis, 1985; Schweiger and Lee, 1993; Schweiger and Walsh 1990; van Dick et al., 2006).
Employees of acquired organizations in mergers experience greater job insecurity than employees of acquiring organizations and have more negative behavioral and attitudinal dysfunctions such as job dissatisfaction, lower job performance, trust, organizational commitment (Gaertner et al., 2001; Schweiger and Lee, 1993), and increased intentions to leave the organization (Gaertner et al., 2001; Schweiger and Walsh, 1990). This is based on their fear of losing their jobs, with all the damaging implications for personal wellbeing and security (van Dick et al., 2006) These survivors’ feelings of job insecurity may not be solely due to downsizing, but also perception of politics and organizational injustice in the new post-merger organization.

Survivors undergoing acquisition may perceive job insecurity already, while further restructuring or reorganization by the new management may further induce their disappointment with the organization and its management, as well as reducing their perception of integrity on the part of the organization. They may thus develop organizational cynicism (Dean et al., 1998), leading to greater withdrawal cognitions, and lower commitment to the organization. Although there are studies of the relationship between job insecurity and organizational cynicism in the context of downsizing (Noer, 1993; Unckless, 1998) as well as of the relationship between job insecurity and the outcomes, there is a lack of research examining the possible mediating effect of organizational cynicism on the relationship between job insecurity and outcomes.

Despite the increased withdrawal cognitions and disappointment with the organization, there are still M&A survivors who choose to stay with the organization. However there are very few or no research studies examining why survivor staff still choose to remain or continue to stay with the organization in
spite of them feeling job insecure, disappointed or cynical with the organization. What makes these survivors stay with the organization when they perceive great job insecurity and dislike or are less committed to the organization? Is it because they feel that they have no suitable alternatives, or is it because of their supportive supervisors?

1.2 Commercial Value of the Research

For sure, it would be academically valuable to study why survivor staff still choose to stay with the organization despite feeling job insecure. However, what equally important in commercial perspective is that the negative consequence following the job insecure feeling would certainly bring several adverse effects to the organization such as low efficiency and customer dissatisfaction which leads to increase in cost and decrease in profit. Therefore it is also essential to let the top management recognize the impact of organizational restructuring on survivors so that they can implement the necessary remedies at the first instance. The research also provides an opportunity of informing the wider community about how the staff feel in a post-merger organization. This will allow the management in a post-merger organization to evaluate their management effectiveness towards the survivors of mergers and organizational restructuring.

In most circumstances, restructuring of an organization renders some of the employees jobless while others have to drop down the pecking order and others survive the process by stagnating in their former positions. However it is essential to note that the survivors of a restructuring often choose to remain with their organizations in the midst of job insecurity and uncertainty over future changes or developments. As an area that has never been given the attention it requires in
the past, it is imperative that a comprehensive and conclusive research be carried out in this field to determine the core reasons why employees would choose to remain in an insecure and uncertain environment instead of seeking greener pastures elsewhere. This research is important because of a number of positive impacts that will accrue to both the employer and employee as follows. To begin with, the feeling of insecurity and uncertainty has a detrimental effect on the productivity of an employee. As such the employer is bound to lose on profits since the output of his employees will have gone down while the employee is at a fresh risk of losing the job, having no job satisfaction or making no progress at all. Therefore a comprehensive and conclusive study of this area would enable the management team to devise effective measures in place that can be used to ensure that the anxiety in workers is minimized to increase their output and enhance job satisfaction among employees (Kohrn and La, 2003).

Additionally, the new feeling of insecurity may result in high rates of employment turnover in the organization (Q’Quin, 1998). The consequence of employee turnover may result in the organization losing or failing to retain its top employees thus an exorbitant amount of funds would be spent on the recruitment and development of new employees. Accordingly the study of this field may result in the identification of salient issues of restructuring to ensure that the restructuring process only does away with redundant employees while the employees left behind feel safe in their jobs and that they are significant to the future goals and objectives of the organization. For instance, better restructuring techniques can be adopted to ensure that the remaining employees earn promotions and not get demoted to eliminate the fear of being unimportant. Lastly, this study is important since it will highlight the plight of workers who may lose
their jobs in different organizations that have undergone restructuring. Subsequently it will assert the significance of fairness in dismissing, promoting or demoting the staff of any organization and proposing an arrangement for compensating affected workers to ensure that the rights of workers are protected by the human resource management.

According to the report published by Deloitte in 2010, the M&A activities in China, including Hong Kong were concentrated in the energy industry such as Petroleum, Coal and Mineral companies from year 2003 to 2010. However the trend started to change in that the share of M&A in the financial industry grew and will continue to grow from 2010 onwards. While Hong Kong is an international financial centre that 16.1% of GDP was contributed by finance sector in 2011 (HKSAR Gross Domestic Product, 2012), finance industry is Hong Kong’s second large industry which secures 6.2% of total labour force. Such an upward trend in M&A, especially after the financial crisis in 2008, has given rise to a rising trend in layoff in finance industry. With high contribution of finance labour force in Hong Kong, the researcher believes it would be worth to have a research of human resources in the financial industry.

So the purpose of this research study is to investigate a) the impact of organizational restructuring on survivors; b) the consequences of perceived job insecurity, including the role of organizational cynicism in these relationship; c) the impact of the factors that mitigate or moderate these reactions or behavior of survivors; d) the implications for management so as to facilitate the more effective management of survivors of mergers and organizational restructuring.
1.3 Organization of Thesis

This paper contributes to the literature by examining the mediating role of organizational cynicism in the relationship between perceived job insecurity and its consequences, in addition to job satisfaction and organizational commitment which have been studied. In addition, this research also contributes to the literature on the relationship between job insecurity and organizational cynicism, and considers whether this relationship is moderated by supportive supervisors and individual survivors’ continuance commitment. The managerial implications will be discussed thereafter.

In Section 2, a literature review on different theories of organizational restructuring will be discussed and the appropriate theories for this study will be identified. Following this, the literature review concentrates on discussing job insecurity and its consequences. Then the attitude developed towards organizational restructuring, i.e. organizational cynicism, which explains the behavior or reactions of survivors. The remaining literature review presents the probable moderators, supportive leadership in terms of perceived supervisor support and interactional justice, and individual survivors’ continuance commitment, on the relationship between job insecurity and organizational cynicism which can mitigate survivors’ behavior. The second chapter ends with a summary of the research needs.

The research model and hypotheses of the study will be discussed in Section 3. Thereafter, Section 4 discusses the research methodology of the study. A description of the methods and the measures to be used are presented. Section 5 presents the results of the study and in Section 6 the results of the research will be discussed, new organizational restructuring framework will be proposed, then
the overall conclusion of the research results and implications for theory and management, as well as the limitations of this study and suggestions for future research will be presented.
2. Literature Review

2.1 What is Organizational Restructuring

Restructuring is “the corporate management term for the act of partially dismantling and reorganizing a company for the purpose of making it more efficient and therefore more profitable. It generally involves selling off portions of the company and making severe staff reductions. It is often done as part... of a takeover by another firm. It may also be done by a new CEO hired specifically to make the difficult and controversial decisions required to save or reposition the company. ... Staff reductions are often accomplished ... partly by consolidating ... parts of the company that perform redundant functions ... left over from old acquisitions that were never fully integrated into the parent organization. Other characteristics of restructuring can include: change in corporate management; ... renegotiation of labor contracts to reduce overhead; ... [As a result] a company that has been restricted effectively will generally be leaner, more efficient, better organized, and better focused on its core business.” (Wikipedia)

A “merger” is a statutory combination of two or more corporations by the transfer of the properties to one surviving corporation; any combination of two or more business enterprises into a single enterprise. “In business or economics a merger is a combination of two companies into one larger company. ... ... A merger can resemble a takeover but result in a new company name (often combining the names of the original companies) and in new branding; in some cases, terming the combination a ‘merge’ rather than an acquisition is done purely for political or marketing reasons.” (Wikipedia)

According to Seo and Hill (2005), there are four M&A integration stages. The premerger stage “starts with examination of a possible merger and ends with the
official announcement of the merger” (Seo and Hill, 2005, p. 433). The organizations concerned are still relatively stable during this time (Buono and Bowditch, 1989).

Initial planning and formal combination stage “starts after the M&A has been announced and ends once the former organizations have been legally dissolved and a new organization, often with a name, has been created” (Seo and Hill, 2005, p.433). Operational combination stage “involves actual integration of organizational functions and operations” (Seo and Hill, 2005, p. 433). At this stage, there are large scale interactions between the members of the combined organizations from top management to general work units and day-to-day operations (Garpin and Herndon, 2000).

Stabilization stage is the consolidation process where the operational integration has been completed. At this stage, organizational stability recovers, and norms, roles and organizational routines become steady though there may be continuous changes and adjustments (Seo and Hill, 2005). In practice, each stage cannot be so clearly cut because the actual integration process is usually more complex (Garpin and Herndon, 2000).

2.2 Theory of Reactions of Organizational Restructuring

There are several theories explaining the source of frequent problems happening during M&A organizational change and the effects on employees’ behavior and psychological impacts. They are the anxiety theory, social identity theory, acculturation theory, role conflict theory, job characteristic theory, organizational justice theory (Seo and Hill, 2005) and threat rigidity theory.
2.2.1 Anxiety Theory

Anxiety is the "emotional condition in which there is fear and uncertainty about the future" (Oxford Advanced Learner's English-Chinese Dictionary Revised Third Edition). M&A generally leads to organizational restructuring, thus there is feeling of uncertainty of future jobs and careers and employees experience anxiety when they try to cope with such uncertainty (Marks and Mirvis, 1985; Rentsch and Schneider, 1991). Organizational change during M&A can be a significant source of anxiety to the employees concerned and the degree of anxiety varies across individuals (Buono and Bowditch, 1989). Thus different individuals behave and react differently to M&A with the different extent of anxiety (Rentsch and Schneider, 1991). It is observed that employees experience higher degree of anxiety when facing the possible occurrence M&A (Cartwright and Cooper, 1993; Ivancevich et al., 1987). Perceived threat of job loss can lead to increased worry and feelings of distress (Brockner et al., 1992a) and such anxiety can result in self-survival instructs which employees engage in political choreography to protect their status, power and prestige (Schweiger et al., 1987), and thus can lead to destructive competition that affect the organizational performance negatively (Seo and Hill, 2005). In addition, the duration of uncertainty and anxiety can be a major source of employee stress during M&A (Cartwright and Cooper, 1996; Ivancevich et al., 1987). Stress and decreased morale can interfere with survivor's job performance (Appelbaum and Donia, 2000).

When seeing coworkers leave the organization, separation anxiety can occur (Astrachan, 1995). According to Astrachan (1995), separation anxiety is associated with the frightening situation of having a relationship change or
drastically end and it is characterized by strong emotions, including depression and behavior such as hostility or withdrawal.

To manage and reduce the anxiety created by M&A, top-down, formal communication that provides timely accurate information about what will happen to the organization and employees' job (Garpin and Herndon, 2000; Schweiger and DeNisi, 1991) is one of several methods. Also speeding up of integration process can be a strategy for minimizing prolonged uncertainty and anxiety (Feldman, 1995; Kleinman, 1998).

2.2.2 Social Identity Theory

Social identity theory is another theory that can explain employees' behavior due to M&A. Employees gain part of their identities from membership in groups such as organizations and professions. During M&A process, their organizational identity, professional identity and work group identity will be affected (Haunschild et al., 1994; Terry and O'Brien, 2001; van Dick et al., 2006).

In M&A a new organization will be formed and employees' identification will be altered as merger threatens the distinctiveness of the pre-merger group identity and, consequently, sub-group identification increases at the expense of identification with the post-merger entity (van Dick et al., 2006) therefore employees will react by trying to get a positive position in their own group in their new organization (Haunschild et al., 1994), and thus may lead to strong ingroup/outgroup biases that can create serious interorganizational conflicts (Marks and Mirvis, 1985). For example, the more dominant merger entity may have a feeling of superiority and a tendency to dominate the action by imposing an integration plan on the less dominant partner (Marks and Mirvis, 2001), while
employees in the less dominant organization may be angry at leadership for selling out and profiting from the deal and feel denial and disbelief (Marks and Mirvis, 2001).

Whether employees are willing to accept a new identity during an M&A depends on the relative status of their existing group compared to the M&A partner, as well as the extent to which they accept the status differential as legitimate (Terry and O’Brien, 2001). Employees in lower status or less dominant organization who do not believe the other organization’s higher status is legitimate will have more negative responses to a merger and less identification with the new organization (Hogg and Terry, 2000; Terry and O’Brien, 2001). However members of the high status or more dominant organization may also react negatively as they fear that their status of superior position will be affected by the M&A (Hogg and Terry, 2000; Terry and O’Brien, 2001). This can result in more dominant organization members’ dislike and exclude less dominant members. On the other hand, employees in less dominant organization will attempt to dis-identify with their old organization and re-identify with the new one if they believe that the other organization has a more positive image that can enhance their own (Hogg and Terry, 2000; Terry and O’Brien, 2001).

2.2.3 Acculturation Theory

Acculturation is defined as changes in groups resulting from contact between cultural groups (Berry, 1980). During M&A, acculturation takes place since there is combination of different organizational cultures (values, beliefs, or practices of organization) or one imposed over the other (Elsass and Veiga, 1994; Nahavandi and Malekzadeh, 1988). The degree and rate of acculturation within the networks
of integrated subcultures (i.e. organizational cultures) can vary between individuals and between subgroups within an organization since organizations comprise of individuals and groups which have unique cultural identities (Elsass and Veiga, 1994).

There are four modes in which acculturation takes place (Berry, 1980) and have been used in M&A context to describe how groups adapt to each other and resolve evolving conflicts (Nahavandi and Malekzadeh, 1988). The four modes are deculturation (members of an organization deny their old culture or do not replace it with a new one), assimilation (members of an organization adopt the culture of another organization), separation (members of the organizations maintain their original cultural identity), and integration (some changes in the relevant organizations). The relative intensity of factors that cause the need for organizational integration and the strength of factors that drive cultural differentiation (e.g. strength of organizational identity) will lead to different acculturation mode (Berry, 1980).

Acculturative stress will result when members of the combining organizations do not agree on the desired model of integration (Nahavandi and Malekzadeh, 1988) and it will be highest when organizational members’ desire to maintain their separate culture is strong, and also when the forces of organizational integration are strong. These stresses may lead to resistance to acculturation and serious inter-organizational or acculturative conflicts (Elsass and Veiga, 1994).

Acculturative conflicts is cultural clash (Cartwright and Cooper, 1993; Elsass and Veiga, 1994) which arises when individuals realize the differences in way of doing things and believe their way as superior to the other (Marks and Mirvis, 1992). This leads to attacking the other organization and defending their own.
Culture clash is more likely when people feel threatened by the combination of organizational cultures and of losing their accustomed way of doing things (Marks and Mirvis, 1992). In addition, culture clash can lead to low morale, absenteeism, staff turnover and decreased productivity (Catwright and Cooper, 1993).

2.2.4 Role Conflict Theory

A role is defined as “a set of expectations about behavior for a position” (Seo and Hill, 2005, p. 430). During the transition of M&A, there is usually no clear-cut nor short-term definite termination on the disrupting existing cultural, structural and job arrangements and new arrangements, but there seems to be a long period of organizational drift (Marks and Mirvis, 1992), which results in role conflict and role ambiguity (Ivancevich et al., 1987). Role conflict is the psychological tension of individuals when individuals engage in several roles that are incompatible and role ambiguity is the uncertainty about what is expected in a role (Katz and Kahn, 1978).

During M&A, employees may experience a high degree of role conflict as a result of new job demands related to the merger (Schweiger et al., 1987) or the threat of job loss can interfere with employees’ role as providers for their family (Schweiger et al., 1987). Thus, this role ambiguity and conflict is another source of stress which may lead to lower work motivation and higher job dissatisfaction (Igbaria and Guimaraes, 1993; Sims and Szilagyi, 1975).

2.2.5 Job Characteristics Theory

Job characteristics theory relates to changes in perception of work environment. Job characteristics theory suggests that core job characteristics
(skill variety, task identity, task significance, task autonomy, and task feedback) and other scope of job characteristics (career paths, work relationships support networks, status differences, geographic transfer, and job security) (Schweiger and Walsh, 1990), all influence perception of work environment and sequentially influence motivation and job satisfaction (Hackman and Oldham, 1975). Therefore changes in employee attitude and behavior following M&A may reflect changes in their job characteristics and work environment after merger. It is observed that employees’ perception of the quality of their job environment decline after a merger (Buono et al., 1985), as well as leading to a substantial drop in their job satisfaction and organizational commitment (Newman and Krzystofiak, 1993).

2.2.6 Organizational Justices Theory

According to social justice research, people are concerned about the fairness of decision-making procedures as well as the fairness of outcomes. Tyler and Belliveau (1995) suggest that individuals’ perception of fairness of resource allocation decision depends on their perceptions of both the decision outcome and the decision-making process (i.e. distributive justice/fairness and procedural justice/fairness respectively).

Leventhal et al. (1980) have identified six elements of procedural justice and suggest that procedures are fair if decisions are made: 1) following consistent procedures, b) without self-interest, c) based on accurate information, d) with opportunities for adjustment or correction, e) with the interest of all concerned parties in mind, and f) according to moral and ethical standards.

Other researchers (Folger and Bies, 1989; Tyler, 1988) suggest that social
factors also influence perceptions of procedural fairness which concern the extent to which decision-makers display sensitivity and consideration for others, e.g. whether a decision was adequately explained to the parties concerned (Bies et al., 1988), i.e. interactional justice. Usually at the implementation stage of organizational restructuring, there are tendencies toward authoritarian management and a general lack of communication (Kozlowski et al., 1993). There seems to be lack of transparency on the implementation to employees.

Employees’ reaction to organizational change can be influenced by three types of fairness perception: a) distributive justice (Adams, 1965), the fairness of outcomes received compared to an individual’s standard of fairness, i.e. equity; b) procedural justice (Thibaut and Walker, 1975), the fairness of procedures used to determine the outcomes; and c) interactional justice (Tyler and Bies, 1990), the extent to which the particularly strong influence on organizational commitment (Tyler and Lind, 1992). In addition, there is a negative effect of perceptions of procedural fairness on organizational commitment (Brockner et al., 1992a). When survivors perceived that the decision process had been fair, change in intrinsic quality of job content had a stronger positive relationship to organizational and task commitment (Brockner et al., 1993a). Perceptions of procedural and distributive fairness interact in affecting reactions to decisions (Brockner et al., 1994) and low ratings of procedural fairness were associated with more adverse reactions to negative outcomes (i.e. low distributive fairness) (Brockner et al., 1994).

2.2.7 Threat Rigidity Theory

Threat Rigidity Theory is another theory which explains survivor employees'
psychological and behavioral effects of organizational restructuring. Changes in organizations contain high level of uncertainty and chaos (Tombaugh and White, 1990). There is usually strong resistance to changes and a tendency towards rigid behavior patterns (Cameron et al., 1988). Threat rigidity theory (Staw et al., 1981) offers a perspective on why changes in the work environment may occur.

Threat is “an environmental event that has imminent negative or harmful consequences for the individual” (Staw et al., 1981, p. 502). This definition was expanded to include three specific factors: the probability of loss, the amount or magnitude of loss and the amount of time pressure associated with taking action (Gladestein and Reilly, 1985).

Rigidity is the effect of threat and according to Staw et al. (1981) there are two types of effect – restriction in information processing and constriction of control. Restriction in information processing includes a narrowing of the perceptual field and a decrease in the number of information channels to which the individual attends. At individual level, this rigidity is likely to relate to the fact that the person is distracted by or worried about the threat (Staw et al., 1981).

Constriction of control is generally associated with centralization of power and influence. At individual level, this effect is related to restriction in information processing. By decreasing information processing, individuals are likely to consider fewer sources of information in making decision (Staw et al., 1981). On the whole, Staw et al. (1981) suggest that these two effects combine to result in less variation in and flexibility of behavior.

The threat-rigidity effect can exist at individual, group and organizational levels. At the individual level, individuals face with threat will become less accepting of new ideas and less open to change (Staw et al., 1981). At group
level, rigidity is expected to be obvious in a restriction of information processing and
an increased uniformity of attitudes, behaviors, and beliefs. At organizational
level, rigidity is hypothesized to take the form of increased centralization and
decreased ability to adapt to environmental changes (Staw et al., 1981). Overall,
this means resistance to change.

Studies have supported the threat rigidity theory. It has been found that time
pressure and negative financial consequences were associated with a
group-level restriction of information processing (Gladstein and Feilly, 1985) and
increased financial pressure was associated with increased competition within
the organization and increased rigidity in the application of rules and procedures
(D’Aunno and Sutton, 1992).

In addition, if change required by employees is extensive and perceived to
be negative, employees will be less receptive to the changes (Mishra and
Spreitzer, 1998).

2.2.8 Identification of Relevant Theory

The above are some of the theories that explain employees’ psychological
and behavioral reactions to M&A related organizational changes. Each of the
theories can explain the phenomenon and problems that occur during and post
organizational restructuring, i.e. M&A. In this research, the anxiety theory and
organizational justice theory of M&A are more relevant, appropriate and
applicable to explain employees’ behavioral reactions under the context of this
study. It is because in post M&A organizational restructuring, survivor employees
experience anxiety of perceived job insecurity, uncertainty of job continuity and
powerlessness in changing the undesirable job situation. Furthermore, there is
the feeling of uncertainty about future jobs and careers, and employees experience anxiety when they try to cope with such uncertainty (Marks and Mirvis, 1985; Rentsch and Schneider, 1991). A perceived threat of job loss can lead to increased worry and feelings of distress (Brockner et al., 1992a). Moreover, with the post merger perpetuating organizational restructuring, employees may perceive procedural injustice and interactional injustice which lead to their attitude change towards the organization and management. Organizational cynicism develops when they perceive disillusionment and lack of management integrity, and thus affects the employees’ other behavioral reactions (Brockner et al. 1992a).

2.3 Job Insecurity due to Organizational Restructuring

Although there have been encouraging signs that financial markets have started to stabilize, many organizations are still undergoing restructuring or M&A because it enables unproductive units to be eliminated and costs to be reduced. McKinley and Scherer (2000) suggested that organizational restructuring produced unanticipated consequences of executives' demand of such action in unstable environments and led to long-term environmental instability. The top executives' demand for restructuring and the disruption of environmental conditions provide the stimulus for further restructuring. Restructuring thus becomes a self-perpetuating phenomenon (McKinley and Scherer, 2000). However strategic policy decision-makers often ignore the impact of organizational restructuring on employee morale and productivity (Cascio et al., 1997) as organizational restructuring leads to negative impact on cooperation,
trust, productivity and morale, which can affect the organizations economically and financially (Cascio et al., 1997).

As mentioned, restructuring becomes self-perpetuating, there may be even more subsequent corporate reorganizations or continuous changes, either further downsizing, organizational restructuring or workplace reorganization, which make the surviving employees feel even more job insecure, in terms of job loss or job change (Schweiger and Invacevich, 1985). The frequent labor reduction after a merger or acquisition (Davy et al., 1988) makes it difficult for the survivor employees to predict the impact of the mergers on their continued job security, and even managers cannot forecast with certainty that the organization will be able to provide job security beyond the foreseeable future (Schweiger and Lee, 1993).

Job insecurity is defined as one’s concern about the continuity of his employment in an organization. It is the concern felt by a person for the continued existence of his/her job (Van Vuuren, 1990). It is the lack of control (Hui and Lee, 2000) or the “sense of powerlessness to maintain desired continuity in a threatened job situation” (Greenhalgh and Rosenblatt, 1984, p.438). It is the condition in which people fear they might lose their jobs and become unemployed (Dc Witte, 1999). Furthermore, it is the difference between the experienced level of security and the preferred level (Hartley et al., 1991). Therefore employees’ perception of job insecurity during and post merger constitutes anxiety. Job insecurity happens when there is the possibility of involuntary loss of job (Greenhalgh and Rosenblatt, 1984).

According to the definition of Greenhalgh and Rosenblatt (1984), the degree of job insecurity felt by an individual depends on the “severity of threat to one’s
job and the powerlessness to counteract the threat” (Greenhalgh and Rosenblatt, 1984, p. 440). They suggested that the severity of threat depends on the extent and significance of potential job loss and the subjective anticipation of job loss frequency.

Potential job loss can be temporary or permanent. It can be caused by dismissal or redundancy, or can be in the form of total job loss, or job features or dimensions loss (Greenhalgh and Rosenblatt, 1984). Later Hellgren et al. (1999) categorized these two forms of job insecurity into two dimensions, quantitative job insecurity and qualitative job insecurity. Quantitative job insecurity is the “perceived threats to the continuity of the job itself (Hellgren et al., 1999, p. 185), for example, laid-off temporarily, permanent job loss, being fired or forced into early retirement. Qualitative job insecurity is “a threat to the continuity of important job features” (Hellgren et al., 1999, P. 185) such as deteriorated working conditions, poor career opportunities and salary development.

Subjective anticipation of job loss frequency depends on the number of sources of threat including merger, organizational downsizing, reorganization, technological change and job physical danger (Greenhalgh and Rosenblatt, 1984).

Job insecurity can be perceived as a threat to employees subjectively. Survivors who perceive that the organization has failed to live up to its obligations in the past may be particularly fearful about the future, and so influence their perception of job insecurity. This perception may be associated with a high probability of loss and a large magnitude of potential loss (Gladstein and Reilly, 1985).
Powerlessness to counteract the threat is the ability or power of individuals to fight against the threat they are facing. Sense of powerlessness to counteract the threat evolves when the employee does not know how to do to turn away the perceived threat (Greenhalgh and Rosenblatt, 1984). Powerlessness can be in four forms - lack of protection from the authorized parties; unclear expectations from the organizations; an authoritarian environment with no standards for behavior or references for actions in the organization; and dismissal standard operating procedures which employees faithfully believe and rely upon (Greenhalgh and Rosenblatt, 1984). Powerlessness to counteract the threat is another subjective perception. Perceptions of fairness and faith in the organization's decision-making policies, i.e. procedural justice, are important determinants of perceptions of powerlessness (Greenhalgh and Rosenblatt, 1984).

In summary, there are three components in job insecurity - subjective perception; uncertainty about the future; and doubts on the continuation of the job (Van Vuuren, 1990). Job insecurity is an individual's concern/anxiety or "expectations about continuity in a job situation" (Davy et al., 1997, P. 323), "overall concern about the future existence of the job" (Rosenblatt and Ruvio, 1996, p. 587), "perception of a potential threat to continuity in his or her current job" (Heaney et al., 1994, p. 1431), and "powerlessness to maintain desired continuity in a threatened job situation" (Greenhalgh and Rosenblatt, 1984, p. 438).

The previous studies conducted by other scholars are significant since they highlight how various factors affect different employees. The studies were conducted in different years thus shows that the problem of restructuring has
been a challenge for a long time, yet the effects have never been addressed to ensure benefits to both parties involved. For instance, incorporating studies conducted in different years adds credibility to this current study by showing the trends observed over a long period and not just at one point. The past studies relate to this study in that they identified the effects that the restructuring of an organization had on employees while this study examines the impact of those effects and how they can be addressed to avoid undesired impacts. As seen in the literature review, the results obtained in 1984 are consistent with those obtained a decade later by Brochknor in 1992. All these studies are very relevant to the study as they provide a building block on which the study is based. All the studies rivet on the consequences of job insecurity feeling after company restructuring. They also bring out the negative relationship between job insecurity and power to control outcome, i.e. locus of control. It can also be established that studies rely on the three components in job insecurity – subjective perception; uncertainty about the future; and doubts on the continuation of the job (Van Vuuren, 1990) on which the current study is based on. The results of the current study are consistent throughout as they are all concerned with the “expectations about continuity in a job situation” (Davy et al., 1997), “overall concern about the future existence of the job” (Roserblatt and Ruvio, 1996), “perception of a potential threat to continuity in his or her current job” (Heaney et al, 1994) and “powerlessness to maintain, 1984). 

Studies (Greenhalgh and Rosenblatt, 1984; Klandermans et at., 1991) suggested that factors influencing perceived job insecurity exist at different levels: organizational conditions (such as organizational change and communication); individual characteristics (such as age, gender, socio-economic status); and
employee’s personality (such as internal-external locus of control, optimism-pessimism).

Schweiger and Ivancevich (1985) commented that mergers affect individuals negatively by generating insecurity and uncertainty. McCarthy (1993) discovered that both powerlessness and organizational trust were significantly related to job insecurity in his study of job insecurity in a merger environment. Koesterer (1994) also discovered that management level job changes and relocation are significant predictors of job insecurity. From the various studies on organizational change and job insecurity, it appears that there is a significant positive relationship between job insecurity and organizational change.

Ashford et al. (1989) also reported positive relationships between job insecurity and organizational change, role ambiguity and intention of job search, and a significant negative relationship between job insecurity and power to control outcome, i.e. locus of control. Brockner et al. (1992b) theorized that survivors’ level of job insecurity should be highest when perceived threats to job or job features are high and perceived power and control are low; lowest when the perceived threat is low and perceived power and control are high; and moderate when both threat and control are high or both are low.

Workers experience downsizing through redundancy schemes suffered from decreased motivation, morale and stress (Brockner, 1992). It was reported that downsizing correlated negatively with both morale and productivity variables (Duron, 1994). But strategic policy decision makers are not paying attention to the potentially negative impact on employee morale and work satisfaction (Wah, 1999).
During major organizational changes, downsizing or merger, the most threatened set of employee expectations is job security (Davy et al., 1988). As organizations undergoing restructuring, merging or downsizing, it is common that employees of these organizations feel insecure, experience job loss, status loss, loss of benefits and opportunities for future advancement (Ashford et al., 1989; Magnet, 1984; Walsh, 1988) and insecurity is a main product of layoff (Brockner, 1988). Employees who feel job insecurity may also be concerned about the loss of desirable job features such as Lack of opportunities, promotions, current working conditions and career commitment or prospects (Borg and Elizur, 1992; Greenhalgh and Rosenblatt, 1984; Greenhalgh and Sutton, 1991; Jacobson, 1991). Therefore there is the feeling of uncertainty of future jobs and careers, and employees experience anxiety when they try to cope with such uncertainty (Marks and Mirvis, 1985; Rentsch and Schneider, 1991). Perceived threat of job loss can lead to increased worry and feelings of distress (Brockner et al., 1992a).

In a longitudinal field experiment of Schweiger and DeNisi (1991) it was noted that with mergers, uncertainty perception increases. When companies merge, there will be a large number of job duplications and thus a large number of duplicate redundant positions and a greater probability of workforce reduction. In order to streamline the operations and reach effectiveness and efficiency, and remain competitive in the international marketplace, the employees of duplicate work have to be redundant or laid off (London, 1987), thus employees, especially those of the acquired company, perceive higher uncertainty and more insecurity in their jobs, fear of being laid off (Marks and Mirvis, 1985; Schweiger and Lee, 1993) as they often think that they are those most probably will not survive from
any workforce reduction (Marks and Mirvis, 1985). Therefore perception of job insecurity is an anxiety caused by organizational restructuring.

Job insecurity is thus considered to be a stressor which results in detrimental job attitudes and behaviors (Lim, 1997; Van Vuuren, 1990). It, especially the quantitative insecurity (Hellgren et al., 1999) negatively affects the psychological well-being of individuals. Job insecurity was correlated with psychological distress, anxiety and depression (Probst, 2000; Roskies et al., 1993; Orpen, 1993). Job insecurity also influences physiological conditions such as physical strains (Landsbergis, 1988), heart complaints and high blood pressure (Burchell, 1994; Van Vuuren, 1990). It was found that physical symptoms increase and job satisfaction decreases when staff are exposed to extended periods of job insecurity (Heaney et al., 1994; Van Vuuren, 1990). Since job insecurity is about uncertainty and powerlessness to ensure job security, it is unpredictable and uncontrollable (Furda and Meijman, 1992). Job insecurity is regarded as one of the most distressful aspects of the work situation (De Witte, 1999) and downsizing reactions are relatively long lasting (Hellgren et al., 1999). Therefore organizational change during M&A is a significant source of anxiety to employees concerned and the anxiety is job insecurity perceived. In the following section, the consequences or outcomes of job insecurity will be discussed.

2.4 Consequences of Organizational Restructuring and Job Insecurity

Organizational restructuring or change and job insecurity perceptions are two of the important sources of uncertainty for organizational employees (Hui and Lee, 2000). Most organizations have neglected the consequence of restructuring as they assume that the survivors will be satisfied and happy about keeping their
jobs (Appelbaum et al., 1997). However, it has been well documented that employees who remain within an organization after significant organizational restructuring often experience the adverse effects of change (Brockner, 1992; Astrachan, 1995). Organizational restructuring often leads to negative effects on survivor employees' job insecurity such as employees' organizational commitment, psychological well-being, and turnover intentions (Probst, 2003).

Job insecurity is often reported to cause reduced psychological well-being, in the form of anxiety, depression, irritation or strain-related psychosomatic complaints (Canaff and Wright, 2004; Catalano et al., 1986; Dekker and Schaufeli, 1995; Ferrie et al., 1998). Indeed, job insecurity affects individuals in various aspects such as emotional and psychological (Ashford et al., 1989; Greenhalgh and Rosenblatt, 1984; Heaney et al., 1994), marital and familial (Small and Riley, 1990; Westman et al., 2001; Wilson et al., 1993) and organizational (Brockner et al., 1990; Casey et al., 1997; Erera, 1992; Greenhalgh and Rosenblatt, 1984; Heaney et al., 1994; Lim, 1997; Mauno et al., 2001). Perception of job insecurity has a negative impact on employees' attitudes (Ashford et al., 1989; Rosenblatt et al., 1999).

Merger or organizational restructuring including downsizing has negative emotional and behavioral impacts on the survivors, the so-called 'survivor syndrome' (Cascio, 1993). Survivors may become demotivated, cynical, insecure and demoralized. They may feel even more insecure about their jobs, as they may anticipate further downsizing/restructuring. They may express anger, depression, fear, guilt, risk aversion, mistrust of management, vulnerability and loss of morale (Brockner et al., 1985; Cascio, 1993; Noer, 1993). Littler (2000) identified six human resource syndromes among employees including morale,
motivation, commitment, job dissatisfaction, concern about job security, and perceived promotion opportunities. It has been noted that there may be increased absenteeism and higher labor turnover, such that the survivors have a higher than normal tendency to think of leaving. It has also been noted that the major cost involved in downsizing is surviving employees’ decreasing loyalty and commitment to the organization and lowered performance (Greenhalgh, 1983). Therefore forced redundancy must always be the last resort (Cameron, 1994; Cascio, 2002) because employee productivity may be reduced due to poor morale and organizational instability (Cascio, 1993).

As uncertainty builds and remains unresolved, the ambiguities linking job performance and advancement with goal attainment will lead to greater job dissatisfaction and lower levels of job motivation (McClelland, 1987; Vroom, 1964). Job security is generally regarded as having both direct and indirect effect on motivation positively or negatively. Low job security is a barrier to performance (Ashford et al., 1989; Greenhalgh and Rosenblatt, 1984). Johns (1994) studied the effect of downsizing on middle managers and reported that those perceiving a significant role change or ambiguity reported decline in work performance.

Nevertheless there is a negative correlation between job insecurity and work effort (Brockner et al., 1992b). This can be explained by the fact that insecure employees with a high economic need to work tend to put more effort in order to make themselves more important to the organization and thus increase their chance of surviving future layoffs and reduce their job insecurity (Greenhalgh and Rosenblatt, 1984).

Mishra and Spreitzer (1998) grouped layoff survivors’ behavior into two categories, constructive and destructive. Constructive survivors’ behavior
includes reaction of commitment, loyalty, feeling and expression of hope, excitement, willing to solve problems and take initiatives. Destructive survivors' behavior includes feelings and expressions of fear, anxiety, helplessness, withdrawal, cynicism, anger, disgust, retaliation and tendency of giving unkind remarks to the organization. Actually the above examples of employees' reactions are means of coping with and avoiding the stresses induced by job insecurity which can be explained by the theory of job adaptation.

Job adaptation is the psychological and behavioral changes of an employee in reaction to stressful job dissatisfaction (Probst, 2000). When individuals or employees encounter stressful job dissatisfaction from organizational stressor, such as job insecurity, they will react or take action that they perceive to be most likely to reduce or relieve the stressful job situation as a part of the adaptation response (Hulin, et al., 1985; Hulin, 1992), but the choice of response actions is limited to the individual and organizational contingency and constraints (Roznowski and Hulin, 1992). With respect to the constraints, in order to try to alleviate the stressor but at the same time not to jeopardize the employment, certain responses of an employee are assumed to be more likely to occur than others with reference to the employee's assessment of his/her job situation. As a result, the potential responses to the perceived job insecurity are limited (Probst, 2000).

There are five general categories of potential responses to job insecurity. They are attitudinal responses, psychological health, physical health, organizational withdrawal and organizational commitment (Probst, 1998, 2000). These five categories can be further grouped into physiological and emotional consequences (psychological health and physical health) and organizational

To summarize, job insecurity leads to deficient attitudinal consequences - organizational commitment (affective commitment, continuance commitment, normative commitment), withdrawal cognition (intention to quit, thought of quit), and organizational citizenship behaviour (Ashford Ct al., 1989; Probst, 2003; Rosenblatt and Ruvio, 1996) besides psychological and physiological health problem. In the current study, organizational consequences will be studied as results of job insecurity due to organizational restructuring.

2.4.1 Organizational Commitment

In this section, the effects of job insecurity and organizational restructuring on employees’ commitment to the organization will be discussed. Organizational commitment is a bond linking the individual to the organization (Mathieu and Zajac, 1990). It is an attitude of an individual that explains the extent to which the individual identifies with or involves in an organization with the belief in the organization’s values and goals, putting effort on behalf of the organization and exerting a desire to remain with the organization (Hulin, 1992; Mowday et al., 1979; Porter et al., 1974). It is important to study organizational commitment because it affects employee identification with the organization, the level of employee effort and employee turnover (Stroh and Reilly, 1997).

Organizational commitment was first studied by the organizational behavior researchers (Buchanan, 1974; Mowday et al., 1979; Porter et al., 1974; Steers, 1977) as the employees’ commitment to their employers. However there was lack of consistency in the definition of the construct (Meyer and Allen, 1991).
There have been two approaches to study organizational commitment, namely-commitment-related attitudes and commitment-related behaviors. Commitment-related attitudes treat organizational commitment as a follower affective attachment to the goals and values of the organization as well as to the organization itself (Buchanan, 1974). It is the willingness of an employee to put high level of effort for the organization, a strong desire for the organization, and an acceptance of its major goals and values (Porter et al., 1976). Commitment-related behavior results from internalized normative pressures in order to meet organizational goals and interests (Wiener, 1982). It also “relates to the process by which individuals become locked into a certain organization and how they deal with this problem” (Mowday et al., 1982, p.26).

Later organizational commitment was conceptualized as a psychological construct with multi-dimensions (Meyer and Allen, 1991). From this, the attitudinal commitment has attracted more attention for study. According to Meyer and Allen (1991), organizational commitment is a multidimensional construct. It can be classified into three components: affective commitment, continuance commitment and normative commitment. Each of these commitments explains the psychological state which describes an employee’s relationship with the organization and implications for his/her continuing membership, and also the antecedents and consequences with regard to absenteeism, job performance and citizenship (Meyer and Allen, 1991; Reichers, 1986).

Affective commitment is the employee’s emotional attachment to, identification with and involvement in the organization and its goals (Meyer and Allen, 1991). It is the feeling of belonging and sense of attachment to and involvement in the organization with reference to personal characteristics,
organizational structures, and work experience (Hartmann and Bambacas, 2000). It results from the agreement of values between the individual and the organization; therefore the employee is emotionally attached to and enjoy membership in the organization (March and Simon, 1958; Meyer and Allen, 1984). It is uncertain how commitment increases and why it affects behavior but it is possible that affective commitment mirror psychological equity and expectancy (Meyer and Allen, 1991). Employees with strong affective commitment remain with the organization because they want to (Meyer and Allen, 1991).

Continuance commitment is "a tendency to 'engage in consistent lines of activity' (Becker, 1960, p.33) based on the individual's recognition of the 'cost' associated with discontinuing the activity" (Allen and Meyer, 1990, p.3). Continuance commitment is also referred as calculative commitment, a transaction-based form of commitment, because it is the need to stay with the organization based on the consideration of perceived cost both financial and non-financial (Becker, 1960) and perceived lack of alternative jobs available (Hrebriniak and Alutto, 1972; Ritzer and Trice, 1969) when leaving the organization. It is the willingness to remain in an organization due to personal investment, such as career, unique skills, tenure, retirement fund, future opportunities, lack of available and suitable alternative work opportunities for leaving (Meyer and Allen, 1991). Employees with continuance commitment think that they cannot afford to leave the organization because they have invested a lot of time and effort into it. Employees with strong continuance commitment remain with the organization because they have to (Meyer and Allen, 1991).

Normative commitment is a felt obligation to remain or stay with the organization (Meyer and Allen, 1991). It shows loyalty and commitment to the
organization which the employee believes that it is moral and right (Meyer and Allen, 1991). Normative commitment develops on the general cultural expectations (Wiener, 1982) that an individual should not change his job too often otherwise will be considered untrustworthy and unreliable. The employee thinks that it is a moral obligation as he/she feels that he/she ought to do so (Meyer and Allen, 1991; Meyer et al., 1993).

It was found that in most researches, the most common concept of organizational commitment used is affective commitment (Blau and Boal, 1987; Carson Ct al., 1999; Griffeth et al., 1999; Hagedoom Ct al., 1999; Mowday et al., 1982). It is because more consistent variance in outcome variables can be explained by affective dimension (Allen and Meyer, 1996). Thus many researchers limit the measurement of organizational commitment to affective commitment and pay no attention to the other two commitments, continuance and normative (Buitendach and De Witte, 2005). Since an employee’s relationship with an organization might reflect varying degrees of the commitment, in this research all three components of organizational commitment will be studied to find out which component of commitment the survivor employees possess and makes them stay with the organization after having experienced further organizational restructuring.

From the multidimensional model of job insecurity of Greenhalgh and Rosenblatt (1984), Ashford et al. (1989) developed a Job Insecurity Scale and discovered that job insecurity is associated with declines in commitment, trust in organization, and job satisfaction.

According to Probst (2003), organizational commitment is significantly and consistently affected by organizational restructuring negatively. Luthans and
Sommers (1999) and Mone (1994) also show that downsizing reduces organizational commitment, job satisfaction and job security. It is also found that job insecurity is negatively correlated with organizational commitment (Arnold and Feldman, 1982; Davy et al., 1997; Greenhalgh, 1985; Sverke and Goslinga, 2003; Yousef, 1998). It negatively relates to normative commitment (Adkins et al., 2001; Ashford et al., 1989), significantly negatively correlates with affective commitment and significantly positively correlates with continuance commitment (Unckless, 1998).

As uncertainty during organization restructuring increases, survivor employees will experience a threat to their job insecurity, which implies a possible violation of the psychological contract. This may lead the employees to redefine the employment relationship (Robinson et al., 1994), leading to problematic consequences such as job dissatisfaction and decrease in commitment (Borg and Elizur, 1992; Shore and Tetrick, 1994). As a result job security directly affects job satisfaction and organizational commitment (Steers and Mowday, 1981). Psychology contract is the explicit and implied expectations of employer and employee to the employment relationship in which each owes the other and it operates in addition to the formal employment contract (Argyris, 1960; Baker, 1985; Rousseau, 1995).

It has been observed that employees have high affective commitment and low continuance commitment are high in performance and promotion prospects (Meyer et al., 1989), but high normative and low continuance commitment show sacrifice behaviors (Randall et al., 1990), i.e. organizational citizenship behavior. Affective commitment is associated with work experiences that promote feelings of comfort and personal competence (Allen and Meyer, 1990). Normative and
affective commitments are positively related to employee perception of how they are treated by their employer (i.e. interactional justice) and their citizenship behavior, while high continuance commitment is associated with less citizenship behavior (Shore and Wayne, 1993).

When employment is uncertain, individuals become more self-interested and care more for their career and engage in lesser organizational commitment (Hirsch, 1987). They are less emotionally attached to the organization, and thus have a higher tendency to leave their organizations (Chirumbolo and Hellgren, 2003).

Dirks and Ferrin (2002) indicate that if employees face uncertainties in their employment context, a lack of faith in managements’ capability will activate employees’ intention to seek alternatives thereby lowering continuance commitment. It is found that affective and normative commitment consistently correlate negatively with intention to remain or quit the organization but slightly less for continuance commitment (Allen and Meyer, 1996).

Employees who remain with an organization after downsizing or organization restructuring show strong continuance commitment (Long, 1995). It can be observed that in times of high unemployment, for example in the case of financial crisis when many organizations carry out downsizing or restructuring, employees tend to and need to accept worse terms and conditions of employment (Smithson and Lewis, 1999) as there are less job alternatives for them; they have to or need to stay with the organization, therefore there is high continuance commitment in case of job insecurity. This shows, therefore, that intention to quit is slightly less negatively correlated to continuance commitment (Allen and Meyer, 1996).

Employees surviving from organizational restructuring may feel greater job
insecurity and have lost trust in the organization and its management (Noer, 1993), which leads to a reduction in affective organizational commitment and an increase in intention to leave the organization (Ben-Bakr et al., 1994; Mayer and Schoorman, 1992), nevertheless they are tied to the organization because they need to remain with the organization, i.e. they have continuance commitment (Allen and Meyer, 1990). The desire to remain with the organization stems from concern that one may not have the option of remaining and with the time invested with the organization (Unckless, 1998). The need to remain may be due to the absence of alternatives of possible or available jobs and/or sunk costs associated with reaching their current position in the organization (Allen and Meyer, 1990).

Continuance commitment in particular will be examined in this study as it is considered to be a significant attribute which will explain why the survivor employees remain in the organization despite perceived job insecurity. Also it is expected that continuance commitment play an important role in affecting behavior of the survivors.

2.4.2 Organizational Citizenship Behavior

In this section, organizational citizenship behavior as another consequence of job insecurity and organizational restructuring will be discussed. Difficult economic times will lead to job insecurity, lowered organizational trust and Less company citizenship behaviors (Kalleberg et al., 2004). During organizational restructuring or change, survivors’ trust and morale decrease due to stress, suspicion, and narrow-mindedness, and they become less willing to cooperate with and help each other, thus making the organization less desirable to work in (Cascio, 1993). They will not perform extra role behavior but just in-role behavior
instead; they will take the attitude of “I will do just enough to get by”.

Back to the 1930s organizational theorists already acknowledged this contextual issue. Research of organizational citizenship behavior (OCB) was influenced by Katz (1964) and studies specifically addressing extra role behavior, “organizational citizenship behavior” i.e. individual contributions in the workplace that go beyond role requirements and contractually rewarded job achievements, started in 1983 since the first two empirical studies of Bateman and Organ (1983) and Smith et al. (1983). The interests in topic of OCB have increased dramatically since 1993 and expanded from the field of organizational behavior to a variety of disciplines such as human resources management, marketing, strategic management, leadership, etc. (Podsakoff et al., 2000).

Bateman and Organ (1983) defined OCB as “those organizationally beneficial behaviors which can neither be enforced on the basis of formal role obligations nor elicited by contractual guarantee of recompense” (Bateman and Organ, 1983, p.46). OCB is individual behavior that is discretionary, but may not be directly or explicitly recognized in the organization’s formal reward system, and it promotes the effective and efficient functioning of the organization (Organ, 1988; Organ and Ryan, 1995; Podsakoff Ct al., 2000; Williams and Anderson, 1991). Discretionary means the behavior is not required by the job that is clearly specified as a term of the employment contract, but rather it is a personal choice which omission is not punishable (Organ, 1988). It is an extra role behavior of an employee. For example, a person is performing OCB when he or she stays late to finish work when not specifically asked to do so. Therefore OCB demonstrates a willingness to go beyond basic job requirements, with no expectations of formal recognition for doing so (Organ, 1990a).
OCBs can be organized into seven common dimensions (Podsakoff et al., 2000) — helping behavior; sportsmanship; organizational loyalty; organizational compliance; individual initiative; civic virtue and self development. Helping behavior is voluntarily helping others with, or preventing the occurrence of, work-related problems. It includes altruism (behavior that is directly and intentionally aimed at helping a specific person), peacemaking (action helps to prevent unconstructive interpersonal conflict), cheerleading (behavior showing appreciations of co-workers' accomplishments and professional development) (Organ, 1988, 1990b), interpersonal helping (helping co-workers in their jobs when such help is needed) (Graham, 1989), OCB-1 (behavior that benefit specific individuals immediately) (Williams and Anderson, 1991).

Sportsmanship is willingness to tolerate the inevitable inconveniences and impositions of work without complaining (Organ, 1990b). It reflects a quiet tolerance of everyday annoyances an individual faces at work. It is characterized by the absence of complaints, grievances and accusations (Organ, 1988).

Organizational loyalty includes loyalty boosterism (promotion of organizational image to outsiders) and organizational loyalty (defending the organization against threats) (Graham, 1989, 1991), spreading goodwill (George and Brief, 1992; George and Jones, 1997), and endorsing, supporting and defending organizational objectives (staying with an organization during hard times) (Bomian and Motowidlo, 1993, 1997).

Organizational compliance refers to a person's internalization and acceptance of the organization's rules, regulations and procedures, even when no one observes the compliance. It consists of generalized compliance (Smith et al., 1983), organizational obedience (Graham, 1991), OCB-O (Williams and

Individual initiative relates to behavior that goes beyond minimally required levels which is of voluntary nature. This includes conscientiousness (Organ, 1988), personal industry and individual initiative (Graham, 1989; Moorman and Blakely, 1995), making constructive suggestions (George and Brief, 1992; George and Jones, 1997), persisting with enthusiasm and extra effort, and volunteering to carry out task activities (Borman and Motowidlo, 1993, 1997), and job dedication (Van Scotter and Motowidlo, 1996).

Civic virtue is the willingness to participate actively in political process of the organization and protecting the organization, to look out for its best interests (Podsakoff et al., 2000). This consists of civic virtue (Organ, 1988), organizational participation (Graham, 1989), and protecting the organization (George and Brief, 1992). Self-development is the voluntary behavior employees engage in to improve their knowledge, skills and abilities so as to be better able to contribute to the organization (George and Brief, 1992).

There are three major factors that contribute to employee's involvement in OCB and they are expectation of organizational fairness, employee's perception regarding in role and extra role and positive attitude toward organization (Greenberg and Baron, 2000). OCB has been hypothesized to have beneficial organizational consequences and it is encouraged to exist in an organization (Organ, 1988). However difficult economic times lead to job insecurity and lowered organizational trust and less company citizenship behaviors (Kalleberg et al., 2004). During organizational restructuring or change, employees facing threats will narrow their focus and concentrate on their own task performance,
rather than helping their colleagues or working toward organizational objectives, or initiating to propose suggestions, etc. The common reactions of survivors are a decrease in trust, stress, decrease in morale, suspicion, narrow-mindedness, and self-absorption (Cascio, 1993). These may create a negative and unpleasant atmosphere where employees may become less willing to cooperate with and help each other (i.e. less OCB) (Cascio, 1993).

In contrast to usual findings between job insecurity and OCB, Feather and Rauter (2004) and Kalleberg et al. (2004) found that there is a positive relationship between job insecurity and OCB which may be due to impression management in the hope to present a self-image to the people making decisions so as to twist the undesirable status or to reduce the chance of being laid off in the future. There are significant positive correlations between job status and both OCB and job insecurity (Feather and Rauter, 2004).

Impression Management (IM) consists of behaviors that employees may use to influence others’ attributions for their behavior and so leads to the impression that others have on them (Jones and Pittman, 1982). IM may contain behaviors that the employees alter or manipulate information given to the supervisors for their performance to be viewed more positively than they should be (Caldwell and O’Reilly, 1982).

On the other hand, employees engage in discretionary behaviours due to their involvement with the organization and their desire to remain with it and thus employees engage in OCB because they have a continuing personal interest in the organization’s welfare (Kuehn and Al-Busaidi, 2002). Affective organizational commitment i.e. identification, is found and considered to be a significant predictor of OCB in most studies (Dunham et al., 1994; Meyer et al, 2000;
O’Reilly and Chatman, 1986; Organ and Ryan, 1995; Rifai, 2005).

The result is also supported by Shore and Wayne (1993) where normative
and affective commitments are positively related to employees’ perception of how
they are treated by their employer and their citizenship behavior. This can be
explained by Meyer and Allen (1991), “Employees who want to belong to the
organization (affective commitment) might be more likely than those who need to
belong (continuance commitment) ... to exert effort on behalf of the organization”
(p.73-74). In addition, because in-role behaviors tend to be correlated with OCB
(Williams and Anderson, 1991), continuance commitment has thus been found to
result in lower performance (Meyer et al., 1989).

An insignificant and inconsistent relationship between job insecurity and
OCB has been found in many previous studies (Feather and Rauter, 2004;
Kalleberg et al., 2004; Unckless, 1998) which mainly studied the helping behavior
or OCB-I which reflect individually directed OCB, while ignoring other attributes or
components of OCB, for example OCB-O which reflect organizationally directed
OCB, such as loyal boosterism and individual initiative (Graham, 1989; Moorman
and Blakely, 1995), making constructive suggestions (George and Brief 1992;
George and Jones, 1997), persisting with enthusiasm and extra effort, and
volunteering to carry out task activities (Borman and Motowidlo, 1993, 1997), and
job dedication (Van Scotter and Motowidlo, 1996). These factors might constitute
a significant correlation between job insecurity and OCB, and therefore in the
current research, I am going to study if there is any impact on OCB in terms of
individual initiative and loyal boosterism by job insecurity, i.e. organizationally
directed OCB. It is because during organizational restructuring when survivors
perceive job insecurity and management incompetency in change and injustice,
they will be less inclined to make suggestions or uncritically faithful to the organizations’ good reputation and general welfare since expectations of organizational fairness and attitude towards organization contribute to employees’ OCB (Greenberg and Baron, 2000).

2.4.3 Withdrawal Cognitions

In this section, withdrawn cognitions will be discussed as another consequence of job insecurity and organizational restructuring. The traditional turnover theory of Mobley (1977) suggested that job satisfaction led to thinking about quitting, which led to job search, which then led to an intention to quit and eventually resulted in turnover. The later turnover process models identified and added in addition to job satisfaction other factors that led to turnover, such as organizational commitment and intention (Horn and Griffeth, 1991, 1995; Mobley et al., 1978).

In the Integrative Model of Turnover Determinants of Horn and Griffeth (1995), one of the most influential models, the term withdrawal cognitions was used to represent intention. In this model, antecedents of satisfaction were identified as job scope, role stress, group cohesion, compensation, met expectations, and negative affectivity, whereas antecedents of commitment were identified as procedural justice, expected utility of internal roles, employment security, job investments, extraorganizational loyalties, time and behavioral conflicts with work, conditions of job choice, and commitment propensity. Furthermore, job satisfaction and organizational commitment were hypothesized to have a reciprocal influence on one another, leading to either withdrawal cognitions, then turnover, or expected utility of withdrawal, job search, comparing
alternatives, then turnover.

Withdrawal cognitions are the intent of an individual to leave the organization (Hellman, 1997) or to terminate his or her membership in the work organization (Dee, 2004). There are many withdrawal cognitions, such as thoughts of reducing work effort, lowering job involvement, increasing absenteeism, and sabotage (Borg and Elizur, 1992), however withdrawal cognitions or intention is commonly referred as intention to quit, job search intention and thought of quitting (Mobley, 1977; Mobley et al., 1978), i.e. turnover intention (Poon, 2003), it is not actual quitting the organization. Turnover intention is “a conscious and deliberate wilfulness to leave the organization” (Tea and Meyer, 1993, p.262). It is assumed that employees with a high degree of withdrawal intentions from an organization will subjectively assess that they will be leaving the organization in the near future (Mowday et al., 1982; Vandenberg and Nelson, 1999). Turnover intention is proved to be the best predictor of turnover as well as of job search behavior (Adkins et al., 2001; Van Breukelen et al., 2004). It is recognized as the final cognitive variable that has an immediate causal effect on turnover (Bedeian et al., 1991).

According to the expectancy theory, employees “enter work organizations with expectations and values, and if these expectations and values are met, they will likely remain a member of the organization” (Kim et al., 1996, p.949). As the level of job uncertainty increases, employees’ psychological expectations with the employers are violated and lead to their organizational commitment diminishing, thus employee intentions to stay with the organization and employee attachments to the organizations are both found to decrease (Ashford et al., 1989; Greenhalgh and Sutton, 1991; Jacobson, 1991). It is realized that the stronger the perception
of job insecurity, the more likely the individual’s turnover or exit from the organization (Ashford et al., 1989; Cavanaugh and Noe, 1999; Chirumbolo and Hellgren, 2003; Hellgren et al., 1999). Employees with perceptions of low job security are more likely to engage in work withdrawal behaviour (Davy et al., 1988; Q’Quin, 1998) and withdrawal cognitions (Davy et al., 1997; Leung and Chang, 1999). As per Bedeian and Armenakis (1998) and Cavanaugh and Noe (1999), during organizational disorder, individuals with other employment opportunities are expected to leave the organization.

As job insecurity increases, any employee who perceives that his/her job is threatened will probably protect himself/herself psychologically by voluntary withdrawal from the job (Rosenblatt and Ruvio, 1996). A threatened employee is likely to seek better job opportunities by leaving the organization (Greenhalgh and Sutton, 1991) as a means of coping with, and avoiding the stress induced by job insecurity (Latack, 1986). The employee may also start to think about quitting the organization (Arnold and Feldman, 1982; Ashford et al., 1989; Jacobson, 1991).

Therefore as a general phenomenon when employees feel job insecurity, their intention to leave is likely to be higher because employees want to get a more secured job opportunity and get away from the fear of discontinuity (Ashford et al., 1989; Davy et al., 1991; Greenhalgh and Rosenblatt, 1984). It is discovered that job insecurity is positively correlated with intention to quit (Arnold and Feldman, 1982; Ashford et al. 1989).

Therefore it is interesting to investigate why those surviving employees, after repeated organizational restructuring either successful or unsuccessful, still stay or remain with the organizations rather than leaving or quitting. Is it because they
have low alternatives and continuance commitment, or are they affectively committed to the organization? Have they thought of quitting the job or organization, i.e. possess any withdrawal cognitions? This study is going to check if the surviving employees post merger and organizational restructuring possess any withdrawal cognitions and the reasons for remaining. In the following section, the theory of organizational cynicism and its impact or effect on job insecurity and the consequences will be discussed.

2.5 Mediator - Organizational Cynicism

From the literature, many researches have studied and confirmed some mediators between job insecurity and outcomes during organizational restructuring. It is found that there is a negative relationship between job insecurity and affective organizational commitment, and job satisfaction is a mediator of the relationship between the two variables (Buitendach and De Witte, 2005). It is also discovered that organizational commitment and job satisfaction mediate the relationship between job security and withdrawal cognitions (Chirumbolo and Hellgren, 2003; Davy et al., 1997).

Other than these mediators, organizational cynicism can be a mediator which has impact on the relationship between job insecurity and its consequences, but there are very few or no studies on the effect of organizational cynicism as a mediator between job insecurity and the outcomes. Although Noer (1993) and Unckless (1998) mentioned as time passes powerless survivors who feel their jobs are in danger tend to develop the negative attitude of organizational cynicism towards the organization and management when they perceive incompetency and injustice of management on changes, and thus leading to negative behavior,
there has been no empirical study to provide evidence for this mediating effect of organizational cynicism on the relationship between job insecurity and the consequences. Therefore this study is going to find out if there is any mediating effect of organizational cynicism on the relationship between job insecurity and the consequences.

As management of organizations continue restructuring the organizations, employees experiencing and undergoing these perpetual reorganizations will feel job insecurity and suspect whether these reorganizations are necessary and will eventually suspect and disbelieve the management or the decision makers and have bias on their action. Noer (1993) and Unckless (1998) indicates that over time employees who feel powerless and that their jobs are in danger tend to be particularly pessimistic about the likelihood of successful change in the organization and thus lead to development of organizational cynicism.

In addition, during the process of organizational restructuring, individuals who have high organizational commitment prior to layoff react exceptionally negatively if they perceive the decision-making process of layoff or restructuring is unfair or when injustice is found (Brockner Ct al., 1992a). They will become disappointed, lose integrity to the organization, and thus become cynical to the organization.

A cynic is “one who believes that human conduct is motivated wholly by self-interest”. (Merriam-Webster, 1993, p. 323) In past researches, there have been a lot of employees reported as saying that management in organizations would take advantage of them if chance available, and they were never told the real reasons behind the decisions that affect them and they didn’t know whom they can rely on (Kanter and Mirvis, 1989; Mirvis and Kanter, 1991).

Cynicism was first studied by a group of philosophers in the fourth century B.C.
and then in the third century AD. (Andersson and Bateman, 1997; Copleston, 1985; McNamara, 1999b). Philosophers who were followers of Antisthenes, challenged “public opinion or public convictions simply for the sake of doing so” (Copleston, 1985, p. 189) and were deemed to be cynics by the Greeks. However as Greek philosophers such as Socrates, Plato and Aristotle became more widely known and followed, cynics soon died out. In the third century A.D., during the moral corruption of Rome, cynicism was revived as a school of thought, but it “tended to lose its serious character of emphasis on independence, suppression of desire and physical endurance, and to give itself rather to mockery of convention and tradition, prevailing beliefs and modes of behavior” (Copleston, 1985, p. 142). This impression and use of the term “cynicism” still maintains today.

Cynicism is no longer restricted to particular group of philosophers or school of thoughts nowadays, but rather is common everywhere and is widely spread among organizations all over the world (Dean et al., 1998; Kanter and Mirvis, 1989; Kouzes and Posner, 1993). Organizational cynicism has been found as an increasing problem in the workplace but it had received limited attention until Goldner and his colleagues (1977), who were the first scholars to study how cynicism might affect organizations and their staff.

Although organizational cynicism has had attention by practitioners and academicians for a long time, it is only recently that it has been openly acknowledged and studied. These studied examined organizational cynicism as a construct that can affect attitudes and behaviour in all organizational situations (Abraham, 2000; Andersson, 1996; Andersson and Bateman, 1997; Dean et al., 1998; Pugh et al., 2003; Reichers et al., 1997), as well as consequences of
attitudes, in terms of the relationship between organizational cynicism and job satisfaction, (Andersson and Bateman, 1997; Abraham, 2000; Reichers et al., 1997; Wanous et al., 1994), commitment, alienation (Abraham, 2000), citizenship behavior (Andersson and Bateman, 1997); and organizational development (Wanous et al., 2000).

At the early stage of study, organizational cynicism was defined as negative, distrustful attitudes towards authority and institutions (Bateman et al., 1992). Later, Andersson (1996) defined cynicism as “an attitude of contempt, frustration and distrust toward an object or multiple objects, susceptible to change by exposure to factors in the environment” (Andersson, 1996, p. 1396). However Reichers et al. (1997) declared that organizational cynicism involves a loss of faith in leaders of organizational change and is a response to unfavorable past experiences. Then Dean et al. (1998) conceptualized cynicism as a multidimensional construct with three components (beliefs, affect and behavioral tendencies) and defined organizational cynicism as “a negative attitude towards one’s employing organization comprising three dimensions: (1) a belief that the organization lacks integrity, (2) negative affect toward the organization; and (3) tendencies to disparaging and critical behaviors toward the organization that are consistent with these beliefs and affect” (Dean et al., 1998, p. 345). Furthermore, Wanous et al. (1999) defined organizational cynicism as “a function of failed attempts at change, so that persons become pessimistic about future change and learn to blame those responsible for failing to make change” (Wanous et al., 1999, p. 271) and it is a reaction to circumstances.

Recently Johnson arid O’Leary-Kelly (2003) built upon the definitions of Dean et al., (1998) and Anderssori (1996) and suggest that organizational cynicism
exists when employees believe that their employing organization lacks integrity, and that organizational cynicism represents a learned belief that develops from experience.

As a conclusion from the above definitions, organizational cynicism is an attitude associated with disillusionment and negative feelings or disappointment toward and distrust of an organization (Andersson and Bateman, 1997). Employees develop cynical attitudes through experiences with organizations (Andersson, 1996; Wanous et al., 2000), especially when the organization cannot fulfill expectations (Andersson, 1996).

It has been theorized that organizational cynicism includes both a stable personality component and situational components (Abraham, 2000; Dean et al., 1998). Dean et al. (1998) theorized that employees who possess organizational cynicism have negative attitudes (consisting of beliefs, affect and critical behaviours) towards their organizations, employers or leaders, where the core belief is that the organization or employer lacks integrity. Affects include negative feelings, emotional reactions, and critical behaviors including strong criticism, pessimistic predictions, knowing looks, rolling eyes and smirks.

Following Dean and colleagues' (1998) concept of cynicism, Abraham (2000) attempted to clarify the process by which five forms of cynicism develop, and to relate them to affective outcomes in the place of work including affect, behavior, and beliefs. She argued that the core belief is that the principles of honesty, fairness and sincerity are forfeited to advance the self-interest of leaders, resulting in actions based on concealed motives and deception. The five forms of organizational cynicism that she identified from the context of individuals life and environment are — personality cynicism, societal/institutional cynicism, employee
cynicism, organizational change cynicism, and work cynicism - which all affect the organization.

Personality cynicism is the only form of cynicism that is an innate, stable trait reflecting a generally negative perception of human behavior and is characterized by cynical attempt and weak interpersonal bonding. These people have deep mistrust of others and believe that the world is full of dishonest, cunning, uncaring and selfish people who are not able to be pleasant in social contacts (Abraham, 2000).

Societal/institutional cynicism is the negative attitude towards society, in which the social contract between the individual and society is breached or violated, i.e. breach of faith. The individuals feel upset, trust in the system is damaged and faith in others is challenged and thus results in short-term interests and limited job involvement and bitterness (Abraham, 2000).

Employee cynicism is the negative attitude with perception of procedural injustice toward top management and other entities in the organization, where these employees hate these targets, have contempt at their dishonesty, and are frustrated at not being able to foresee meaningful changes (Abraham, 2000).

Organizational change cynicism is the reaction to failed change efforts, being pessimistic about the success of future efforts and believing that change agents are lazy and incompetent and that the management is perceived to have violated its obligation to seek means to enhance corporate performance. When a change effort is not successful, employees feel disappointed and betrayed and this prevents them from wholeheartedly participating in future change (Abraham, 2000).

Work cynicism is the negative attitude toward work which leaves workers
emotionally overextended and physically drained (Abraham, 2000). It is characterized by emotional numbness, detachment and unkindness towards customers (Cordes and Dougherty, 1993) and lack of caring (Leiter, 1988), it was found that these five forms of organizational cynicism identified by Abraham (2000) are positively related to alienation, but each relates differently with the other contextual performance. None of the cynicisms were significantly related to organizational citizenship behavior. But it showed that organizational cynicism had an indirect effect of citizenship behavior through alienation (Abraham, 2000), and organizational cynicism could predict the conscientiousness (compliance) dimension of organizational citizenship behavior (Newson, 2002).

Nevertheless, many scholars agree that organizational cynicism does not include all five components, and individuals who develop cynical attitudes towards their organizations do not necessarily possess the personality trait of cynicism (Andersson and Bateman, 1997; Dean et al, 1998). As one of the purposes of this study is to investigate the mediating effect of organizational cynicism on the relationship between job insecurity and its consequences, the mediating effect of organizational cynicism can be explained by organizational justice theory and attitude theory (Fishbein and Azjen, 1975).

A mediator is a variable “which represents the generative mechanism through which the focal independent variable is able to influence the dependent variable of interest” (Baron and Kenny, 1986, p.1173). Attitudes are “certain regularities of an individual’s feelings, thoughts and predispositions to act toward some aspect of his environment” (Secord and Beckman, 1969, p.167). It is “a learned predisposition to response in a consistently favorable and unfavorable manner with respect to a given object” (Fishbein and Azjen, 1975, p.6). Attitudes reflect a
person’s tendency to feel, think or behave in a positive or negative manner towards the object of the attitude (Arnold et al., 1995).

The attitude theory assumes that attitude predicts behavior and an intention to perform a behavior relates to the attitude toward performing the behavior (Fishbein and Azjen, 1975). With reference to this, this study assumes that the influence of attitude on behavior, i.e. perception of job insecurity on behavioral outcomes, such as organizational commitment, OCB and withdrawal cognitions, is mediated through organizational cynicism.

According to Elizur and Guttmann (1976), attitudes towards change in general consist of a person’s cognitions about change, affective reactions to change, and behavioral tendency toward change. Change is all around, but many of its targeted employees remain cynical about its impact and importance. This is because as time passes with repeating organizational restructuring or change post merger, those survivors who feel job insecurity will become even more pessimistic about the successfullness or intentions of the changes and will become cynical toward the organization and the management of changes, and tend to have negative behavior toward the changes.

With regard to organizational change or restructuring, cynical attitude is a result of negative expectations concerning the future action of organization (Reichers et al., 1997; Vance et al., 1996; Wanous et al., 1994). Cynicism about organizational change often combines pessimism about the likelihood of successful change with blame of those responsible for change as incompetent, lazy or both (Wanous et al., 1999). The development of cynicism depends on a history of change programs that are not consistently successful, a lack of adequate information about change, and a predisposition to cynicism (Reichers
et al., 1997). Therefore over time, survivors who feel powerless and that their jobs are in danger or insecure, tend to be pessimistic about the success of change (Noer, 1993) and become cynical which will lead to negative behavior or reactions.

Individuals develop cynical attitudes towards business based on whether the organization is perceived as treating employees fairly, and so organizational justice can be viewed as an underlying factor that affects cynicism (Bateman et al., 1992). Therefore organizational injustice is a strong predictor of organizational cynicism and organizational cynicism is possibly a coping response to perceived organizational injustice as safe alternatives for directly address injustice are unavailable (Fitzgerald, 2002).

From the view of justice, it explains the determinants of cynicism development: formulation of unrealistically high expectations of oneself and others; experience of disappointment in oneself and others at failing to meet these expectations; and subsequent disillusionment and being deceived by others (Andersson, 1996; Mirvis and Kanter, 1991), and when expectations are unmet, negative attitudes and behaviours result (Andersson, 1996).

Most studies have described cynicism as a negative work attitude that has the potential to affect numerous organizational and individual outcomes (Abraham, 2000; Andersson and Bateman, 1997). Reichers et al. (1997) agree that cynicism about changes has negative consequences for the commitment, job satisfaction and motivation of employees (Wanous et al., 1994).

Negative emotions rooted in suspicion and disillusionment leave workers feeling discontented and emotionally detached from the work environment. Employees who are organizational cynical are less willing to engage in
citizenship behaviors (Andersson and Bateman, 1997) and are resistant to change (Reichers et al., 1997).

In addition, when employees feel organizational injustice e.g. in terms of interactional injustice in the management’s decision or action of organizational change, their psychological contracts are violated and they tend to develop organizational cynicism which leads to withdrawal of organizational citizenship behavior (Andersson, 1996; Guest et al., 1996; Pate et al., 2003).

Furthermore, when employees experience distributive and interactional injustices during organizational restructuring, their affective commitment toward the organization will be triggered and lowered (Pate et al., 2003). During organizational change, cynicism may result from perceptions of unfairness due to organizational politics (Goldner et al., 1977), therefore employees who tend to view organizational politics as undesirable are unlikely to be willing to remain permanently in the organization. They may choose to withdraw physically — quit the job, or psychologically — thinking about quitting. Studies (Cropanzano et al., 1997; Ferris et al., 1989; Randall et al., 1999) indicate that perceived organizational politics and unfairness are significantly related to turnover intention. Usually when an employee feels disappointed with an organization, he will have more frequent thoughts of quitting or intention to quit (Probst, 2003).

From the literature reviewed, it was found that organizational restructuring or organizational change leads to job insecurity and organizational cynicism leading to negative behavior or reactions. However most of the literatures only studied these variables and the relationships with their consequences separately and independently, though both lead to similar consequences. Although there is an empirical study (Unckless, 1998) showing that there is a positive correlation
between job insecurity and organizational cynicism, there have been no or few studies investigating the relationship of these two constructs and their consequences, and subsequently the impact of organizational cynicism on job insecurity and its outcomes. Therefore it is beneficial to carry out research to better understand the relationship between job insecurity and organizational cynicism and their impacts on these surviving employees' behavior or reactions due to organizational restructuring, and thus provide management implications for better understanding the causes of such behavior and manage the affected surviving employees effectively.

Therefore as a conclusion, this research will examine the mediating relationship of organizational cynicism between job insecurity and the consequences. It is perceived that as time goes by with post merger organizational restructuring, survivors who perceive or feel job insecurity will tend to develop organizational cynicism about the organizational restructuring, and these organizational cynical attitudes will lead to adverse organizational behavior. In other words, organizational cynicism will mediate the relationship between job insecurity and its consequences.

Cynicism mediates the relations between job security and organizational consequences such as affective commitment, normative commitment and withdrawal cognitions among others (Pugh, Sharlicki and Passell, 2003). For instance, when the level of cynicism (mistrust) is high, level of uncertainty among the employees will increase thus they will be negatively affected. For example, their affection and obligation for the organization will reduce and thus see no reason continuing staying in an organization that offers them uncertain future. Subsequently, this will prompt the withdrawal cognitions of most employees who
will decide to look for new jobs and leave the current one (Jarnes, 2005). At this point, following hypotheses can be drawn basis on the previous researches.

- Organizational cynicism will mediate the relationship between job security and affective commitment.
- Organizational cynicism will mediate the relationship between job insecurity and normative commitment.
- Organizational cynicism will mediate the relationship between job insecurity and OCB, such as individual initiative and loyal boosterism.
- Organizational cynicism will mediate the relationship between job insecurity and withdrawal cognitions.

Over the years, research has indicated that organizational citizenship behaviours (OCB) are employee conducts that serve to enhance the functioning of an organization even though they are not vital to daily tasks or employment (Lee and Allen, 2002). Therefore, individual initiative and loyal boosterism are the two crucial factors that massively influence OCB. For instance individual initiative gives an individual the urge to effectively carry out his responsibilities or duties under minimum supervision thus substantially benefiting the organization (Smith, Organ and Near, 1983). On the other hand, loyal boosterism will enable the employee to boost the image of his organization to the outside world. Accordingly, two factors are discretionary and go beyond the requirements of the job. Thus they highly benefit the organization (Lambert, 2006).

Moreover, many scholars’ researches such as Markovits (2011), Preuss and Lautscb (2002) and Davy et al. (1988) acknowledged that individual initiative and loyal boosterism are the two most important OCB dimensions. As such, although altruism, courtesy and conscientiousness are also recognized as OCB
dimensions by some scholars, the candidate only picked up the most important two for study among all the OCB dimensions.

2.6 Moderators

2.6.1 Supportive Leadership

In the previous section, it has been discussed that the relationship between perception of job insecurity and the outcomes is mediated by organizational cynicism, however the magnitude of this relationship can be modified, that is the negative attitudes of perceived job insecurity and organizational cynicism can be manoeuvred and thus affect the impact on outcomes. That is to say, the organizational cynicism and hence perceived job insecurity can be moderated since the magnitude of organizational cynical attitude can be changed by altering the circumstance (Dean et al., 1998).

A moderator variable “partitions a focal independent variable into subgroups that establish its domains of maximal effectiveness in regard to a given dependent variable” (Baron and Kenny, 1986, p.1173). Since during and post merger survivor employees feel job stress, concern about their job security and uncertain about job continuity, and as time goes by, if left unaddressed, these detrimental emotions and fears are exacerbated (Noer, 1993). With the increase in stress of job insecurity, less confident in their ability to manage their own careers and feel great insecurity about the future, survivor employees will regard the management as unfair and uncaring, and develop organizational cynicism. They lack confidence in management and change efforts, become more frustrated and disappointed with the organization and management in terms of their restructuring actions, with the expense of feelings of helplessness and
pessimism and a bleak vision of the future (Noer, 1993).

According to the anxiety theory of M&A, the method to help employees cope with feelings of anxiety can be employee counseling and stress management training (Matteson and Invancevich, 1990) and the provision of social support from supervisors (Scheck and Kinicki, 2000). In addition, managers can make effort to interact more with their employees to show support and understanding, and to listen and show that they are there for their employees (Marks, 1997). Further, organizational justice theory suggests that leaders’ fairness and support to affected employees are also important, therefore the role of managers or organizational leaders plays an important part in influencing the phenomenon of perceived job insecurity and organizational cynicism. In order to alleviate the stress of these survivor employees, supportive leaders or supervisors play the role.

There are two major behavioral dimensions on leadership behaviors — initiating structure and consideration (Bower and Seashores, 1966). Leader initiating structure describes leader sets psychological structure for subordinates to follow such as assign particular tasks, specify procedures to follow and clarify expectations of subordinates and schedule work to be accomplished (House, 1971). Leader consideration describes “leader creates a supportive environment of psychological support, warmth, friendliness, and helpfulness by doing such things as being friendly and approachable, looking out for the personal welfare of the group, doing little things for subordinates, and giving advance notice of change” (House, 1971, p. 321).

According to studies of non-organizational researchers on social support, there is an interaction between stress and support such that the stress-strain
relationship is less strong under conditions of higher support. Therefore social support is said to buffer or moderate individuals from the detrimental influence of stress (Cohen and Wills, 1985).

Management methods in implementing downsizing may tend to positively or negatively affect the impact of downsizing on productivity, morale and organizational perception. Therefore organizational leaders or managers, especially the immediate supervisors, whether they are supportive, helpful, and open to their employees or subordinates on the reorganization matters and situations, and have ability to maintain job security, affect very much their surviving employees’ perception of job insecurity, attitude towards the organizational restructuring and then their commitment or behavior to the organizations.

Most of the literature (such as Buono et al., 1985; Fry, 2003; Ivancevich et al., 1987; Kavanagh and Ashkanasy, 2006; Nahavandi and Malekzadeh, 1988; Schuler and Jackson, 2001; Schweiger and DeNisi, 1991) discussed the should do’s of the top management as leaders of the change agents to help eliminate the negative effects on employees’ reactions during organizational restructuring in order to lead to the overall success of the organizational changes, merger or organizational cultural change. There have been few studies on the buffering effect of social support from supervisors on the impact of job stressor on job related strains (Fisher, 1985; Kaufam and Beehr, 1986; LaRocco et al., 1980) or the role of immediate supervisors of these employees to alleviate individuals’ problems, to facilitate their subordinates’ coping with the change or to ease their reactions due to organizational restructuring, in their study on downsizing and privatization, Campbell et al. (2000) commented “the role of the line manager
(immediate supervisor) needs to be explored to identify how supervisory support can act as a buffer to negative emotional reactions and work related stress in a redundancy context (organizational restructuring context)” (p.17).

The survivors' reactions are influenced by the level of injustice they perceive in the process and the extent to which the employment is changing (Noer, 1993). According to Saunders et al. (2002) line managers have a pivotal role in promoting justice and associated positive responses in relation to changes. With regard to the above discussion and deficiency in the literature, supportive supervisor or supervisory support is important to buffer or ease the stress of the employees and to alleviate their reactions which have been studied little. Therefore in this study, I am going to explore the effect of supervisor support and their justice on the relationship between job insecurity and organizational cynicism, to see whether perceived supervisor support and supervisors' interactional justice have any moderating or buffering effects on survivor employees' stress of job insecurity and improve their attitude of organizational cynicism and then their reactions.

A supervisor is “the person who oversees the employee’s daily work routine” (Yoon and Thye, 2000, p.296). Supportive leader or supervisor is a friendly leader or supervisor who shows concern for the status well being and needs of subordinates and does little things to make the work more pleasant, treats members as equals and is approachable (Hsu et al., 2003). Furthermore “supportive leader behavior is behavior directed toward the satisfaction of subordinates needs and preferences, such as displaying concern for subordinate' welfare and creating a friendly and psychologically supportive work environment” (House, 1996, p.326). It is “the extent to which a leader engages in two-way
communication, listens, provides support and encouragement, facilitates interaction, and involves the employee in decision-making" (Blanchard, 1991, p.22).

Perceived supervisor support (PSS) is defined as the beliefs that employees adopt concerning the degree to which their supervisors value their contributions and care about their well-being (Kottke and Sharafinski, 1988). It is also defined as the degree to which employees form general impressions that their superiors appreciate their contributions, are supportive, and care about their subordinates' well-being (Eisenberger et al., 2002). Supervisor support involves the interpersonal transfer of instrumental or emotional resources (House, 1981).

In reality, it is the immediate supervisors of the affected employees who have frequent contacts with their subordinates and know very well the conditions of these affected employees rather than the top management who initiate changes and they are able to more readily convey positive valuations and caring to their subordinates (Eisenberger et al., 2002). Therefore if the immediate supervisors can intervene and give support to their affected employees, the psychological impact of these employees will be eased or lessened and thus the negative attitudinal or behavioral impact of the employees will be reduced, such as less feelings of job insecurity due to the organizational restructuring, less organizational cynicism, being more affectively committed to the organizations, reduced withdrawal intentions and being more engaged in OCB.

Level of perceived supervisor support is likely to negatively correlate with employee cynicism and positively correlate when negative exchanges with supervisors which reduce perceived support (Leiter and Harvie, 1997; Reichers et al., 1997).
Leaders’ caretaking for surviving employees is therefore important. Noer (2000) indicated that surviving employees “need someone to acknowledge and respond to their emotions. ... The most effective leaders in times of stress and transition listen and respond to employee feelings and emotions. They begin by owning up to their own feelings, then attending to those of their employees” (p. 244). He also mentioned that employees regarded the best boss as a person who was the best listener, who simply heard and acknowledged the feelings of the subordinates but not try to fix them. Noer (1993) suggested managers acquire helping, coaching and listening skills to avoid directing, coordinating or controlling employees as “in times of transition, effective and relevant management is a helping, not a controlling, function” (Noer, 2000, p. 245). They need to facilitate opportunities for the survivor subordinates, as groups or individuals, to express their feelings and begin grieving their feeling of threat and unfairness (Brockner et al., 1992a; Marks, 1997).

In Jones and Kriflik’s (2006) study on subordinate expectations of leadership at time of organizational change, subordinates look to their more immediate leaders to reduce the cost that they are involved. They expect their leaders to support them as individuals. The leaders thus need to be aware of their subordinates’ needs to achieve unleashed status, to show concern for the welfare of their subordinates, and to be willing to assume responsibility for solving subordinates’ needs. When employees are supported and cared for by their supervisors, especially during times of change, this will result in employees feeling more positive and subsequently less cynical (Cole et al., 2006).

As supportive leader behavior provides psychological support for subordinates, the quality of relationships between superiors and subordinates are
increased by the supportive relationships (Graen and Cashman, 1975) and subordinates’ stress decrease accordingly (House, 1996). Furthermore, since individual employee’s reaction to change will be influenced by how he/she evaluates the effect of the change situation on his or her level of wellbeing (Lazarus and Folkman, 1984), therefore supportive leaders’ justice on how the subordinates are treated is necessary to help to ease these problems. Research has indicated that leaders who are considerate of subordinates have more satisfied employees (Filley and House, 1969).

According to organizational justice theory, employees’ reactions to organizational change can be influenced by three types of fairness perception: a) distributive justice (Adams, 1965) - the fairness of outcomes received compared to an individual’s standard of fairness, i.e. equity; b) procedural justice (Thibaut and Walker, 1975) - the fairness of procedures and processes used to determine the outcomes or arrive at decisions; and c) interactional justice (Tyler and Bies, 1990) - the perception about the fairness of interpersonal treatment received by those affected during the implementation of decisions.

Since supervisors’ support or treatment to individual employees are to be investigated in this study, interactional justice concerning the fairness of individual treatment by supervisors is therefore focused upon, while distributive and procedural justice are not the focus of this study.

Individuals consider their treatment by managers and other employees as criterion of fairness (Bies and Moag, 1986). Honesty, ethicity, politeness, and respect in interpersonal dealings are important factors in employees’ perceptions of justice and so behaviors that violate norms of politeness are viewed as unfair (Lind and Tyler, 1988). Thus perceptions of interactional injustice will result and
lead to negative attitudes such as dislike and distrust (Bies and Moag, 1986; Lind and Tyler, 1988) or cynicism.

Surviving employees normally worry or wonder whether their jobs are at risk, therefore it is better for managers or supervisors to communicate with them to restore their confidence (Greenhalgh and Sutton, 1991; Johnson et al., 1996). Managers have to be honest or frank in their restoration; otherwise it will lead to negative consequences on job insecurity (Kinnunen et al., 2000). It has been discovered that interactional injustice has a significant direct effect on perceived job insecurity, employee well-being and organizational loyalty and morale (Armstrong-Stassen, 1993).

Lim (1997) studied the relationship between social support and job insecurity and found that communication breaks down in times of job insecurity and that communication channels between employees and superiors are reduced. Casey et al. (1997) also found that job insecurity was severe when communication channels were closed. This is because employees try to seek out information through third parties who are not the organizational decision makers, observations and indirect sources, and these misinformation will worsen the sense of job insecurity (Casey et al., 1997) and feel more anxiety. Therefore the need to convey clear messages to employees during organizational restructuring is important. In this case, supportive superiors or leaders will ease employees’ feeling of job insecurity and then reduce the tension of negative job insecurity consequences by comforting and providing proper communication (Scheck and Kinicki, 2000) according to the anxiety theory of organizational restructuring. It was found that those employees who felt positive about organizational changes were more likely to feel they had been listened to and treated with dignity and
respect, while those who felt negative were likely to be cynical about their treatment (Saunders et al., 2002; Thornhill and Saunders, 2003).

With reference to the discussion above, it can be assumed that immediate supervisors’ support and interactional justice will help to ease the survivors’ feelings of job insecurity and then their negative attitude (organizational cynicism) toward the organization and management and finally alleviate the seriousness or behavior, that is to say supervisors’ support and their interactional justice will have moderating effects on survivor employees' perception of job insecurity and reactions/behavior to these threats. Although studies (Leiter and Harvie, 1997; Reichers et al., 1997; Cole et al., 2006) showed that perceived supervisor support is negatively correlated with cynicism and negative emotions has a mediating effect between perceived supervisor support and cynicism (Cole et al., 2006), there have been no or very few studies on how supervisory support can act as a buffer to negative behavioral reactions/attitudes in an organizational restructuring context. Therefore perceived supervisor support and interactional justice of a leader as moderators on the relationship between survivors’ perception of job insecurity and their attitude of organizational cynicism as well as the resulted impact on the job insecurity consequences will be studied in this research.

2.6.2 Continuance Commitment

Although studies have provided evidence showing significant effect on survivors' behavior from job insecurity, Brockner et al. (2004) still admitted that “the total amount of variance accounted for in [the] studies was still rather modest. Consequently, further theory and research on the determinants of survivors’
reactions is clearly warranted.” (Brockner et al., 2004, p. 97). This suggests that there are other theories or factors that can provide better or more complete understanding of why survivors from organizational restructuring respond as they do.

Despite the moderator, supportive leadership on attitude and reactions of survivors discussed before, according to attitude theory, attitudes predict behavior. Attitude strength is regarded as a key moderator variable where stronger attitudes are likely to be more predictive of people’s behavior/reactions than are weak attitudes (Armitage and Christian, 2003). Thomsen et al. (1995) suggested that attitudes are generally more predictive of subsequent behavior/reaction if they are personally involving. Therefore this study is going to explore another factor (attitudinal factor) which has an effect on survivors’ behavior to explain why survivors behave, respond or react as they do.

Since organizational change is often perceived by individuals as threatening (Mabey and Salaman. 1995), survivors possess the attitude of organizational cynicism will be pessimistic and hopeless toward future organizational change induced by repeated exposure of mismanaged change attempts (Wanous et al., 1999) and should have left the organization, but they still remain or stay with the organization despite being cynical, therefore there should be a factor which affect the attitude and in turn affect the subsequent behavior.

According to Meyer and Allen (1990), if employees are committed to organizations, they show less intention to leave either because they want to stay (affective commitment), or need to remain (continuance commitment). Survivors still remain or stay with the organization after organizational restructuring, despite of their feeling of job insecurity, negative affect towards the organization and
belief that the organization lacks integrity, usually show strong continuance commitment (Long, 1995). It shows that they have to (Meyer and Allen, 1991) and need to stay with the organization based on the perceived cost (Becker, 1960) and perceived lack of alternative jobs available (Hrebriniak and Alutto, 1972; Ritzer and Trice, 1969). Therefore continuance commitment, the attitude strength, may be a moderator variable that will moderate the perception of job insecurity - organizational cynicism relationship.

Continuance commitment involves feelings of psychological attachment and independence of affect (Leung and Chang, 1999). Employees continuously committed to an organization because they have had side bets, or the increase benefits they accrue from continuing the relationship with the organization. It reflects a utilitarian perspective based on exchanges with the organization assuming that individuals invest in the organization by staking something they value (Becker, 1960). It consists of dimensions as personal sacrifice and low alternatives (Chang, 1999; McGee and Ford, 1987). This is the commitment associated to the cost that employees relate with leaving the organization, such as losing a good pay, established networks or contacts, image, job search expenses, or personal investments in non-transferable investments in terms of firm-specific job skills that are unique to a particular organization, close working relationship with coworkers, etc. (Dordevic, 2004). Employees will develop stronger sense of continuance commitment to their organizations when the perceived costs of leaving the organization are high and their belief that fewer work opportunities are available outside their organizations (Dordevic, 2004). For example, managers in Hong Kong during the economic recession reported in a survey that they were working longer hours and were prepared to accept salary
cuts and diminished year-end bonuses in order to retain or obtain their livelihood from the organization (South China Morning Post, July 31, 1998, p. 22).

“Symptoms seem to intensify with time” (Noer, 2000, p.Z39). As over time, “change can obviously cause cynicism and stress” (Armenakis and Bedeian, 1999, p.307), survivor employees are disappointed and lack confidence in the management and change efforts, distance themselves from the organization (Noer, 1993), and want to leave the organization, but due to the continuance commitment associated that they cannot leave the organization, (where continuance commitment is regarded as a negative attachment characterized by employees unable to share the values and principles of the organization but having greater intention to remain with the organization (Newell and Dopson, 1996)), they have to muddle through (Leung and Chang, 1999), they will feel even more angry, dissatisfied or cynical to the organizational restructuring as well as the management, and hence elicit even more negative behavior or attitude towards work or the organization. As a result continuance commitment may lead to more severe negative reactions of organizational restructuring and job insecurity.

Facing the conflict of intention to leave and need to stay, employees with continuance commitment tend to feel frustrated and more dissatisfied with their jobs and job situations, and even lose trust in the organization and management, and thus tend to less perform (Meyer et al., 1989) and at the same time may aggravate cynicism that has been developed.

Therefore continuance commitment will be studied in this study to see if it has any moderating effect on the relationship between job insecurity and organizational cynicism and then on the reactions to the job insecurity or
organizational restructuring since organizational cynicism is a state variable which may change over time as the survivor employees face new experience (Dean et al., 1998).

2.7 Summary

The literature suggests that organizational restructuring, including M&A and downsizing, leads to employees', including survivors, feeling a sense of job insecurity, and uncertainty about future redundancies and changes in job status (De Witte, 1999; Greenhalgh and Rosenblatt, 1984; Marks and Mirvis, 1985; McGreevy, 2003; Schweiger and DeNisi, 1991; Schweiger and Invacevich, 1985; Schweiger and Lee, 1993). This is associated with negative attitudes and behaviors such as decreased organizational commitment (Ashfold, et al., 1989; Borg and Elizur, 1992; Greenhalgh, 1983; Schweiger and Lee, 1993; Shore and Tetrick, 1994; Steers and Mowday, 1981), less organizational citizenship behavior (Kalleberg et al., 2004), and increased withdrawal cognitions (Ashfold et al., 1984; Cavanaugh and Noe, 1999; Chirumbolo and Heligren, 2003; Davy et al., 1988; Hellgren et al., 1999; Leung and Chang, 1999; Schweiger and Walsh, 1990; Q’Quin, 1998).

Though there are studies showing that the relationship between job insecurity and its consequences is mediated by factors such as job satisfaction (on affective organizational commitment) (Buitendach and De Witte, 2005), and organizational commitment and job satisfaction (on withdrawal cognitions) (Davy et al., 1997), the consequences of job insecurity can also be linked to organizational cynicism. To our knowledge, no studies have investigated the possible mediating role of organizational cynicism in the perceived job insecurity-outcomes relationship. In
fact, change can cause cynicism and stress (Armenakis and Bedeian, 1999) due to perceptions of organizational injustice, and survivors who perceive job insecurity may become pessimistic and angry, dissatisfied and cynical and hence may engage in negative behaviors or attitudes towards the organization (Noer, 1993). Therefore this research will contribute to the literature by examining the possible mediating role of organizational cynicism in the relationship between job insecurity and its consequences.

Noer (1993) mentioned that, over time, when the survivors’ feelings of job insecurity are left unaddressed, then detrimental emotions and fears are exacerbated. With the increase in stress of job insecurity, less confidence in their ability to manage their own careers and feelings of great insecurity about the future, survivors will continue to feel the management as unfair and uncaring unless the management policies have changed, and eventually become cynical. This suggests that supervisors’ support and fairness or justice on how they treat their subordinates can vary or moderate the relationship between perception of job insecurity and organizational cynicism. However there have been no or few empirical studies on such relationship.

Therefore in this research, supportive leadership in terms of perceived supervisor support and interactional justice will be studied to investigate whether there is any buffering or moderating effect on alleviating the perception of job insecurity and organizational cynicism, as well as the consequences.

In addition, although there are studies proving significant effects on survivors’ behavior of job insecurity, further theory and research on the determinants of survivors’ reactions is still necessary (Brockner et al., 2004). According to attitude theory, personal involving variable has a strong sense of predicting behavior or
attitude (Thonmsen et al., 1995). Therefore continuance commitment, a personal involving variable constituting a strong sense of remaining with the organization due to perceived costs when leaving the organization, can be assumed as another variable which affects the attitude of organizational cynicism of survivor employees while it is confirmed that organizational cynicism can be changed according to situation (Dean et al., 1998). However there have been no or very few studies investigating the impact of continuance commitment as a moderator of the job insecurity-organizational cynicisms relationship and then on the consequences, and therefore further research on this will be carried out by this study.

In this respect, with the deficiency of literature on the study of the moderating effect on the relation between job insecurity and organizational cynicism, this study will contribute to the literature by examining whether perceived supervisor support and supervisors' interactional justice will moderate to reduce the negative effects of job insecurity and whether low continuance commitment, i.e. low cost of leaving, would moderate to reduce or aggravate the impact of job insecurity, i.e. suffer less or more adverse consequences.

This study will also contribute to provide managerial implications for better ways to manage organizational restructuring as well as the survivor employees, so as to enhance the effectiveness of the new organization.

From the bases of anxiety theory, organizational justice theory and attitude theory which explain employees' psychological and behavioral reactions to M&A related organizational change, the effects of organizational restructuring where perception of job insecurity and the consequences are mediated by the later developed organizational cynicism, as well as supportive leadership (perceived
supervisor support and interactional justice) and continuance commitment moderate such relationship, are depicted by the model in the following chapter where relevant hypotheses are offered as well.

2.8 Model and Hypothesis

Fearing the possibility of further organizational restructuring and downsizing, survivors of a merger may feel greater job insecurity, stress, frustration and powerlessness to change these unsatisfactory conditions (Brockner et al., 1985; Cascio, 1993; Noer, 1993). In this context, they may come to doubt the integrity of the management or the organization and think that it is management incompetence that places them in such a difficult situation. In consequence, they may develop disillusionment or cynicism towards the management and the organization (Noer, 1993; Unckless, 1998), and hence negative attitudes, such as lower commitment, perform less extra role behavior (OCB), and even have thoughts of quitting.

In line with the above-mentioned and the literature review on anxiety theory and organizational justice theory of organizational restructuring as well as attitude theory which explain employees’ psychological and behavioral reactions to M&A related organizational change, Schraeder (2004) has proposed a model as depicted in Figure 2.1. It illustrates (a) the relationship between the perception of job insecurity, which is assumed to develop as a result of past organizational restructuring, and the attitudinal and behavioral consequences, which are assumed to be mediated by organizational cynicism; and (b) the moderating effects of supervisors’ support and interactional justice, and individuals’ continuance commitment on these relationships.
Figure 2.1 Model of Effects of Organizational Change/Restructuring on Survivors
Modified from Schraeder (2004)

Remark: The variables proposed were entered based on Schraeder's model. While the model was based on Schraeder, the data was collected by the researcher.

In this model, the causal variable could be any action or circumstance in the organization that triggers employees' attitude or behavior change (Schraeder, 2004). The second variable is intervening variable (Schraeder, 2004), which is those attitudes through which the causal variable may have its effects on the outcome variables. The intervening variable may be impacted directly and/or indirectly by the causal variable. As a result, understanding the intervening variable can help to understand how the causal variable is impacting employee behavior. Outcome variables are the employees' behaviors that directly impact organizational performance. In this study the causal variable is the perception of job insecurity, the intervening variable is organizational cynicism, while the outcome variables are organizational commitment (affective commitment and normative commitment), OCB and withdrawal cognitions.

The model shows that the relationships between the perception of job
insecurity and the consequences, affective commitment, normative commitment, OCB and withdrawal cognitions, are mediated by organizational cynicism. Cynicism is hypothesized to be developed due to employees’ feelings that the uncertainty and helplessness resulting from perceived job insecurity are expressed in terms of disillusionment with the management of change (Noer, 1993). The relationship of perceived job insecurity and organizational cynicism can be influenced by supervisors’ behavior and individuals’ continuance commitment, therefore the model also has supportive leadership (perceived supervisor support and interactional justice) and continuance commitment as moderators. These are expected to influence the impact of perceived job insecurity on organizational cynicism.

Facing the merger, staffs realize and fear that duplicate functions have to be made redundant and thus perceived job insecurity. Any additional post-merger restructuring and downsizing will result in survivors having a further sense of job insecurity, since they are concerned that they may be the next victims (Noer, 1993; Schweiger and Lee, 1993). Employees with perceptions of low job security are more likely to have lower organizational commitment (Davy et al., 1988; Preuss and Lautsch, 2002). When individuals experiencing job insecurity perceive that the organization is less reliable in its commitment to employees, they may be more likely to act on self-interest, feel less enthusiastic about the organization and thus reduce affective commitment to the organization. Consistent with this, job insecurity has been found to negatively affect organizational commitment (Rosenblatt and Ruvio, 1996). On the other hand, employees may have less of a sense of obligation to the organization and thus have lower normative commitment. As a result individuals experiencing job
insecurity will be less committed to the organization both affectively and normatively (Ashford et al., 1989). Therefore it is predicted that there is a negative relationship between perceived job insecurity and both affective and normative commitment.

The objective of this research study is to investigate a) when organizational restructuring such as merger or downsizing leads to perceptions of job insecurity amongst survivors, whether this will result in negative attitudes and behavior such as reduced organizational commitment (affective and normative), reduced organizational citizenship behavior as well as increased withdrawal cognitions (intention to quit, job search and thought of quitting); b) whether the subsequent perpetual organizational restructuring and resulted increased perceived job insecurity will lead to organizational cynicism of these employees and this negative attitude will mediate the relationship between job insecurity and its consequences; c) whether the positive relationship between job insecurity and organizational cynicism can be moderated by immediate supervisors’ support and interactional justice as well as individuals’ continuance commitment where the consequences of job insecurity can then be modified. Following hypotheses are given basis on the objectives discussed above.

Hypothesis 1a
There is a negative relationship between perceived job insecurity and affective organizational commitment.

Hypothesis 1b
There is a negative relationship between perceived job insecurity and normative organizational commitment.

Furthermore, when survivors feel or perceive job insecurity, they have no
drive to perform extra-role behavior, i.e. OCB, (Ashford, et al., 1989), such as individual initiative and loyal boosterism. OCB has been seen as an element of reciprocation in a social exchange relationship (Rhoades and Eisenberger, 2002), where the individual perceives job insecurity, and long term future is lacking, they will have less of an incentive to perform OCBs. Survivors have no inclination to perform to improve the organization’s performance, such as to initiate suggestions on better improving the work or to defend the organization, therefore it is hypothesized that there is a negative relationship between job insecurity and OCB.

**Hypothesis 1c**

There is a negative relationship between job insecurity and OCB (such as individual initiative and loyal boosterism).

During times of job insecurity, employees tend to withdraw from their jobs psychologically. One of the results of this psychological withdrawal is increased intent to quit (Rickey, 1992). It is realized that the stronger the perception of job insecurity, the more likely the individual’s turnover or exit from the organization (Ashford et al., 1989; Cavanaugh and Noe, 1999; Chirumbolo and Hellgren, 2003; Hellgren et al., 1999). Any employee who perceives that his/her job is threatened may try to protect himself/herself psychologically by voluntarily withdrawing from the job (Rosenblatt and Ruvio, 1996). A threatened employee is likely to seek better job opportunities by leaving the organization (Greenhalgh and Sutton, 1991) as a means of coping with and avoiding the stress induced by job insecurity (Latack, 1986). It has been found that employees with perceptions of low job security are more likely to engage in work withdrawal behavior (Davy et al., 1988; Q’Quin, 1998) and have higher withdrawal cognitions (Davy et al., 1997; Leung
and Chang, 1999). Thus it is hypothesized that when survivor employees perceive job insecurity, they tend to think of leaving the organization.

**Hypothesis 1d**

There is a positive relationship between job insecurity and withdrawal cognitions.

With ongoing post-merger restructuring and downsizing, the survivors will have a further sense of job insecurity, feeling that they might be the next victims. Moreover, the restructuring may lead to a deterioration in the working environment, such that survivors may complain about the necessity of changes and the actions of the management. This may lead them to doubt the intention of management, lose trust in them, and perhaps even attribute the problems faced by the company to management incompetence. In consequence, we may see a sense of disillusionment or cynicism towards the management and organization, which may mediate the effects of job insecurity on attitudes and behavior. The argument here is that employees facing a growing sense of job insecurity may attribute this to managements’ failing, so that a growing cynicism may result, whereby when a feeling of helplessness is coupled with pessimism and a bleak vision of the future (Noer, 1993).

The feeling of organizational cynicism will mean that job insecure survivor employees will find the organization an unpleasant place to work (Dean et al., 1998), and thus they become less inclined to show high levels of affective and normative organizational commitment, and OCB (Andersson and Bateman, 1997), but show higher withdrawal intentions (Probst, 2003). Therefore it is predicted that organizational cynicism will partially mediate the relationship between job insecurity and its consequences.
Hypothesis 2a
Organizational cynicism will mediate the relationship between job insecurity and affective commitment.

Hypothesis 2b
Organizational cynicism will mediate the relationship between job insecurity and normative commitment.

Hypothesis 2c
Organizational cynicism will mediate the relationship between job insecurity and OCB, such as individual initiative and loyal boosterism.

Hypothesis 2d
Organizational cynicism will mediate the relationship between job insecurity and withdrawal cognitions.

When survivor employees feel pessimistic about their uncertain job situation and are cynical about the integrity and competence of the organization and its management, if there is someone who understands their situation to share their feelings and gives them support, then their negative feelings and anxiety may be reduced. According to anxiety theory, social support can be a buffer in easing stress or negative feelings. In the workplace context, it is the immediate supervisor who is in a position to provide such support, since the supervisor may have clear understanding of their subordinates’ situation and can provide direct support to reduce or alleviate the negative attitudes of the survivor syndrome.

Supportive leader behavior has been found to be a source of self-confidence and social satisfaction as well as a source of stress reduction and alleviation of frustration for subordinates (House and Mitchell, 1974). Thus although employees may feel job insecurity due to organizational restructuring, if their
immediate supervisors or leaders are approachable, supportive, friendly and concerned for their well-being and needs, treat them as equals, and listen to their grievances, then the problems and helplessness of the subordinates can be eased or alleviated (Brockner et al., 1992; Jones and Kriflik, 2006; Marks, 1997; Noer, 1993; Scheck and Kinicki, 2000). It seems that it is likely that any perceived job insecurity following on from restructuring will be reflected in increased organizational cynicism. When the survivors feel that they are fairly treated by their supervisors, i.e. interpersonally or interpersonally fair, the potentially cynical employees will see the management of change as less unfair (Reichers et al., 1997) and so are less likely to lose faith in the leaders of change. Therefore supportive leadership, in terms of supervisor support and interactional justice, will be a moderator or buffer to alleviate the negative attitudes of survivor employees, such that it will mitigate the effect of perceived job insecurity on organizational cynicism.

**Hypothesis 3a**

Perceived supervisor support will moderate the relationship between job insecurity and organizational cynicism, such that there will be a less strongly positive relationship between job insecurity and organizational cynicism with high levels of perceived supervisor support than with low levels of perceived supervisor support.

**Hypothesis 3b**

Supervisors' interactional justice will moderate the relationship between job insecurity and organizational cynicism, such that there will be a less strongly positive relationship between job insecurity and organizational cynicism with high levels of interactional justice than with low levels of interactional justice.
Despite disliking the organization and wishing to quit, a lack of suitable job alternatives in the market and personal investments in the company may mean that survivors feel compelled to remain in the organization. Thus, those with high levels of continuance commitment are likely to feel “locked in”, due to accumulated side bets and a simple lack of viable alternatives (Allen and Meyer, 1990). Under these circumstances, such survivors will feel even more dissatisfied and cynical about the organization, since the option of exit is effectively closed to them, and they may feel disempowered and even resentful as a result. Under these situations, growing cynicism may be a natural response. Thus it is hypothesized that continuance commitment has a moderating effect on the relationship between job insecurity and organizational cynicism, as follows:

**Hypothesis 3c**

Continuance commitment will moderate the relationship between job insecurity and organizational cynicism, such that there will be a more strongly positive relationship between job insecurity and organizational cynicism for those survivors with high levels of continuance commitment than those with low levels of continuance commitment.

The above hypotheses stipulate the direct, mediating and moderating effects to be tested between the constructs and the outcomes where hypotheses 1a-1d test the direct effect of job insecurity on its behavioral and attitudinal outcomes, hypotheses 2a-2d on the mediating effect of organizational cynicism on the relationship between job insecurity and its outcomes, and hypotheses 3a-3c on the moderating effects of perceived supervisor support, interactional justice, and continuance commitment on the relationship between job insecurity and organizational cynicism which in turn result in different behaviors.
As hypotheses 3a, 3b and 3c are all testing the moderating effects on relationship between job insecurity and organizational cynicism, they are grouped in one category to reveal their similarity in nature and also avoid any confusion. Hypotheses which test the moderation between security and cynicism are there in H3a, H3b and H3c. While for the moderation between cynicism and outcomes, there were quite many previous studies on this area and the candidate does not intend to challenge the previous findings. Instead the researcher focuses on the relationships which are new without previous studies on them. Figure 2.2 summarises these hypotheses in a diagram. The methods of testing these hypotheses are discussed in the following section.

**Figure 2.2 Diagram Summarising the Eleven Hypotheses**
3. **RESEARCH METHODOLOGY**

This section first analyses the various possible ways of research methods and then describes the data collection procedures, participants, instruments and data analysis techniques used in this current research.

3.1 **Possible Ways of Research Methods**

Here an overview of the research methodologies, which are commonly used in academic work, will be provided. These include qualitative research, participatory research, and quantitative research. In the same context, the section will also discuss conducting surveys, interviews, focus groups, as well as case studies. Each of the methodologies will aid in determining the various aspects in ways that are different. It will be seen that some of the methodologies can be used in their own, and also in several combinations. In addition, researchers can use certain elements of the given methodologies in order to make up ways of handling the research. Nevertheless, it is significant to comprehend what every method entails before making a choice.

3.1.1 **Quantitative Research**

Quantitative research entails data or information that can be presented in numbers (Olivia, 2011). This therefore makes it possible to determine or quantify different kinds of elements such as the total number of employees that experience job insecurity after company restructuring, or the average rate of turnover after an organization has been restructured. One of the most common ways of carrying out quantitative research is by the use of surveys (Blaikie, 2007). Surveys normally entail the filling in of questions presented in questionnaires.
These questions normally are intended to answer specific elements of the research question, and can therefore be structured in such a way that they give specific or open answers. The significance of surveys is that information obtained is normally standardized since every respondent; that is the individual that fills the questionnaire, answers the same questions.

Once an individual the researcher has sufficient responses to the questionnaires, one can compile the data, and then analyze it in such a way that there is sufficient information for the research. It is also worth noting that the quantitative research might not imply that responses will provide numbers in the answers to the questions asked. In some instances, people might answer a ‘no’ or a ‘yes’ or they could write a sentence that implies a negative or positive answer. The manner in which the numbers are analyzed will result in the conversion of the responses to numbers of numerical figures.

For instance, the researcher can state that out of the 20 employees out of 30 (66 per cent) feel that company restructuring affects their job security, while 5 (16 per cent) feel that it is an opportunity to experience growth in the firm. Apart from being careful concerning the type of questions asked, as well as what the answers reveal to the researcher, it is normally advisable to limit the type of answers that the respondents provide. One might want to phrase questions in ways that only tick boxes are used, so that only yes and no responses are attained, or the respondents can be made to fill in numerals rather that provide descriptions.

There are several types of the quantitative research methods apart from the use of surveys. For instance, observational research expects the researcher to watch or observe certain patterns and behaviors. For example, the researcher
might want to watch the way in which employees conduct themselves in the working environment with the sole intention of determining whether the environment is favorable for them. Other complicated quantitative research forms include mathematical modeling or experimental research (Dykes, 1999). With the different kinds of research, it is significant for the researcher to be very specific, as well as make attempts to explain the assumptions chosen. It should also be noted that the results of the research might not necessarily tell everything as expected, but they can still be regarded as valuable in what they reveal. The new information from the research can also be used to make further suggested research or formulate theories.

3.1.1.1 Use of Internet for Surveys

One of the common ways of carrying out a survey is by the use of online questionnaires. The internet is regarded as a useful platform by many researchers that can provide a geographic reach. Also, by using the important aspects of the internet, one can survey several different individuals from different parts of the country, and this might not have been attainable before or rather it could have been too expensive. In order to carry this out, the researcher can distribute questionnaires through email or also create simple online forms. One of the easy ways is to utilize SurveyMonkey.com, which is a tool that is found online and is excellent in aiding researchers to create as well as manage online surveys easily.

By using the online forms, responses are emailed directly to the researcher. Several individuals lack the time to answer surveys, and the online forms are usually considered to be easy and fast to complete. Nevertheless, throughout this
process, researchers need to bear in mind the target of people that they need to reach. One of the reasons to consider is whether the respondents have fast access to internet or if at all they can access the internet. In addition, the researcher might see it necessary to provide fax numbers for responses that will be faxed, email addresses for responses that will be emailed, as well as online forms that will be used in covering all the bases. The use of the internet in carrying out a survey might not be considered to be of great significance when the researcher is interested in surveying a specific part of the community. One might also be interested in sending a research team in the streets in order to collect the responses or even conduct focus groups.

3.1.1.2 Merits and Demerits of Surveys

One of the advantages of surveys is that they can be used in comparative analysis when finding out how a certain variable of the research question has changed over time. Also, the use of surveys enables researchers to gain access to a lot of information in a short period of time. For instance, the use of online surveys makes it easy to answer questions since respondents are allowed to only click the response or type a short answer. Therefore, the researcher saves time because the responses are sent to the email therefore the time that could have been spent to go to the field is considerably reduced. This also means that it is cost effective for the researcher as compared to carrying out interviews or depending on focus groups.

The major disadvantage of surveys is that the responses might not be as specific as the researcher wants them to be. This is because many respondents have the tendency of giving their opinions on subjects that impact their lives, but
might not necessarily answer the question. This implies that the research question is not sufficiently answered, and this might force the researcher to combine this method with other more reliable methods, such as interviews. In addition, some of the questions might be misinterpreted, probably because of the way they are framed, or the lack of understanding of the question. Another common disadvantage of surveys is that sometimes respondents might decide to skip several questions therefore posing as a limitation to the study. This makes the research to have fewer responses as expected, thus the full story is not obtained.

3.1.2 Qualitative Research

The major aim behind qualitative research is deepening the understanding concerning a given subject of interest. This normally implies that the researcher is expected to go beyond statistics and numbers. Qualitative research aids in the researcher in providing reasons behind the numbers obtained in the field, and the implication for the research. Qualitative research is normally contrasted with quantitative research, as they are usually used hand in hand in obtaining the big picture of what the researcher is trying to accomplish. Thus, qualitative research goes into the deep details of the research, and brings out the meaning of the results obtained.

3.1.2.1 Focus Groups and Interviews

Face to face interviews and focus groups are common forms of the qualitative research method. In face to face interviews, the researcher meets the person, as well as discusses several issues. The informant, or the individual that
is being interviewed, might be considered as an expert in the given field or might be a person that has been affected by the issues that are being researched (Baumgart, 2007). Even though it is very crucial to develop lists of questions that need to be asked, face to face interviews normally entail more than no or yes responses. The main point is in trying to comprehend the way in which the issues being researched are complex. Also, a distinct characteristic of interviews is that they are discursive hence enable the researcher to obtain adequate information.

Focus groups entail discussions that involve two or more people. While the questions that are asked in focus groups require have to made in advance in order to focus, as well as guide the discussions. The responses obtained from this are usually free ranged, because the participants are always encouraged to engage in the exploration of issues at hand (Blaikie, 2007). As interviews and focus groups aid in the development of explanations in quantitative data, they can sometimes be used in the provision of quantitative data also.

For instance, the researcher might find that 20 per cent of respondents in the discussion of the focus group were not impressed with the way the working environment changed after company restructuring (quantitative data). Then, the reasons that might be provided for such an opinion is that they found it too tense with the new rules in place, and they felt that the new environment was unfriendly. By using interviews and focus groups, it is a normal occurrence to write up responses to questions, to analyze and arrange responses in such a way that it is meaningful to the reader, as well as include relevant responses to the final report.

In interviews, researchers are expected to prepare questions in advance, and also record the responses to the interview in order to double check the facts at a later time. In addition, in order to remember the responses, the researcher
can take notes during the interview. The researcher should bear in mind that interviews can take time, and that the interviewee is offering the time for the interview for free. A minimum of ten questions are sufficient for the interviews since some of the informants might be busy people who have minimal disposable time.

In certain circumstances, individuals transcribe interview recordings, and this normally makes the time of analysis to be easy. Nevertheless, it takes a while and effort to do this. It is also necessary sometimes to inquire from the informant whether they are comfortable to be referred by their real names in the research report, or whether they should be anonymous (Sobh & Perry, 2005). This is applicable in circumstances that require the identity to be protected, and also in cases where the researcher is tackling a topic that is controversial. Other approvals that need to be obtained from the informant include contact details, and whether they should be alerted once the report is published.

The advantage of face to face interviews is that they can enable one to share in-depth knowledge as well as develop the big picture of the project. In addition, interviews aid in the analysis of results, and makes it possible for good networking, for instance, the researcher can be referred to other people that can also be interviewed (Baumgart, 2007). One of the disadvantages of interviews is that they can sometimes consume a lot of time. In addition, they can be regarded as difficult particularly when it comes to the arrangement of interview time. Moreover, they are hard to carry out comparison as well as analysis of information (Sobh & Perry, 2005).

Time is normally consumed when preparing for focus groups. The researcher should be in a position to find intermediary help, for instance an
individual or organization that is in close contact with other participants of the focus group. In addition, before making the choice to use focus groups, the researcher needs to know about the specific caliber of people that need to be part of the group through references to the research question. Moreover, the researcher needs to determine other important factors that can have an impact on the quality of the information to be collected. These factors include age group, the gender, and the income bracket of the participants (Blaikie, 2007). Additionally, the facilitator of the focus group has a great power during the discussions.

Focus groups are advantageous because they involve the participation of the community. This way, the researcher is able to determine the ways of solving real problems and provide real solutions. In addition, focus groups can aid in the development of ideas as well as sharing of latent, and knowledge that is hidden. They enable the researcher to gain access to information from several individuals in a simultaneous manner. Focus groups also have their own disadvantages in that they seem to be complicated in setting up, and that some of the participants have to be paid after or before the session. Moreover, depending on the subject of the research, focus groups are sensitive to the person facilitating as there are other topics that females might not be comfortable discussing with a male facilitator. Another major disadvantage is that sometimes the participants of focus groups might require translations. It is also a challenge in organizing as well as analyzing information.

3.1.2.2 Case Studies

Case studies are used in the capturing of details which might be fictional or real, and then presenting the details in a way that is compact and structured
(Orleans, 2010). It is important to note that case studies easily capture the attention of the reader because they tell stories in colorful and lively ways. They are used widely in a variety of disciplines such as anthropology, psychology, criminology as well as sociology. Analysts in business have also used case studies for more than 80 years in order to discuss certain problems that have to do with business and the way they were overcome (Sobh & Perry, 2005). Since case studies follow certain specific and structured formats, various situations can be analyzed or compared in a comparative manner.

They are regarded as short, that is less than five pages, and are made of important information that is required in the presentation of a situation. Another aspect of case studies is that they have both quantitative and qualitative data, and this adds to the detail and richness of situations that are described, as well as problems being analyzed. There are various structures to the case studies during their presentation by researchers, and one needs to make a decision concerning an appropriate structure, and also what one is trying to convey. If the researcher is doing over one case study under a similar research topic, it is essential to make sure that the structure used is consistent, in order that the results attained can be used in comparison with others.

Normally, case studies will have the essential details of the situation or the organization that is under question, for instance, the name of organizations, description of the core activities, as well as socio economic background. Case studies also have background information that have made the issue at hand to be studied. There is also a lot of information used in the analysis of the situation and also the problems which have been encountered. Also, case studies make the attempt in analyzing the possible solutions to the problem that is presented in the
research report.

One of the advantages of case studies is that they provide concrete and applicable examples which can be of help in the solution of problems. In addition, case studies are usually an interesting read as one can relate them and apply to organizational situations. Case studies are disadvantageous because they can consume the researcher’s time in developing. Also, depending on the format of the case study, it might demand high levels of excellent skills in writing. Also, they give a minimal overview of the problem being presented instead of a wide view.

3.1.2.3 Participatory Research

One of the key challenges with certain research is wrong questions are sometimes asked, even though it is the best intentions of the researcher. This does not imply that researchers have not taught about the questions, but sometimes some of the questions might be biased to some perspectives as well as might be asked on the basis of some assumptions. Additionally, there might be a different way of analyzing some situations, in that the researcher might not be able to recognize as a result of the background. The researcher should be in a position to look at various aspects during the research work from different points of view and with an open mind. This should be done in order to ensure that results of the research are not based on the perspectives of the researcher. Participatory research enables the researcher to take part in the development of research questions, design methodologies that can be applied in the research, and also analyze the findings of the research.
3.2 Methods in this Research

3.2.1 Research Setting

To examine the impact of organizational restructuring or merger on survivor employees’ reactions, the impact of organizational cynicism mediates these reactions, as well as the moderating effect of immediate supervisors’ support and interactional justice, and individuals’ continuance commitment, with the consent of the Management the study would be conducted in the context of a Hong Kong Branch of a foreign bank with 400 employees (local and expatriates) of which 272 were survivors. This research would be conducted in a single setting in order to control for possible confounding variables such as organizational culture, etc.

This organization had undergone a merger of three banks in the year 2002. Facing the merger, the initial companies made redundant most of the duplicate functions before the merger of a total of about 450 by 11%. One year after the merger, there was a further larger scale post-merger restructuring and downsizing by 20%. Moreover, the restructuring of operational policies and practices led to more complicated and complex procedures and workflow. At the end of 2005, another organizational change was implemented, whereby some of the department heads were reshuffled and some lost their previous status as department heads.

3.2.2 Procedure for Data Collection

Both qualitative and quantitative research methods would be used in this research. Interview would be used as a qualitative research method and would be carried out at the early stage of the research to explore behaviors or reactions of the survivors and their perceived causes of such behaviors or reactions as a
preliminary evaluation on the applicability of the model to the research context. Then the quantitative survey would be used to test the hypotheses. Prior to conducting the research, an ethics application was submitted to the Human Research Ethics Committee (HREC) for approval. An approval letter has been obtained as attached in Appendix 1.

3.2.2.1 Interview

Eight separate interviews with employees of the Branch who were survivors would be conducted to explore their behavior and attitudes about merger and post-merger and the reasons behind them. The interviewees would selected randomly with reference to position rank and function. They were an expatriate department head, a local employee of low rank and a local assistant manager in the administration function, a local manager as well as a local department head in back office operations function, a local manager of risk management function, a local senior manager of business promotion, and a local manager in the system operations function. In addition, a focus group consisted of randomly selected survivors of different ranks from different departments would be conducted. I, the researcher in this study, would be the interviewer to ask questions.

The interviewees would be invited individually for interviews at a time convenient to them. During the interviews, the interviewees would be informed that “This interview is mainly for academic research purpose, it has nothing to do with the company. Everything said is kept highly confidential, so you can freely express your feelings or ideas.” Before commencement of the interview, each participant will receive a Southern Cross University pro-forma information sheet (see Appendix 2) to inform the purpose of the research, the interviewer's
responsibilities, how I acquire his consent, how he can raise inquiries and complaints, and how he can obtain feedback after the research. Meanwhile, a Southern Cross University pro-forma consent form (see Appendix 3) will also be provided to each participant for his signature in order to obtain his consent before starting the interview.

The information collected would be noted, analyzed and summarized. The survivors’ reactions or behaviors would be identified and the preliminary causes of these behaviors would be explored to evaluate the applicability of the model formed. The interview notes would be recorded as shown in Appendices 8 to 16. The whole interview would also be audio recorded with prior consent from the participant.

The questions in the interview were mainly on the participants’ opinion on the subject area, such as:

- How do you feel about the merger of the organization?
- Does it affect your feelings of job security?
- How do you feel about the subsequent organizational changes after the merger (downsizing, restructuring)?
- How have these events affected your attitudes or behavior at work?
- Commitment to organization?
- Did you go to your supervisor when you encountered difficulties at work?
- Does your supervisor give support (personal) to ease your feelings?
- What if your supervisor is supportive?
- Do you want to or have the intention to quit or leave the organization?
- Why not leave?
3.2.2.2 Survey

To test the hypotheses formulated, data would be collected by two surveys using questionnaires conducted on the local survivor employees of the organization. One would be addressed to all local survivor employees and the other to all their department heads or immediate supervisors. The one to all survivor employees contained all questions addressed, while the one to department heads or immediate supervisors only asked about their ratings on their subordinates’ OCB. The two sets of questionnaires were coded for the purpose of matching supervisors’ OCB ratings.

The survey instruments were formulated with reference to literatures. A number of variables were included in the questionnaire. The independent variable was job insecurity while the dependent variables were organizational commitment (affective and normative), OCB (individual initiative and loyal boosterism), and withdrawal cognitions (intention to quit, job search and thought of quitting). The mediating variable was organizational cynicism while moderating variables were perceived supervisor support and supervisors’ organizational (interactional) justice and individuals’ continuance commitment.

To investigate the views of the employees particularly the survivors, 272 coded questionnaires would be sent to all local survivor employees of the Bank. The HR Manager of the Bank would be sought for assistance in locating the target participants (see Appendix 4 for the letter to be sent to the HR Manager). To make sure the staff of the Bank feel comfortable that the survey does not represent the Bank asking, an outsider called Adam Research Company (see Appendix 5 for the letter to be sent to this company) would be appointed to distribute the questionnaires upon receipt of the contact list from the HR Manager.
In other words, the role of HR Manager would be the participants’ contact list provider while Adam Research Company would act as the questionnaire distributor only.

The questionnaires accompanied by a letter of introduction (see Appendix 6) and Southern Cross University pro-forma information sheet (see Appendix 2) describing the purpose of the study, and asking the employees to participate will be distributed to the participants via Adam Research Company. A stamped return envelope addressed to the researcher was included in each questionnaire, so that the employees could return the questionnaires in sealed envelopes directly by post. Names were not used in order to preserve anonymity. Returned questionnaires imply consent.

In addition, to investigate the views of the supervisors on the OCB (individual initiative and loyal boosterism) of their survivor subordinates, 272 coded questionnaires together with a letter of introduction and Southern Cross University pro-forma information sheet would be sent to department heads or immediate supervisors (see Appendix 7) of the bank in batches. The questionnaires would also be distributed via Adam Research Company. They were accompanied by a similar letter of introduction. A stamped return envelope addressed to the researcher was also included in each questionnaire, so that they could return the questionnaires in sealed envelopes directly by post. Names were also not used in order to preserve anonymity. Again returned questionnaires imply consent.

Follow up letters were sent one month after the first distribution of the questionnaire to remind the individuals to complete and return the questionnaire.
3.3 Measures

The effects of organizational restructuring depend on a number of factors such as gender, age, years of service, qualifications, salary and the position of an employee. Firstly, studies have shown that feelings of insecurity and uncertainty affect women more than men. This may be attributed to the aggressive nature of men and their motivation to seek employment whenever they have qualifications since most men are the bread winners of their families (Rosenblatt, Talmud and Ruvio, 1999). Secondly, with respect to age and years of service, younger employees seem to worry more than the old employees who survive a restructuring program. Logically, the old employees have experience and can easily find new jobs, or they are nearing their retirement and may already have plans for their future. However, young employees are still seeking experience and still have a lot of years to serve in employment. Thus they are the most affected group with respect to age. Thirdly, employees with lower qualifications tend to be worried since employment opportunities have become more competitive with higher qualifications, experience and skills given priority by potential employers (Mauno and Kinnunen, 2002). Accordingly, their chances of getting employment become diminished and remain loyal in the hope that future development will not be catastrophic to their employment. Lastly, the salary and rank of employees also determines the level of impact since people earning more and holding higher ranks may not find it appealing to seek employment elsewhere when they may earn lesser amounts and hold junior positions in a new organization.

The researcher thinks that the omission of the above variables would lead to the conclusions on the study not specific enough. For instance, it would be difficult for the management to identify how to deal with people of different
demographics when they are trying to find amicable solutions to the effects of organizational restructuring (Babbie, 2010).

In the questionnaires to the employees, apart from questions about the respondents' background (such as sex, age, years of service, education level, earning responsibility and position or rank), the questionnaire covered seven topics: perceived job insecurity; organizational cynicism; perceived supervisor support; supervisors’ interactional justice; organizational commitment (affective, continuance and normative); OCB (individual initiative and loyal boosterism), and withdrawal cognitions, while the questionnaires to department heads or immediate supervisors covered only OCB (individual initiative and loyal boosterism) of the employees being rated. The measurement of variables is described below.

3.3.1 Perceived Job Insecurity

Perceived job insecurity consists of two dimensions: the perceived threat of job loss and a sense of powerlessness to counteract the threat (Greenhalgh and Rosenblatt, 1984). In this study, perceived threat to job loss was the main concern of this study for job insecurity, therefore the perceived threat of job loss or perceived threat to the continuity of the job itself was measured using the quantitative subscale of job insecurity developed by Hellgren et al. (1999).

The quantitative job insecurity or perceived threat of job loss measure of Hellgren et al. (1999) consisted of 3 items (alpha = 0.79), for example “I am worried about having to leave my job before I would like to”. These show the fear of permanent job loss, being fired or forced into early retirement. Respondents indicated their agreement with each item on a 5-point Likert scale with 1 =
strongly disagree and 5 = strongly agree.

3.3.2 Organizational Cynicism

Organizational cynicism is the attitude that employees lose their confidence in the organization or the ability of the organization leaders to effectively manage and implement change (Reichers et al., 1997), i.e. pessimism about change being successful (Wanous et al., 2000), or efforts toward change and improvement are unlikely to succeed (Brooks and Vance, 1995). In this research, organizational cynicism would be measured using a nine-item scale developed by Brooks and Vance (1995). Sample items are “Most people in this organization think things will get better instead of worse” and “Changes to the usual ways of doing things in this organization are more trouble than they’re worse”. Respondents indicated their agreement with each item on a 5-point scale ranging from 1 = strongly disagree to 5 = strongly agree. The reliability coefficient alpha was 0.84 (Brooks and Vance, 1995).

3.3.3 Perceived Supervisor Support

To measure perceived supervisor support, the measure with four items from Cole et al. (2006) would be adopted which was adapted from Eisenberger et al’s (1986) perceived organizational support measure. The items were modified by changing the word “management” to “supervisor” since it was the support received from immediate supervisors to be studied. For example, “Supervisor shows active concern for my feelings” and “Supervisor provides intensive support in order to help me accomplish important priorities”. The internal consistency of the four items is 0.80 (Cole et al., 2006). The respondents indicated the extent of
their agreement with each item on a 7-point Likert-type scale where 1 = strongly disagree and 7 = strongly agree.

3.3.4 Interactional Justice

To measure interactional justice, the subscale measure developed by Moorman (1991) was used. The measure assesses the nature of the interactions that supervisors have with employees in implementing the procedures. Six interactional items describe the perceptions that the interactions that accompanied an organization's formal procedures are fair and considerate. Since the questionnaire is responded by the subordinates, the statements were changed to first person subject in order to be consistent with the other questions, for example, “My supervisor considered my viewpoint” and “My supervisor took steps to deal with me in a truthful manner”.

Coefficient alpha for interactional justice subscale is from 0.93 to 0.94 (Moorman, 1991; Skarlicki and Folger, 1997). While for validity, interactional justice correlates positively with job satisfaction, distributive justice, and the OCB of courtesy, sportsmanship, and conscientiousness (Moorman, 1991), as well as correlates positively with OCB of altruism and negatively with retaliatory behavior (Skarlicki and Folger, 1997).

Responses were obtained on a 7-point Likert-type scale where 1 = strongly disagree and 7 = strongly agree.

3.3.5 Organizational Commitment

In this study, Meyer and Allen’s (1997) conceptualization of commitment as a multidimensional construct was adopted. It comprised of three distinct
dimensions based on one’s emotional attachment to, identification with, and involvement in the organization (i.e. affective commitment), one’s intention to continue working with a particular employer associated with the costs that employees perceive when leaving the organization (i.e. continuance commitment), and one’s obligation to stay with the employer resulting from organizational socialization (i.e. normative commitment).

The revised measures of Meyer and Allen (1997) were adopted which contains six items for each type of commitment. Affective commitment items included “I would be very happy to spend the rest of my career with this organization”, continuance commitment items included “I am not afraid of what might happen if I quit my job without having another one lined up”, and normative commitment items included “I do not feel any obligation to remain with my current employer”. Employees’ responses were obtained on a 7-point Likert-type scale where 1 = strongly disagree and 7 = strongly agree.

As for reliability, coefficient alpha value ranged from 0.77 to 0.88 for affective commitment, from 0.69 to 0.84 for continuance commitment, and from 0.65 to 0.86 for normative commitment (Allen and Meyer, 1990; Cohen, 1996, 1999; Cohen and Kirchmeyer, 1995; Hackett Ct al., 1994; Meyer and Allen, 1997; Meyer, et al., 1998; Somers, 1995; Somers and Birnbaum, 1998).

While for the validity of these three components, studies found support for the three-component model, with affective, normative and continuance commitment each comprising a separate dimension (Hackett et al., 1994; Dunham et al., 1994). There was also discriminate validity among affective organizational commitment, career commitment and continuance organizational commitment (Cohen, 1999).
3.3.6 Organizational Citizenship Behavior

Since an insignificant and inconsistent relationship between job insecurity and OCB has been found in many studies (Feather and Rauter, 2004; Kalleberg et al., 2004; Unckless, 1998) which mainly studied on the helping behavior or OCB-I which reflected individually directed OCB, while other attributes or components which reflected organizationally directed OCB, OCB-O, were ignored which might constitute a significant correlation between job insecurity and OCB. Therefore in the current research, the researcher is going to study if there is any impact on OCB in terms of individual initiative and loyal boosterism by job insecurity, i.e. organizationally directed OCB. This is because during organizational restructuring when survivors perceive job insecurity, management incompetency in change and injustice, they will be less inclined to make suggestions or be uncritically faithful to the organizations' good reputation and general welfare or defend the organization.

Thus individual initiative and loyal boosterism, organizationally directed OCB, were the main concern of this study. The measure developed by Moorman and Blakely (1995) containing these two dimensional measurements was adopted to measure these 2 dimensions, while the other dimensions such as interpersonal helping and personal industry were not the focus in this study.

The original measure consists of 19 items describing four dimensions of OCB, such as interpersonal helping, individual initiative, personal industry and loyal boosterism. The four OCB subscales correlated positively with one another. Confirmatory factor analysis showed that the 19 items related to the four dimensions and that the OCB dimensions were empirically distinct (Moorman and Blakely, 1995).
Individual initiative contained five items which referred to employee efforts to improve individual and team performance, challenge groupthink and encourage participation (Patterson, 2002), for example “For issues that may have serious consequences, express opinions honestly even when others may disagree” and “Often motivates others to express their ideas and opinions”. Loyal boosterism had five items consisting of an uncritical faithfulness to the organization, defence of organizational interests, and contributions to the organization’s good reputation and general welfare (Patterson, 2002), for example, “Defends the organization when other employees criticize it” and “Actively promotes the organization’s products and services to potential users”.

The reliability of the scale where coefficient alpha values ranged from 0.76 to 0.80 for individual initiative and 0.76 to 0.86 for loyal boosterism (Moorman and Blakely, 1995; Moorman et al., 1998; Thompson and Werner, 1997).

The OCB measures were rated by the immediate supervisors of the employees in order to avoid common method bias. However, the same measures were also self-reported by the subordinates or survivors in order to match and have a clearer idea or impression on OCB exhibited among the survivors. The wordings were adjusted in order to facilitate the supervisor’s rating, such as “He/she defends the organization when other employees criticize it” and “He/she actively promotes the organization’s products and services to potential users”. In addition, to allow self-reporting, such as “I defend the organization when other employees criticize it” and “I actively promote the organization’s products and services to potential users”.

Responses were obtained using a 7-point Likert-type scale where 1 = strong disagree and 7 = strongly agree.
3.3.7 Withdrawal Cognitions

Withdrawal or turnover cognitions was measured by a 5-item scale of Bozeman and Perrewe (2001) which was based on the work of Mowday et al. (1984) and Mobley et al. (1978). The scale was with two negatively worded items and three positively worded or reversed items. The scale measures three specific turnover cognitions, intentions to quit, job search and organizational search intentions. An example was “I will probably look for a new job in the near future.” Respondents indicated their agreement with each item on a 5-point scale ranging from 1 = strongly disagree to 5 = strongly agree. The coefficient alpha reliability was from 0.90 to 0.94.

3.3.8 Control Variables

The following factors were included as control variables: (1) participant’s sex, (2) age, (3) years of service, (4) education level, (5) earning responsibility and (6) position or rank, which were expected to be related to the attitude of the survivors. All these variables were assessed through self-report in the same survey.

Figure 3.1 Model of Effects of Organizational Change/Restructuring on Survivors with Path Coefficients, Modified from Schraeder (2004)
3.4 Analysis

Means, standard deviations, reliabilities and correlations among the independent variable (job insecurity); mediator (organizational cynicism); moderators (perceived supervisor support, interactional justice and continuance commitment); and all dependent variables (affective commitment, normative commitment, OCB and withdraw cognitions), would be calculated.

To test the hypotheses and the effects of mediator and moderators, the method of hierarchical regression analysis is adopted in this study. To test the direct effects of job insecurity on behavioral outcomes for Hypotheses 1a to 1d, the predictor variable, job insecurity is regressed on the dependent variables (affective commitment, normative commitment, OCB and withdraw cognitions).

To test the hypotheses (2a to 2d) that organizational cynicism mediates the relationships between job insecurity and its consequences, hierarchical regression is used. Baron and Kenny (1986) suggested that three criteria must be met when testing the presence of a mediator. First, the predictor variable (job insecurity) should be significantly related to the criterion (affective commitment, normative commitment, OCB [individual initiative and loyal boosterism] and withdrawal cognitions) to ensure there is a significant relationship to mediate. Second, the predictor variable should be related to the mediator variable (organizational cynicism). Third, the mediator should be related to the criterion when controlling the predictor variable. Once these conditions are met, the final test from this approach to establish mediation is to examine the $\beta$ coefficient for the independent variable in this final analysis. If non-significant when the mediation variable is included, the mediation variable has a full mediating effect. If the final $\beta$ coefficient for the predictor variable decreases significantly, but is
still greater then 0, then it is a partially mediated effect.

Since Hypotheses 2a to 2d predicted that organizational cynicism mediates the relationship between job insecurity and its consequences, in the third mediation requirement, the control variables are entered in the first hierarchical step in each regression model, then job insecurity in the second step, and finally organizational cynicism in the third step.

Hierarchical regression analysis would be used to assess the moderators (perceived supervisor support, interactional justice and continuance commitment) on the job insecurity-organizational cynicism relationship for Hypotheses 3a to 3c. In order to test the moderators, the predictor and moderator variables are first centered in order to minimize the effects of multicollinearity between the predictor variable and the interaction term (Aiken and West, 1991). Then interaction terms are created between the centered variables of the predictor and moderators. Then the dependent variable is regressed on the predictor, moderator and interaction terms. Control variables are entered in the first step, predictor (job insecurity) and moderator (supportive leadership in terms of perceived supervisor support) are added in the second and third step respectively, and the product or interaction term (job insecurity x perceived supervisor support) is entered in the fourth step to assess the interaction between these two variables. The presence of a moderator is determined by the significance of the regression coefficient for the interaction term. To assess the moderating effect of interactional justice and continuance commitment on the job insecurity-organizational cynicism relationship, similar steps will be followed.
4. Results

The previous section outlined the data collection method, participants, measures, and statistical data analysis techniques used in the current study. This section presents the findings of the qualitative interviews and results of the quantitative analyses used to assess data adequacy and to test the hypotheses, and primary model assumptions of this dissertation. Post-hoc analyses are also presented.

4.1 Findings from the Qualitative Interviews

The eight individual interviews and the focus group provide some findings on survivor employees’ behavior, attitudes and reactions during the post merger and restructuring period. These are summarized as follows.

The interviewees had all been working in the organization for over 4 to over 10 years and they were of different ranks (from support to department heads) and departments including front, middle and back offices, as well as administration.

For long serving survivors, the merger and restructuring created uncertainty and job insecurity, and in particular they feared that they might be singled out or victimized for lay-off. However, those short service survivors, who had been informed of the coming merger when they were employed, tended to have no such fears. This finding was supported by the survey data, which suggested that 35.97% of the survivors who had 10 years of service and above indicated ratings of job insecurity above 3 (the mid point of on a 1-5 scale) while only 15.11% of the survivors with less than 10 years of service indicated ratings of job insecurity above 3. Furthermore, the lower ranked staff tended to express fewer worries about the subsequent post-merger restructurings than did higher-ranked staff,
apparently because they thought they would not be the victims of organizational politics. For instance, most of the higher-ranked staff felt that the reorganization in December 2005 was highly “political”, since it involved replacing “acquired” department heads with department heads from the “acquiring” partner.

With the repeated restructuring and changes in personnel and operating procedures, etc., most of the survivors said that they doubted the real necessity for such changes, and they expressed considerable cynicism about the top management of the organization. According to the interviews, there were concerns about what were seen as the new complex and complicated procedures, and it was often suggested that their pre-merger practices were much better. Such concerns appeared to be unrelated to rank, with such views expressed by junior and senior ranks alike.

Given their apparent dissatisfaction and cynicism, and the associated stress, most of the survivors seemed not to be emotionally attached to the organization. This was reflected, for example, in the relatively low levels of affective commitment, with a mean level of affective commitment of 3.6487 (on a 1 to 7 scale, with 4 as the neutral mid point) among the survivors in our survey data. They also showed low levels of loyalty to the organization, with most interviewees having considered quitting the organization. To the extent that they did feel any obligation to remain, this tended to be a felt obligation to remain with their colleagues, rather than any obligation to the organization. However due to the uncertain economic situation and the opportunity costs of quitting their jobs (lack of alternatives due to specific skills in the industry, difficult to find another job with similar benefits, had spent or invested most of their career life in the organization, and worried to cope with new working environment, etc.), most of the survivors in
fact chose to remain in the organization, albeit reluctantly, and with the attitude of “I will do just enough to get by”. In the interviews, there was a tendency to talk about just working within the job/role requirements without putting in extra efforts, and in the meantime searching for an alternative job or simply waiting for retirement. Most of these survivors had high continuance commitment (which was shown in the survey results with mean level at 4.5336, just above the mid point of 4 on a 1-7 scale) and low levels of OCB (with mean level at 3.9986 for individual initiative and 3.2647 for loyal boosterism, below the mid point of 4 on a 1-7 scale). It appears that those with lower continuance commitment and affective commitment had already left the organization.

Some of the survivors had supportive superiors who treated them fairly and often discussed their work problems they encountered and their feelings about the new organization. Most of the supervisors were themselves survivors, and it appears from the interview data that some of them endorsed their survivor subordinates’ negative feelings about the organization, including the alleged incompetence of top management and the complicated operating procedures, etc. It seems that this tended to make their subordinates feel that their supervisors were “on their side”.

To summarize the interview findings, most of the survivors were fearful for their job insecurity, given the ongoing post-merger restructuring, and many became cynical towards the organization and top management’s change management. They were not satisfied with the organizational changes and they felt that what they had before the merger or restructuring was much better practices. Many could not easily accept or adapt to the new organizational changes. They did not feel emotionally attached to the organization nor had felt
any obligation to stay with the organization. They did not feel any loyalty to the organization. There was a sense of just performing their in-role duties or behavior, without putting in extra efforts or exercising extra-role behavior. It appears that most of them would have preferred to leave, but due to their investments in the organization and lack of alternatives they remained in the organization reluctantly. According to the interviews, most of their supervisors had similar attitudes, and some felt that their supervisors were sympathetic and supportive.

4.2 Findings from the Quantitative Analyses

4.2.1 Initial Analyses

A total of 139 matched responses out of 272 survivors were received, for a 51.1% response rate. Of these, 45 (32.4%) were male and 94 (67.6%) were female; 89 (64%) were breadwinners and 50 (36%) were not. Forty-four (31.7%) of the respondents were university graduates while 95 (68.3%) had lower levels of education; 37 (26.6%) were of the rank managers or above, 52 (37.4%) were deputy and assistant manager, while 50 (36%) were clerical or support staff. The maximum years of service was 23 years and the minimum was 4 years with an average years of service 11.04 years. Among the survivors 19.4% had worked for 10 years and 15.8% for 11 years. The mean age was 36-40 years old but 30.2% fell into the age 41-45 years old, 28.1% into 36-40 years old and 21.6% into 31-35 years old. Table 4.1 summarises the profile of the respondents.
Table 4.1 Profile of the Respondents for Quantitative Survey

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>No of Survivors</td>
<td>272</td>
</tr>
<tr>
<td>No of Respondents</td>
<td>139</td>
</tr>
<tr>
<td>Response Rate</td>
<td>51.1%</td>
</tr>
<tr>
<td>Gender</td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>32.4%</td>
</tr>
<tr>
<td>Female</td>
<td>67.6%</td>
</tr>
<tr>
<td>Breadwinner</td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>64%</td>
</tr>
<tr>
<td>No</td>
<td>36%</td>
</tr>
<tr>
<td>Education</td>
<td></td>
</tr>
<tr>
<td>University or above</td>
<td>31.7%</td>
</tr>
<tr>
<td>Secondary School or below</td>
<td>68.3%</td>
</tr>
<tr>
<td>Ranking</td>
<td></td>
</tr>
<tr>
<td>Manager or above</td>
<td>26.6%</td>
</tr>
<tr>
<td>Assistant &amp; Deputy Manager</td>
<td>37.4%</td>
</tr>
<tr>
<td>Clerical or Support Staff</td>
<td>36%</td>
</tr>
<tr>
<td>Year of Service</td>
<td></td>
</tr>
<tr>
<td>Maximum</td>
<td>23</td>
</tr>
<tr>
<td>Minimum</td>
<td>4</td>
</tr>
<tr>
<td>Average</td>
<td>11.04</td>
</tr>
<tr>
<td>Age</td>
<td></td>
</tr>
<tr>
<td>56-60 years old</td>
<td>2.5%</td>
</tr>
<tr>
<td>51-55 years old</td>
<td>5.2%</td>
</tr>
<tr>
<td>46-50 years old</td>
<td>8.9%</td>
</tr>
<tr>
<td>41-45 years old</td>
<td>30.2%</td>
</tr>
<tr>
<td>36-40 years old</td>
<td>28.1%</td>
</tr>
<tr>
<td>31-35 years old</td>
<td>21.6%</td>
</tr>
<tr>
<td>26-30 years old</td>
<td>3.3%</td>
</tr>
<tr>
<td>Below 25 years old</td>
<td>0.2%</td>
</tr>
</tbody>
</table>

The respondent sample size of 139 is too small for a confirmatory factor analysis of the full measurement model. However confirmatory factor analyses of three models of employee-rated variables (dependent, mediating and dependent), moderators as well as supervisor-rated variables were assessed with item pooling at random. The results are shown in Table 4.2.

Employee-rated independent (job insecurity), mediating (organizational cynicism) and dependent (affective commitment, normative commitment and withdrawal cognitions) variables were analyzed. The results of Table 4.2a show that the hypothesized five-factor model provides a mediocre fit (GFI = .829, CFI .846, RMSEA = .118), but is nevertheless preferred to the plausible alternatives such as the four-factor model with job insecurity and organizational cynicism combined (GFI = .681, CFI .617, RMSEA = .181), and the one-factor model (GFL .633, CFI = .487, RMSEA = .202). The five-factor model \( \chi^2 = \)
232.780, df = 80) showed a significant reduction in $\chi^2$ as compared to the four-factor ($\chi^2 = 463.261$, df = 84) and the one-factor ($\chi^2 = 597.189$, df = 90) models and the five-factor model fit indices improved relative to these alternatives. The fit indices and the $\chi^2$ difference test therefore provide support for the hypothesized five-factor model of the employee-rated variables.

As for the employee-rated moderators (perceived supervisor support, interactional justice and continuance commitment), Table 4.2b shows that the hypothesized three-factor model provides a mediocre fit (OFI = .911, CFI = .958, RMSEA = .112) but is nevertheless also preferred to the plausible alternatives, the two-factor model with perceived supervisor support and interactional justice combined (GFI = .899, CFI = .950, RMSEA = .117), and the one-factor model (GFI = .744, CFI = .803, RMSEA = .230). The three-factor model ($\chi^2 = 65.524$, df = 24) showed a significant reduction in $\chi^2$ as compared to the two-factor ($\chi^2 = 75.324$, df = 26) and the one-factor ($\chi^2 = 223.278$, df = 27) models with the three-factor model fit indices improved. These findings provide at least some support for the hypothesized three-factor model of the employee-rated moderators.

While the supervisor-rated OCB (individual initiative and loyal boosterism), hypothesized two-factor model provides a mediocre fit (GFI = .834, CFI = .888, RMSEA = .163), it is preferred to the one-factor model (GFI = .541, CFI = .615, RMSEA = .297). Table 4.2c shows that the two-factor model ($\chi^2 = 158.059$, df = 34) showed a significant reduction in $\chi^2$ as compared to the one-factor model ($\chi^2 = 461.612$, df = 35) and the two-factor model fit indices improved. Again, the fit indices and the $\chi^2$ difference test provided support for the hypothesized two-factor model of the supervisor-rated OCB.
Overall, in terms of absolute fit, the results are somewhat disappointing, with most GFI < .9, CFIs < .9 and RMSEAs > .1. However, in the model comparisons, the findings provide some support for the discriminant validity of the constructs in the hypothesized measurement models, and this also provides some assurances that common method variance is not a big problem in this study.

Table 4.2 Model Fit Statistics for the Confirmatory Factor Analysis

Table 4.2a Employee-rated Independent, Mediating and Dependent Variables

<table>
<thead>
<tr>
<th>Model</th>
<th>$\chi^2$</th>
<th>df</th>
<th>Change in $\chi^2$</th>
<th>Change in df</th>
<th>GFI</th>
<th>CFI</th>
<th>RMSEA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independence model</td>
<td>1,094.535</td>
<td>105</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-factor</td>
<td>597.189</td>
<td>90</td>
<td>497.346**</td>
<td>15</td>
<td>.633</td>
<td>.487</td>
<td>.202</td>
</tr>
<tr>
<td>4-factor</td>
<td>463.261</td>
<td>84</td>
<td>133.928**</td>
<td>6</td>
<td>.681</td>
<td>.617</td>
<td>.181</td>
</tr>
<tr>
<td>5-factor</td>
<td>232.780</td>
<td>80</td>
<td>230.481**</td>
<td>4</td>
<td>.829</td>
<td>.846</td>
<td>.118</td>
</tr>
</tbody>
</table>

*p < 0.05; **p < 0.01

N = 139.

Note. GFI = goodness of fit index; CFI = comparative fit index; RMSEA = root mean square error of approximation. The models are as explained in the text. Change in $\chi^2$ is relative to the preceding model in the table.

Table 4.2b Employee-rated Moderators

<table>
<thead>
<tr>
<th>Model</th>
<th>$\chi^2$</th>
<th>df</th>
<th>Change in $\chi^2$</th>
<th>Change in df</th>
<th>GFI</th>
<th>CFI</th>
<th>RMSEA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independence model</td>
<td>1,032.196</td>
<td>36</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-factor</td>
<td>223.278</td>
<td>27</td>
<td>808.918**</td>
<td>9</td>
<td>.744</td>
<td>.803</td>
<td>.230</td>
</tr>
<tr>
<td>2-factor</td>
<td>75.324</td>
<td>26</td>
<td>147.954**</td>
<td>1</td>
<td>.899</td>
<td>.950</td>
<td>.117</td>
</tr>
<tr>
<td>3-factor</td>
<td>65.524</td>
<td>24</td>
<td>9.800**</td>
<td>2</td>
<td>.911</td>
<td>.958</td>
<td>.112</td>
</tr>
</tbody>
</table>

*p < 0.05; **p < 0.01

N = 139.

Note. GFI = goodness of fit index; CFI = comparative fit index; RMSEA = root mean square error of approximation. The models are as explained in the text. Change in $\chi^2$ is relative to the preceding model in the table.
Table 4.2c Supervisor-rated CCB

<table>
<thead>
<tr>
<th>Model</th>
<th>$\chi^2$</th>
<th>df</th>
<th>Change in $\chi^2$</th>
<th>Change in df</th>
<th>GFI</th>
<th>CFI</th>
<th>RMSEA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independence model</td>
<td>1,151.807</td>
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<td></td>
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<tr>
<td>1-factor</td>
<td>461.612</td>
<td>35</td>
<td>690.195**</td>
<td>10</td>
<td>.541</td>
<td>.615</td>
<td>.297</td>
</tr>
<tr>
<td>2-factor</td>
<td>158.059</td>
<td>34</td>
<td>303.553**</td>
<td>1</td>
<td>.834</td>
<td>.888</td>
<td>.163</td>
</tr>
</tbody>
</table>

*p < 0.05; **p < 0.01
N = 139.
Note. GFI = goodness of fit index; CFI = comparative fit index; RMSEA = root mean square error of approximation. The models are as explained in the text. Change in $\chi^2$ is relative to the preceding model in the table.

Further to the validity testing of variables, means, standard deviations, reliability estimates and correlations among the independent/predictor variable (job insecurity), mediator (organizational cynicism), moderators (perceived supervisor support, interactional justice and continuance commitment), and all dependent variables (affective commitment, normative commitment, OCB and withdraw cognitions) were calculated. Table 4.3 shows the means, standard deviations, reliability estimates (coefficient alphas) and correlations for all of the variables of interest. The findings suggested that all the measures had good psychometric properties with coefficient alphas in the range of .770 to .936. All of the correlations except perceived supervisor support and interactional justice (0.888) did not exceed 0.60, indicating that multicollinearity is generally not a significant problem.

With few exceptions, the correlations provided preliminary support for the hypothesized relationships. The predictor, job insecurity was correlated with the dependent variable, individual initiative ($r = -.152$, p<.05), while the mediator, organizational cynicism, was correlated significantly with the dependent variables, affective commitment ($r = -.529$, p<.01), normative commitment ($r = -.600$, p<.01) and withdrawal cognitions ($r = .224$, p<01) as well as with the moderators,
perceived supervisor support ($r = -.596, p<.01$) and interactional justice ($r = -.523, p<.01$). The moderator, perceived supervisor support was significantly correlated with the dependent variables, affective commitment ($r = .377, p<.01$), normative commitment ($r = .457, p<.01$), loyal boosterism ($r = .212, p<.01$) and withdrawal cognitions ($r = -.204, p<.01$), while interactional justice was also significantly correlated with affective commitment ($r = .311, p<.01$), normative commitment ($r = .407, p<.01$), loyal boosterism ($r = .229, p<.01$), and withdrawal cognitions ($r = -.176, p<.05$), whereas continuance commitment was correlated significantly to the dependent variables, individual initiative ($r = -.198, p<.01$) and withdrawal cognitions ($r = -.434, p<.01$). However, as we show below, our results were less conclusive when the hypotheses were tested in the context of multiple regression.
<table>
<thead>
<tr>
<th>Variables</th>
<th>M</th>
<th>SD</th>
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<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
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<th>12</th>
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<th>14</th>
<th>15</th>
<th>16</th>
<th>17</th>
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</thead>
<tbody>
<tr>
<td>1. Job Insecurity</td>
<td>3.18</td>
<td>0.93</td>
<td>0.74</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
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<td>12</td>
<td>13</td>
<td>14</td>
<td>15</td>
<td>16</td>
</tr>
<tr>
<td>2. Organizational Concern</td>
<td>5.17</td>
<td>0.85</td>
<td>-1.20</td>
<td>-1.05</td>
<td>4.26</td>
<td>1.40</td>
<td>0.01</td>
<td>-0.96</td>
<td>0.26</td>
<td>0.21</td>
<td>0.14</td>
<td>0.06</td>
<td>0.05</td>
<td>0.03</td>
<td>0.22</td>
<td>0.22</td>
<td>0.22</td>
<td>0.22</td>
<td>0.22</td>
</tr>
<tr>
<td>3. Perceived Supervisor Justice</td>
<td>4.45</td>
<td>1.34</td>
<td>0.00</td>
<td>-0.10</td>
<td>-0.22</td>
<td>0.00</td>
<td>0.21</td>
<td>0.15</td>
<td>0.22</td>
<td>0.19</td>
<td>0.16</td>
<td>0.13</td>
<td>0.12</td>
<td>0.11</td>
<td>0.10</td>
<td>0.09</td>
<td>0.09</td>
<td>0.09</td>
<td>0.09</td>
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<tr>
<td>4. Intentional Justice</td>
<td>4.00</td>
<td>1.10</td>
<td>0.00</td>
<td>0.21</td>
<td>0.37</td>
<td>0.37</td>
<td>0.34</td>
<td>0.24</td>
<td>0.29</td>
<td>0.33</td>
<td>0.32</td>
<td>0.31</td>
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<td>0.31</td>
<td>0.31</td>
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<td>0.31</td>
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<tr>
<td>5. Continuance Commitment</td>
<td>5.00</td>
<td>1.10</td>
<td>0.00</td>
<td>0.21</td>
<td>0.37</td>
<td>0.37</td>
<td>0.34</td>
<td>0.24</td>
<td>0.29</td>
<td>0.33</td>
<td>0.32</td>
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<td>0.31</td>
<td>0.31</td>
<td>0.31</td>
<td>0.31</td>
<td>0.31</td>
<td>0.31</td>
</tr>
<tr>
<td>6. Affective Commitment</td>
<td>3.00</td>
<td>1.12</td>
<td>0.00</td>
<td>0.21</td>
<td>0.37</td>
<td>0.37</td>
<td>0.34</td>
<td>0.24</td>
<td>0.29</td>
<td>0.33</td>
<td>0.32</td>
<td>0.31</td>
<td>0.31</td>
<td>0.31</td>
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<td>0.31</td>
<td>0.31</td>
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<td>0.31</td>
</tr>
<tr>
<td>7. Normative Commitment</td>
<td>3.75</td>
<td>1.21</td>
<td>1.31</td>
<td>0.36</td>
<td>0.36</td>
<td>0.36</td>
<td>0.36</td>
<td>0.36</td>
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<td>0.36</td>
<td>0.36</td>
<td>0.36</td>
<td>0.36</td>
</tr>
<tr>
<td>8. Individual Initiative</td>
<td>4.00</td>
<td>1.21</td>
<td>1.16</td>
<td>0.09</td>
<td>0.09</td>
<td>0.09</td>
<td>0.09</td>
<td>0.09</td>
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<td>0.09</td>
<td>0.09</td>
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<td>0.09</td>
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<tr>
<td>9. Loyal Boosterism</td>
<td>3.27</td>
<td>0.91</td>
<td>0.29</td>
<td>0.13</td>
<td>0.21</td>
<td>0.21</td>
<td>0.15</td>
<td>0.15</td>
<td>0.15</td>
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</tr>
<tr>
<td>10. Withdrawal Conspirations</td>
<td>2.68</td>
<td>0.86</td>
<td>-0.74</td>
<td>-2.11</td>
<td>-2.11</td>
<td>-2.11</td>
<td>-2.11</td>
<td>-2.11</td>
<td>-2.11</td>
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<td>11. Gender</td>
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<tr>
<td>12. Breadwinner</td>
<td>1.64</td>
<td>0.40</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
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Note: N = 159. Scale reliabilities are on the diagonal.
* p < 0.05  ** p < 0.01
4.2.2 Test of Direct Relationship - Hypothesis 1

Table 4.4 provides the regression results for the mediation analysis. Step 2 of these analyses shows the direct effect of perceived job insecurity on the outcome variables. Hypothesis 1a to c posited that there would be a negative relationship between perceived job insecurity and each of the outcome variables (affective commitment, normative commitment and OCB) and hypothesis 1d posited that there would be a positive relationship between perceived job insecurity and withdrawal cognitions. The results in step 2 of Table 4.3 show a negative though non-significant relationship between job insecurity and affective organizational commitment. This finding provided no support for hypotheses 1a. The step 2 regressions show a significant positive relationship between job insecurity and normative organizational commitment which is the opposite of anticipation, so Hypothesis 1b is not supported. There were non-significant relationships between job insecurity and OCB (individual initiative and loyal boosterism) per step 2, therefore hypothesis 1c is not supported as well. Finally, for hypothesis 1d, there was a significant negative relationship between perceived job insecurity and withdrawal cognitions. Nevertheless this is also the opposite of what was anticipated, thus provides no support for hypothesis 1d. Overall, then, there is no support for hypothesis 1.

4.2.3 Test of Mediation Relationship - Hypothesis 2

In order to have a mediation relationship, the three conditions for mediation have to be met (Baron and Kenny, 1986). First, the predictor variable (job insecurity) should be significantly related to the criterion (affective commitment, normative commitment, OCB [individual initiative and loyal boosterism] and
withdrawal cognitions) to ensure there is a significant relationship to mediate. Second, the predictor variable should be related to the mediator variable (organizational cynicism). Third, the mediator should be related to the criterion when controlling the predictor variable which will occur if there is mediation. And finally if \( \beta \) coefficient for the independent variable becomes non-significant when the mediation variable is included, the mediation variable has a full mediating effect. If the final \( \beta \) coefficient for the predictor variable decreases significantly, but is still greater than 0, then it is a partially mediated effect.

Tables 4.3 and 4.4 show the regression results for the mediation relationships involving organizational cynicism. Hypotheses 2 a to d posited that organizational cynicism mediates the relationship between job insecurity and the outcomes, affective commitment, normative commitment, OCB and withdrawal cognitions respectively. Condition 1 is the direct relationship between the predictor variable (job insecurity) and the criterion (affective commitment, normative commitment, OCB [individual initiative and loyal boosterism] and withdrawal cognitions), step 2 of Table 4.4 already showed the results that there were no significant direct relationships between the predictor variable and criterions, thus condition 1 of hypotheses 2 a to d are not met.

Step 2 of Table 4.5 shows the result of condition 2 where there was no significant relationship between the predictor variable (job insecurity) and the mediator variable (organizational cynicism), therefore condition 2 of hypotheses 2 a to d are not met.

Since the mediation conditions 1 and 2 are not met, mediation was not shown and hypotheses 2 a to d are not supported. However, we still examine the effect of organizational cynicism on outcomes, for the sake of completeness. Step
3 of Table 4.4 shows a significant negative $\beta$ coefficient on organizational cynicism for affective and normative commitment, and a significant positive coefficient for withdrawal cognitions, all as would be expected. However the relationship between organizational cynicism and OCB (individual initiative and loyal boosterism) was not significant.

In summary, Hypothesis 2 is not supported, that is, organizational cynicism does not have the expected mediation effect on the relationship between job insecurity and the outcomes, such as affective commitment, normative commitment, OCB (individual initiative and loyal boosterism), and withdrawal cognitions.
Table 4.4 Results of Regression Analysis for the Mediation Relationships of Organizational Cynicism on Job Insecurity and Outcomes

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Note: N = 139. Standardized regression coefficients are shown. JI = Job Insecurity, OC = Organizational Cynicism.

*p < .05  **p < .01  ***p < .001
4.2.4 Test of Moderation Relationship - Hypothesis 3

Table 4.5 shows the results of regression analysis for the moderation relationships on the relationship between job insecurity and organizational cynicism.

Hypothesis 3a posited that perceived supervisor support will moderate the relationship between job insecurity and organizational cynicism, such that there will be a less strongly positive relationship between job insecurity and organizational cynicism with high levels of perceived supervisor support than with low levels of perceived supervisor support. Step 4 shows that the effect of job insecurity was significantly moderated by perceived supervisor support but is the opposite of what was anticipated ($\beta = .222$, $p<0.01$). The result is shown graphically in Figure 4.1, with job insecurity and organizational cynicism separated into “high” and “low” categories, which are one standard deviation above and below the means respectively for the two scales. Thus Hypothesis 3a is not supported, as there was a more strongly positive relationship between job insecurity and organizational cynicism with high levels of perceived supervisor support than with low levels of perceived supervisor support, where the relationship appeared to be negative. Although perceived supervisor support moderates the relationship between job insecurity and organizational cynicism, the relationship is the opposite of our hypothesized relationship. Rather than perceived supervisor support buffering, or reducing, a positive relationship between job insecurity and organizational cynicism, we appear to have a reverse buffering moderating effect, with high support actually turning a negative into a positive relationship. The plot shows that survivors’ organizational cynicism seems to be lower when there is a higher level of supervisor support, but this
difference narrows as job insecurity increases.

![Graph showing the effect of perceived supervisor support on job insecurity and organizational cynicism.]

Figure 4.1 Moderator Effect of Perceived Supervisor Support on Job Insecurity and Organizational Cynicism

Hypothesis 3b posited that supervisors’ interactional justice will moderate the relationship between job insecurity and organizational cynicism, such that there will be a less strongly positive relationship between job insecurity and organizational cynicism with high levels of interactional justice than with low levels of interactional justice. Step 4 of Table 4.4 shows that the effect of job insecurity was moderated by supervisors’ interactional justice but it was in the unanticipated opposite manner ($\beta = .177, p<.05$). The result is shown graphically in Figure 4.2, with job insecurity and organizational cynicism separated into “high” and “low” categories. As a result, hypothesis 3b is not supported, since there was a more positive relationship between job insecurity and organizational cynicism with high levels of interactional justice than with low levels of interactional justice. Although supervisors’ interactional justice seems to moderate the relationship between job insecurity and organizational cynicism, the relationship is the
opposite of our expectation. Instead of buffering or reducing the positive relationship between job insecurity and organizational cynicism, supervisors’ interactional justice appears to have a reverse buffering moderating effect, with high interactional justice actually turning a negative into a positive relationship.

![Graph showing the relationship between job insecurity and organizational cynicism](image)

**Figure 4.2 Moderator Effect of Interactional Justice on Job Insecurity and Organizational Cynicism**

The effects found for hypotheses 3a and 3b and shown in Figures 4.1 and 4.2 are similar. Neither has an immediately obvious interpretation, but it is clear that the buffering hypotheses are rejected. In both cases, high levels of the moderator (supervisor support and interactional justice) are associated with lower levels of organizational cynicism, which then increases slightly as perceived job insecurity increases. This is suggestive of a reverse buffering effect, with a supportive supervisor being associated with a more strongly cynical response to insecurity. It may be that a supportive supervisor affirms the sense of outrage at the perceived insecurity, perhaps agreeing and therefore actually strengthening the subordinates’ negative response. This makes sense to the extent that supportive supervisors may also themselves feel negatively towards the
organization and senior management. It may be that an unsupportive supervisor may have an opposite effect, with an increase in job insecurity actually reducing cynicism, perhaps because the employee feels the need to adopt a more positive attitude in the face of a combination of job insecurity and an unsupportive supervisor in order to protect self interests and secure his/her job.

Hypothesis 3c posited that continuance commitment will moderate the relationship between job insecurity and organizational cynicism, such that there will be a more strongly positive relationship between job insecurity and organizational cynicism for those survivors with high levels of continuance commitment than those with low levels of continuance commitment. Step 4 shows that there was no significant moderating relationship of continuance commitment on job insecurity and organizational cynicism. Therefore Hypothesis 3c is not supported.

In summary, Hypothesis 3 is not supported, in that supportive leadership (perceived supervisor support and interactional justice) and continuance commitment do not have the expected moderating effects on the relationship between job insecurity and organizational cynicism. Supportive leadership does not alleviate, nor does continuance commitment aggravate, a positive relationship of job insecurity and organizational cynicism. However it seems that perceived supervisor support and interactional justice have reverse buffering effects on the relationship between job insecurity and organizational cynicism. These unanticipated findings will be discussed in the Discussion section.
Table 4.5 Results of Regression Analysis for the Moderation Relationships on Job Insecurity and Organizational Cynicism

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Note: N = 150. Standardized regression coefficients from the final equation (Step 4) are shown. Dashes indicate that the variable was not entered into the analysis as reported in the column.

JI = Job Insecurity, PSS = Perceived Supervisor Support, UC = Unjust Criticality, CC = Continuance Commitment

*p < .05, **p < .01, ***p < .001
4.2.5 Summary of Results of Hypotheses Testing

The table below shows a summary of the results of the hypotheses testing.

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Where JI = Job Insecurity; AC = Affective Commitment; NC = Normative Commitment; OCB = Organizational Citizenship Behavior; WC = Withdrawal Cognitions; OC = Organizational Cynicism; PSS = Perceived Supervisor Support; IJ = Interactional Justice; CC = Continuance Commitment.

4.3 Post-hoc Analyses of Moderation

Given the failure of the mediation hypotheses testing and the unexpected findings on the moderators which contradict our expectation, in order to gain additional insights into the processes at work, it was decided to conduct a post-hoc analysis of the possible moderation effects of perceived supervisor support, interactional justice and individuals' continuance commitment on the relationship between organizational cynicism and the various outcomes.

It is believed that, supportive leader behavior is a source of self-confidence and social satisfaction as well as a source of stress reduction and alleviation of frustration for subordinates (House and Mitchell, 1974). Thus if their immediate supervisors or leaders are approachable, supportive, friendly and concerned for
their well-being and needs, treat them as equals, and listen to their grievances, then subordinates' problems can be eased or alleviated (Brockner et al., 1992; Jones and Kriflik, 2006; Marks, 1997; Noer, 1993; Scheck and Kinicki, 2000). This is the logic underlying the hypothesized buffering effects. Our buffering hypotheses suggested that any perceived job insecurity following on from restructuring would be reflected in increased organizational cynicism, but to a lesser extent if employees feel that they are fairly treated by their supervisors, i.e. interpersonally or interactionally fair (Reichers et al., 1997). As we have seen, these hypotheses were rejected. However, it may be that there is a similar effect in the relationship between organizational cynicism and outcomes. Therefore supportive leadership, in terms of supervisor support and interactional justice, will be a moderator or buffer, mitigating the effect of organizational cynicism on the reactions.

In addition, when surviving employees feel cynicism towards the organization, they may tend to become less attached to the organization and perform less OCB and think of quitting. However, when the individuals are locked in the organization by personal investments and lack of possible job alternatives (i.e. with high levels of continuance commitment), they may remain in the organization (Allen and Meyer, 1990) despite their strong cynicism, simply because they have no choice. Under these circumstances, the survivors may reduce their negative attitudes towards the organization as they may think that since they have to continue to stay and work in the company, it is better for them to work happily than sadly. Therefore, they may try to involve themselves in the organization by being more committed, performing more OCB, and considering not quitting. Thus continuance commitment may exercise a buffering effect to
alleviate the negative reactions.

Table 4.6 shows the results of regression analysis for these moderators' effects on the relationships between organizational cynicism and outcomes. Contrary to the hypothesized reasoning, step 5 also shows that perceived supervisor support and interactional justice had significant negative moderating effects on the relationship between organizational cynicism and affective commitment, that is, organizational cynicism was negatively moderated by perceived supervisor support ($\beta = -.218$, $p<.01$) and interactional justice ($\beta = -.235$, $p<.01$). The results are shown graphically in Figures 5.3 and 5.4 with organizational cynicism and affective commitment separated into “high” and “low” categories, which are one standard deviation above and below the means respectively for the two scales. These show that there was a more strongly negative relationship between organizational cynicism and affective commitment with high levels of perceived supervisor support or interactional justice than with low levels of perceived supervisor support or interactional justice. Closer inspection of the plots suggests that high supervisor support (or interactional justice) is associated with higher affective commitment, but that this higher commitment quickly evaporates as cynicism increases, so that for high levels of cynicism affective commitment is similar regardless of the level of supervisor support (or interactional justice). These patterns are the opposite of a buffering effect, and instead suggest that having a supportive supervisor is associated with a more rather than less strongly negative relationship between cynicism and affective commitment. Again, what we may be seeing is an effect whereby the supportive supervisor affirms, rather than buffers, the negative response to cynicism, perhaps because such a supervisor also feels negatively about the
organization.

![Graph showing the relationship between affective commitment, organizational cynicism, and perceived supervisor support](image)

**Figure 4.3** Moderator Effect of Perceived Supervisor Support on Organizational Cynicism and Affective Commitment

![Graph showing the relationship between affective commitment, organizational cynicism, and interactional justice](image)

**Figure 4.4** Moderator Effect of Interactional Justice on Organizational Cynicism and Affective Commitment

In addition, step 5 of Table 4.6 shows that the relationship between organizational cynicism and normative commitment was negatively moderated by perceived supervisor support ($\beta = -.178$, $p<.05$). This result is illustrated graphically in Figure 4.5, with organizational cynicism and normative commitment
separated into “high” and “low” categories, which are one standard deviation above and below the means respectively for the two scales. This shows that there was a more strongly negative relationship between organizational cynicism and normative commitment with high levels of perceived supervisor support than with low levels of perceived supervisor support. The moderating effect is similar to those seen for affective commitment, with high perceived supervisor support increasing normative commitment and then making a less negative into a more negative relationship between cynicism and commitment.

![Graph showing the relationship between organizational cynicism and normative commitment with low and high perceived supervisor support](image)

**Figure 4.5** Moderator Effect of Perceived Supervisor Support on Organizational Cynicism and Normative Commitment

Furthermore, step 5 shows perceived supervisor support ($\beta = -.204, p<.05$) and interactional justice ($\beta = -.295, p<.001$) also had significant negative moderating effects on the relationship between organizational cynicism and loyal boosterism. These results are shown in Figure 4.6 and 4.7. These show that the relationship between organizational cynicism and Loyal boosterism became negative with high levels of perceived supervisor support or interactional justice from positive low levels of perceived supervisor support or interactional justice.
The plots suggest that higher perceived supervisor support or interactional justice is associated with higher loyal boosterism but that this higher loyal boosterism quickly disappears as cynicism increases, so that for high levels of organizational cynicism, loyal boosterism is similar regardless of level of perceived supervisor support or interactional justice, making a positive relationship into a negative relationship. The results suggest that although survivors seemed to be more loyal to the organization when there were high levels of perceived supervisor support and interactional justice compared to low levels, actually survivors became less loyal as their cynicism about the organization increased when they perceived more support and interactional justice from their supervisors. These findings are similar to those reported earlier.

![Graph showing the relationship between perceived supervisor support and organizational cynicism and loyal boosterism](image)

**Figure 4.6** Moderator Effect of Perceived Supervisor Support on Organizational Cynicism and Loyal Boosterism
It was also discovered from step 5 of Table 4.6 that the relationship between organizational cynicism and withdrawal cognitions was positively moderated by perceived supervisor support ($\beta = .196$, $p<.05$), again the opposite of what was expected. Figure 4.8 shows the result, with organizational cynicism and withdrawal cognitions separated into “high” and “low” categories, which are one standard deviation above and below the means respectively for the two scales as well. This shows that there was a strongly positive relationship between organizational cynicism and withdrawal cognitions with high levels of perceived supervisor support than with low levels of perceived supervisor support. The graph suggests that higher level of perceived supervisor support is associated with lower withdrawal cognitions than lower perceived supervisor support, but this lower withdrawal cognitions disappears as organizational cynicism increases, so that for high levels of cynicism, withdrawal cognitions are similar regardless of the level of perceived supervisor support. Once again, this pattern is similar to those
seen earlier, with a more supportive supervisor appearing to intensify the negative response to cynicism.

![Graph showing the relationship between Organizational Cynicism and Withdrawal Cognitions](image)

**Figure 4.8** Moderator Effect of Perceived Supervisor on Organizational Cynicism and Withdrawal Cognitions

Finally, it was discovered from the results in step 5 that continuance commitment had a significant moderating effect on the relationship between organizational cynicism and withdrawal cognitions ($\beta = -0.256$, $p<.001$). The result is shown in Figure 4.9. It shows that there was a strongly positive relationship between organizational cynicism and withdrawal cognitions for those with low levels of continuance commitment than those with high levels of continuance commitment. It appears that low continuance commitment makes it more likely that individuals will consider the option of quitting as cynicism increases. This is to be expected, since such employees have a more realistic chance of being able to quit. However, high continuance commitment employees tend not to respond to cynicism with higher levels of withdrawal cognitions, presumably because quitting is not a viable option for them.

In summary, the interactions of perceived supervisor support and
interactional justice show a similar pattern, a negative relationship between organizational cynicism and the outcome variables, affective commitment and normative commitment, but more weakly negative where perceived supervisor support/interactional justice is low. For loyal boosterism, perceived supervisor support and interactional justice showed a similar moderating effect, with a negative relationship between cynicism and the outcome when the moderator was high, although with a slightly positive relationship when support/justice was low. Organizational cynicism exerted a strongly positive relationship with withdrawal cognitions with higher perceived supervisor support but almost no relationship when perceived supervisor support is low. In other words, when survivor employees became more cynical about the organization and the management of change, their negative response seems to be more pronounced when their supervisors were supportive and interactionally just.

![Diagram showing the relationship between organizational cynicism, continuance commitment, and withdrawal cognitions.](image)

Figure 4.9 Moderator Effect of Continuance Commitment on Organizational Cynicism and Withdrawal Cognitions

However the interaction of continuance commitment showed an opposite
pattern, a slightly negative relationship with high continuance commitment but strongly positive when continuance commitment is low. This suggests that continuance commitment had a buffering effect in reducing the response to cynicism in terms of withdrawal cognitions. When continuance commitment was high, the survivors had lesser tendencies to think of quitting even though they were highly cynical or showed great dislike towards the organization. These findings will be discussed in the Discussion section.

Summary of moderators on the relationship between organizational cynicism and outcomes.

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Table 4.6 Results of Regression Analysis for the Moderation Relationships on Organizational Cynicism and Outcomes

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Note: N = 139. Standardized regression coefficients from the hierarchical step 3 are shown. Dashes indicate that the variable was not entered into the analysis reported in the column.

JI = Job insecurity, OC = Organizational Cynicism, PSS = Perceived Supervisor Support, U = IntentionalLogout, OC = Continuous Commitment

**p < 0.01, *p < 0.05, **p < 0.01
5. DISCUSSION & CONCLUSION

The previous section presented the findings of the qualitative interviews and the results of the quantitative analyses, including the hypothesis tests and post-hoc analyses. This section will discuss and conclude on the findings of the study, and present the implications for theory and management, and discuss the limitations of the current research study and suggestions for future research.

5.1 Overview and Discussion of the Findings

It was hypothesized that job insecurity would be negatively related to affective and normative commitment as well as OCB, and positively related to withdrawal cognitions. However the results in this study show no support for this hypothesis. This may suggest that the survivors do not seem to have developed survivor syndromes. On the contrary, there was a significant relationship, but with perceived job insecurity positively related to normative commitment and negatively related to withdrawal cognitions. The original hypothesis was based on the notion that higher perceived job insecurity in the current job would trigger lower commitment and higher job search behavior, as individuals seek to escape their insecure position. In fact, our contrary finding may suggest that those individuals who see themselves as being insecure in their current job have a pessimistic perception of their wider marketability, so that they are discouraged from initiating job search behavior.

The finding may also suggest that the survivors feel that they have the obligation to stay with their survivor colleagues in the organization even though there is job insecurity and chances of losing their jobs due to organizational changes. This can be traced from the results of the interviews where an
interviewee indicated that one of the reasons for his staying in the organization was due to the attachment to his colleagues.

Furthermore, although job insecurity was found to be negatively related to withdrawal cognitions instead of positively as hypothesized, it showed that even though there is job insecurity, the survivors do not strongly think of leaving the organization or job.

The cause of this attitude may be economic conditions. When this research was taking place, the economy of Hong Kong was still uncertain, though it showed some signs of recovery. The survivors might perceive that every organization was also uncertain, unstable and risky in terms of job security under such economic conditions, and that there were limited alternatives for better jobs. They may therefore have felt that instead of thinking of leaving the present job for an equally if not more risky and uncertain one, it was better to remain in the current organization. Under these circumstances, withdrawal cognitions may be actually reduced as perceived job insecurity increases. This was shown from the interviews with the survivors, where some interviewees said that they chose to remain in the organization because of a lack of better alternatives and an uncertain market situation. This finding was also supported by Step 4 of Table 5.6 that continuance commitments i.e. personal investment in the organization and lack of better job alternatives, had a significant negative relationship with withdrawal cognitions ($13 = -.438, p<.001$), where survivors were less likely to think of leaving the organization when they had invested a lot in the organization personally and perceived limited better and suitable job alternatives in the employment market.

In addition, the phenomenon that survivors’ intention to leave decreased could
also be observed from the post-hoc investigation on the moderating effect of continuance commitment on the organizational cynicism-withdrawal cognitions relationship. It showed that continuance commitment had a significant moderating effect on this relationship although it had no moderating effect on the relationship between job insecurity and organizational cynicism, as has been hypothesized. There was a more strongly positive relationship between organizational cynicism and withdrawal cognitions for those survivors with low levels of continuance commitment than those with high levels of continuance commitment. This suggests that those who are not tied into the organization by side bets and a lack of better job alternatives may respond more strongly with increased withdrawal cognitions as their cynicism increases. Perhaps more worrying is the possibility of employees with high continuance commitment feeling locked in and unable to quit even as their cynicism increases.

Moreover, when a survivor perceives that the economic condition is unfavorable for changing jobs, there are limited better and suitable job alternatives such as in terms of career development, unique skills application, benefits, future opportunities, etc. and so is locked in, he or she may develop a lesser tendency to think of leaving the organization (Allen and Meyer, 1990, 1996; Long, 1995; Meyer and Allen, 1991), and yet he or she may be highly cynical about the organization or perceived job insecurity. Therefore survivor employees remain in the organization may be because of their continuance commitment rather than because of their affective or normative commitment. In addition, the post-hoc investigation on the moderator effect of perceived supervisor support illustrated that despite high levels of perceived supervisor support, there was a strongly positive relationship between organizational cynicism and withdrawal
cognitions, therefore it shows that supervisor support does not necessarily alleviate withdrawal cognitions of survivors. Thus the fact that survivors remain in the organization is not necessarily due to support from their supervisors.

The mediation analysis shows that hypothesis 2 is not supported, that the behavior or attitudes of survivors resulting from job insecurity was not mediated by organizational cynicism. This means that the behavior or attitudes of job insecurity perception may not be intervened by organizational cynicism. That is, organizational cynicism may not be the cause of job insecurity reactions, and that survivors' perception of job insecurity and uncertainty may not be projected onto the incapability or incompetence of the management to develop cynicism and then negative reactions. There may be other factors which intervene between job insecurity and potential outcomes.

In this study, the moderators — perceived supervisor support, interactional justice and continuance commitment — had no buffering effect on the job insecurity-organizational cynicism relationship, contrary to hypothesis 3. In fact, there was evidence of a reverse buffering effect of perceived supervisor support and interactional justice on the relationship between job insecurity and organizational cynicism. That is, with high levels of perceived supervisor support or interactional justice there was a strongly positive relationship between job insecurity and organizational cynicism. In contrast, with a lower level of perceived supervisor support and interactional justice the relationship between perceived job insecurity and organizational cynicism was negative. It appears that negative treatment by the supervisor is associated with higher levels of organizational cynicism, but that organizational cynicism declines as perceived job insecurity increases. It is not immediately obvious why this is so, but it may be that an
increase in job insecurity only results in greater organizational cynicism where the individuals feel that they have a supportive supervisor who echoes or validates their negative feelings towards the organization — a reverse buffering effect. It may be that some supervisors are also suffering from the restructuring, and that this common feeling with subordinates is especially strong amongst those who are supportive of subordinates. Thus when the cynical supervisors communicated, exchanged and shared their negative feelings with their subordinates to show support and release their anxiety, the survivors’ negative feelings and attitudes towards the organization were enhanced rather than buffered, since they felt freely to express their negative feelings towards the organization and its management, so that their cynicism was even aggravated as a multiplier effect rather than being alleviated. However where the supervisor is seen as being less supportive, there is no one to echo the individuals’ negative feelings as they perceive more job insecurity, so this uncertainty is less likely to be expressed in terms of cynicism. Thus, when support is lacking individuals increased perceptions of job insecurity may translate more into concerns about their self-interests and their career (Hirsch, 1987), rather than expressions of cynicism towards the organization.

From the post-hoc investigation on the moderation relationship between organizational cynicism and outcomes, the reverse buffering effect of perceived supervisor support and interactional justice is more obvious. It appears that higher levels of perceived supervisor support and interactional justice are associated with a stronger negative relationship between organizational cynicism and outcomes such as affective and normative commitment, a strongly negative relationship for loyal boosterism, and a strongly positive relationship between
organizational cynicism and withdrawal cognitions. It seems that an increase in supervisor support and interactional justice is associated with more positive attitudes and less negative attitudes, but this is eroded quickly as organizational cynicism increases. It may be that having a supportive supervisor who echoes makes one feel more comfortable to express negative feelings or attitudes, hence cynicism grows and is more likely to translate into more negative reactions or attitudes.

The above show that supervisors are very influential members of employees’ role sets at work (Beehr, 1985; Caplan et al., 1975; House, 1981; LaRocco et al., 1980). Though it is theorized that support from supervisors (in more than one form) can be buffers of subordinates’ stress and strains (Beehr, 1985; Caplan et al., 1975; House, 1981; LaRocco et al., 1980), the unanticipated findings in this study suggest that supportive supervisors (perceived supervisor support and interactional justice) may provide reverse buffering effects, that is, they aggravate subordinates’ organizational cynicism and negative behavioral outcomes or reactions with increase in perception of job insecurity and organizational cynicism respectively. Though high perceived supervisor support or interactional justice is associated with high affective and normative commitments, loyal boosters and low withdrawal cognitions, as organizational cynicism increases the effect of perceived supervisor support or interactional justice disappears and negative reactions increase. When survivor employees receive greater support from their supervisors, i.e. the supportive supervisors advocate or support their negative feelings or attitudes, this leads to greater effects on the survivors’ organizational cynicism and thus more negative behaviour or attitudes as they may think that since their attitudes are supported by their immediate supervisors, it is safe for
them to continue to act and express themselves in front of the supervisors.

On the other hand, supportive supervisors may be survivors who have not adapted to the new organizational culture, and so themselves feel job insecurity and stress, attribute the blame to the management and become cynical about the new organization, perhaps complaining about the way of doing things such as complicated operation procedures and believing that their own way is superior (Marks and Mirvis, 1992). These supervisors may convey their cynical thoughts and attitudes to their subordinates when they show support and share their feelings and views about work, the management, the organization and the restructuring with their subordinates, as well as through their behavior. It is found that sources of social support “may sometimes convince us that job conditions are not as bad as they seem, whereas at other times they may help us to see that they are as bad as, or even worse than, we thought” (LaRocco et al., 1980, p.213-214). Whilst higher supervisor support is itself associated with lower levels of organizational cynicism and more positive work attitudes, the presence of higher levels of support is associated with a strongly positive association between job insecurity and cynicism, and a strongly negative association between cynicism and work attitudes. It appears that supervisor support aggravates the subordinates’ negative response to job insecurity and cynicism towards the organization. According to Beehr (1985), employees and their supervisors can talk about their work situation positively and negatively and even in stressful situations, can talk about how bad things are or how good things are. A cohesive group with extensive communication may either serve in attenuating or exacerbating the level of negative attitudes (Beehr, 1976). Thus what people talk about at work could lead to different effects (Beehr, 1985; LaRocco et al., 1980).
This situation was apparent from the findings of the interviews where the interviewees who were supervisors were also cynical about the organization, complaining about the complicated procedures and the top management style, etc. Thus, their cynical thoughts and attitudes could have been conveyed to their subordinates, which would have affected the subordinates' behaviour and attitudes. Negative content of communications might alter an individual's perception of a situation from positive to negative or accentuate an already negative appraisal (i.e. things are actually worse than they first thought), thus negative communications might lead to a reverse buffering effect of supervisor support (Beehr, 1985).

An alternative explanation for reverse buffering comes from a consideration of the source of stressor and support. Where these are seen as close, then reverse buffering may result. Thus, though the supervisors show friendly support and interactional justice, the survivor subordinates may feel that they are the agents of the management, proxy of the organization, the source or cause of the stress or unfavorable condition they are suffering, the survivors will become antagonistic against the supportive supervisors and react negatively. It is because increased interaction with the support figure may exacerbate the stress response if they are the actual source of the stress (Kaufmann and Beehr, 1986).

Lastly, the difference in final outcome between this research and literature may be due to the change in communication way from the old days to the present society. In the Internet era nowadays, information is shared quickly, freely and openly through Internet. The employees involved can easily access the latest information disclosed such as why and how the companies plan to carry out organization restructuring. Although the employees may have job insecurity
feeling, they are less likely to resign due to the increase in information transparency. This research did not take the above factors as variables for testing. As a recommendation for future research, all these are the potential areas which can be further studied.

In summary, the interactions between job insecurity or organizational cynicism and perceived supervisor support or interactional justice in this study showed that the reverse buffering effect of perceived supervisor support and supervisors’ interactional justice dominated any tendency towards positive buffering, while continuance commitment exerted buffering effect.

5.2 Conclusions

As a conclusion from the investigations and discussions above, there were no significant relationships between job insecurity and its behavioral outcomes as hypothesized. The behavioral outcomes of individual survivor employees, affective commitment, normative commitment and OCB may not necessarily be negatively related to job insecurity and withdrawal cognitions may not necessarily be positively related to job insecurity as per the theories. Opposite relationships (e.g. negative relationship between job insecurity and withdrawal cognitions) could happen and the reasons behind need to be further investigated. In addition, reactions of survivors to job insecurity appear not to be mediated by organizational cynicism, indeed, perceived job insecurity was itself not significantly associated with organizational cynicism or with the behavioral reactions.

In this study, there was no evidence of a buffering effect of perceived supervisor support, supervisors' interactional justice and individuals' continuance
commitment on the relationship between job insecurity and organizational cynicism. On the contrary, it was found that the moderators, perceived supervisor support and supervisors’ interactional justice, exercised a reverse buffering effect. In addition, it showed that perceived supervisor support and supervisors’ interactional justice could be strong reverse buffers, as evidenced by the post-hoc investigation on the relationships between organizational cynicism and behavioral outcomes. Nevertheless, continuance commitment was found to be a buffer in moderating or alleviating the strongly positive relationships between organizational cynicism and withdrawal cognitions. It may be one of the factors that make the survivors remain in the organization despite being cynical.

5.3 Implications

5.3.1 Theoretical Implications

That no significant relationships between perceived job insecurity and outcomes were found in this study, suggests that any such relationships might be due to several factors. It may be that the measure of perceived job insecurity was in some way flawed, failing to tap into the construct in a valid way. However, the measure used has been used in previous studies (Hellgren et al., 1999; Hellgren and Sverke, 2003) with significant findings, which suggests that measurement was not a key problem here. The findings of this study showed that the behavioural outcomes of individual survivor employees, affective commitment, normative commitment and OCB may not necessarily be negatively related to job insecurity or withdrawal cognitions may not necessarily be positively related to job insecurity as per the theories. Opposite relationships (e.g. negative relationship between job insecurity and withdrawal cognitions) may occur in some
circumstances and the factors which cause such relationships warrant further investigation.

Noer (1993) suggested that over time, survivors who feel powerless and whose jobs are in danger or insecure, tend to be pessimistic about the success of change and become cynical. This study examined this proposition empirically. However there was no evidence that job insecurity is significantly positively related to organizational cynicism. The findings of this study suggest that job insecurity does not lead to organizational cynicism. It may be that the relationship between perceived job insecurity and organizational cynicism and outcomes may be moderated by other factors not considered in this study, and it may be that factors other than organizational cynicism may mediate any relationship. These possibilities require further research. Alternatively, it may be that the period of organizational restructuring was not extensive enough for survivors to perceive job insecurity and develop organizational cynicism. To examine this further, longitudinal studies may be needed to test the relationship between job insecurity and organizational cynicism, considering the extensiveness of the period of organizational restructuring.

The results of this study show that supportive leadership in terms of perceived supervisor support and interactional justice can be reverse buffers (Kaufmann and Beehr, 1986), besides being positive butlers (Gore, 1978; House et al., 1979; Kirmeyer and Doughterty, 1988). Actually the findings regarding the buffering hypothesis of supervisor support in work settings are mixed (Beehr, 1985; Ganster et al., 1986). Further studies can be carried out to investigate further the effect or impact of these two constructs, especially the reverse buffering effect. Negative communications between supervisors and subordinates
might lead to such reverse buffering effects (Beehr, 1985; Fenlason and Beehr, 1994).

In addition, acculturative conflicts or cultural clashes (Cartwright and Cooper, 1993; Elsass and Veiga, 1994; Marks and Mirvis, 1992) may be one of the causes of reverse buffering effects of supportive supervisors/leaders, where survived supervisors cannot adapt to the new organizational culture feel threatened by the combination of organizational cultures and believe their way of doing things as superior to the other (Marks and Mirvis, 1992) and hence become cynical and develop negative attitudes towards the new organization which may be conveyed to their subordinates through interactions.

5.3.2 Managerial Implications

Hong Kong is an Asian society with high power distance (Hofstede, 1984), and supervisors have a greater ability to influence their subordinates than subordinates have to influence the supervisors in such cultures (Hofstede, 1984). The supervisors can communicate and share freely with subordinates their feelings and thinking, etc. to show support, so that negative opinions from supervisors can be conveyed to subordinates through interactions. Therefore it is essential for management of organizations to foster the survivor employees' positive feelings, thinking and attitudes towards change.

Since it was discovered that supervisors’ support and interactional justice can aggravate employees' negative attitudes or behavior, top management need to try to communicate to all staff, and especially supervisors, on the benefits of organizational change or merger. They may consult department heads and supervisors opinion on key changes which might affect their operations or daily
work (Garpin and Herndon, 2000; Schweiger and DeNisi, 1991). This may help to affirm their meaning and impact for the organization, avoid making them feel isolated, develop a sense of belonging, and so change their attitudes towards the change and make them feel secure, so as to minimize negative communications. Under these conditions, supervisors may be less likely to communicate negative attitudes to their staff or subordinates, so that there be no aggravation of any cynicism or negative attitudes of subordinates. In this sense, open communication and transparency during organizational restructuring or merger is necessary as much as possible in order to have the survivors especially the supervisors adequately informed about changes taking place, new organizational standards, advancement opportunities, and growth-security issues within the organization to rebuild their trust and commitment.

Where restructuring also impact on supervisors and managers, it is possible that they too may share in the negative responses. Where supervisors are cynical, the organization should not rely entirely on the supervisors to liaise or communicate with the employees. Direct open communication through company newsletters is recommended to avoid negative communications by the supervisors. 'If the organizational climate is one of openness and trust, then incomplete or controversial communications are more likely to be interpreted favourably. However, when distrust is the norm. ... messages may be harshly scrutinized for “hidden meanings”, and even good news may be greeted with suspicion and ridicule.'(Appelbaum et al., 1997, p. 283)

In addition, it is important for top management to provide as comfortable conditions as possible for survivor employees, to facilitate their adaptation to the new organizational culture quickly and smoothly, so that cultural conflicts can be
minimized, employees will not feel frustrated or condemn the new practices. The management can look for ways to streamline the current work.

Management of a restructuring company can also increase company activities to restore survivor employee trust as trust was injured during the restructuring. To increase survivors’ commitment by sending them message that the company values and needs them. It is essential that surviving employees sense that they are part of the new organization.

5.3.3 Case Study

With the conclusion made in this research, it is worth to use two real case studies to illustrate how these real cases are in line with our research findings. The first one is Chunghau Chengyang Co Ltd in Taiwan as investigated by Fu et al. (2001) and the second case is Utilco in England as studied by Balogun (2007).

Background

Chunghua Chengyang Co Ltd (hereinafter referred to as “Chengyang”) is a Taiwanese company established in 1992. It is a Class One water and electricity supply contractor, whose areas of business include electrical wiring, piping, air conditioning, fire prevention facilities, waste disposal facilities etc. When first established, the company had capitalization of NT$5 million, operating revenue of NT$5.4 million and approximately 11 employees. By 1996, the company’s capitalization had increased to NT$25 million, its operating revenue had increased to NT$68 million, and the number of employees had risen to around 20, of whom six were financial, purchasing, accounting and personnel staff, and the remainder were construction site personnel. It is a typical small business; its organizational structure is shown in Figure 5.1.
Figure 5.1 Organizational Structure of Chengyang

A characteristic of the water and electricity supply contracting industry is that once a firm has been given a contract, they implement construction in accordance with the plans, but before being given the contract they must give a quotation based on the specifications announced by the client. At present, Chairman Chang (hereinafter referred to as “the manager”) handles the giving of quotations; once the contract has been secured, the foreman directs the employees in construction according to the plans. The emphasis of the company is on construction techniques.

Since the company was first established, as the number of employees is limited and the company organization simple, the manager and employees have collaborated closely in trying to make the company a success. The manager is of vital importance to the company; he has to be personally responsible for production, sales and purchasing, and more or less carries the company on his back. When the company was small, it was possible to use human effort as a substitute for management mechanisms, but as the company grew, there was a risk of management problems occurring. Chengyang faced these problems after increasing its capitalization to NT$25 million in 1996. Under the old structure of
organization, employee’s commitment to the company was reduced, and employees became passive and negative; in order to prevent them from becoming competitors, the manager did not teach them everything he knew. With their opportunity to learn restricted and apparently with no future, coupled with the company’s unsound systems, employees did not concern themselves with cost and efficiency. The effort employees put in was out of proportion to the compensation they received. As a result, the company’s profits after the increase of capitalization were much lower than they had been in the previous two years.

In order to achieve perpetual operation, the company had to upgrade the transform itself. Faced with the difficulties described above, the manager began to think about how it should be developing. Besides seeking advice from outside experts, the manager also began to demonstrate more concern for employees, talking to them to find out what they hoped to get out of the company, and to explain to them the manager’s management philosophy and his views on the future. After this subconscious establishment of a consensus, the manager got together with the foremen to discuss how to improve efficiency and reduce costs. After several rounds of discussion, a consensus was reached, which was that the company should establish sound systems and implement organizational restructuring.

New Organizational Structure

The steps of organizational restructuring are not our focuses and would not be discussed in details here. Instead the implementation of the new organizational model should be interpreted in order to evaluate how our research findings aligned with what happened. Chengyang had implemented the new
organizational model in three stages.

- **Stage 1 – System Establishment and Education**

  In the early stages of restructuring, Chengyang thought that a consensus has to be established with employees. Once this consensus has been established, the main task is then to establish a system which both the company and the employees can accept, with clear responsibilities and obligations. If this system is properly designed, it can be very helpful with respect to increasing employees’ loyalty and commitment to the company. However for a manager with only a primary school education, it is a major challenge. In order to formulate a sound system, therefore, the manager first drew up a draft version with the assistance of experts. The manager and his employees discussed this draft version from the point of view of the overall interest of the company and its development principles, before deciding on a final version. The system design included:

  - the model for the company’s organization and its operation;
  - responsibilities, scope of authority and performance standards for individual employees;
  - description of construction standards;
  - auditing systems.

  Once the new system has been established, the next step is to educate employees. Although the number of new employees in the company was not high, owing to their low level of education, transmitting the thinking behind the new system to the employees, so that they understood that only by working together as a team could they share in the company’s profits, was no easy task. The manager educated and communicated with the employees every day after work but the employees were dubious about the idea that the manager wanted to
share the company’s profits with them. Clearly a kind of organizational cynicism was developed. The manager also regularly distributed questionnaires to evaluate the degree of their anxiety and found the extent of job insecurity feeling was rather high.

- **Stage 2 – Organizational Adjustment**

The new organizational structure as shown in Figure 5.2 is dramatically different from existing system. During the organizational adjustment process, no employees were laid off; those employees whom did not approve of the new system were allowed to leave of their own accord. However it was strange that there was only 1 employee left the company under the high job insecurity feeling. This is somewhat in line with our research finding of no positive relationship between job insecurity and withdrawal cognitions. Another recent example which could act as illustrative example was HSBC. In September 2011, HSBC announced to implement global manpower cut of 30,000 employees before year 2013, inside which 3,000 employees laid off would occur in Hong Kong region. According to the survey done by Hong Kong Banking Employees Association in January 2012 (Asiaone Business, 2012), 75% of the HSBC respondents felt anxious and sullen, while 59% said they have difficulty concentrating on their work. Meanwhile, 61% of participants said the bank has a manpower shortage, 68% said they are constantly overworked. The interesting thing is that the turnover rate, not taking those employees being laid off into account, has no increase at all.

The manager aimed at reducing employee’s anxiety during the transitional period and provided a series of guidance to his subordinate to enhance the sense of responsibility and commitment to the company of the remaining employees.
Unfortunately another 10 employees resigned after the superior's guidance took place. Again by applying our verdict that a more strongly positive relationship between job insecurity and organizational cynicism with high levels of perceived supervisor support than with low levels of perceived supervisor support, it should be no surprise to see this phenomenon.

![Organizational Structure Diagram]

Figure 5.2 The New Organizational Structure

During this stage, the number of employees in the company fell from 20 to 9. After organizational adjustment, the company was deemed to have more flexibility. The 9 remaining employees directed different projects, for which sub-contractors were used; at the same time, they also started to build up their own work teams proactively. After three months, the company had 15 employees but only those 9 original employees were more in tune with the company's philosophy and methods. This demonstrates our repudiation on negative relationship between perceived job insecurity and normative organizational commitment as the original staff having the most strong job insecurity feelings committed the most to the new tasks.

Unfortunately due to lack of the commitment of new staff, the company did not get on to the right track, no great improvement in working efficiency encountered, and expenditure fell only slightly.

- **Stage 3 – Transformation of the Enterprise**
After completing organizational restructuring by the end of 1997, Chengyang’s overall condition of the company had improved slightly but was not as good as expected. The manager maintained a firm grasp of the company’s operational status through the performance auditing system. Following an incident that a client failed to make payment, in order to prevent similar incidents from happening again in the future, the company established a construction design department, while gradually reducing the size of the construction department; the company was being transformed into a water and electricity supply general contractor. The emphasis switched from labor and efficiency to design services, with the actual construction work being contracted out. After transformation, the company’s organizational structure was as shown in Figure 5.3. By this time, the company’s scale of operation expanded significantly, but profits grew only a little under the structure of “large company operations with small company scale.” In addition to their responsibilities within the company’s fixed organization, all personnel also had to establish teams for the projects they were working on and implement the project management to achieve the goal of creating a virtual enterprise.

From this case study, it can be seen that Chengyang’s organizational restructuring would not be a very successful one. The key issue was failure on retention of original employees leading to loss of know-how and employee’s commitment. Anyhow, this case study serves as a good illustration on some of our findings, especially “perceived supervisor support will not moderate the relationship between job insecurity and organizational cynicism”.
5.4 New Organizational Restructuring Framework

It is merit to discuss the new findings from this research which can be applied in future study. Basis on the research results and the case study in section 6.3.3, the researcher dares to make the following new verdicts.

1. Perceived supervisor support will have reverse buffering effect on relationship between organizational cynicism and affective commitment.

2. Perceived supervisor support will have reverse buffering effect on relationship between organizational cynicism and normative commitment.

3. Perceived supervisor support will have reverse buffering effect on relationship between organizational cynicism and loyal boosterism.

4. Perceived supervisor support will have reverse buffering effect on relationship between organizational cynicism and withdrawal cognitions.

The researcher believes the above findings are useful for further academic use as well as practical application in companies which face organizational restructuring. Here it is also the researcher’s intention to use this new knowledge to apply in a real company which is going to do the organizational restructuring.
5.4.1 Background of Restructuring Company

A British Utility, Utilco, recently announced that they are going to implement strategic change involving a shift in structure to a more modular organizational form in response to increasing regulation. However, the management worried that the more radical a new structure, the more it will require a shift in the mental models, or schemata. Schemata are the mental model or frameworks in which learning from past events and experiences are stored in memory (Rumelhart and Ortony, 1977). They are data reduction devices which enable us as individuals to negotiate our complex world. Organizational schemata or interpretive schemes (Bartunek, 1984) are simply the frame of reference shared among members of an organization. Whilst individuals within a group may not have identical schemata, some level of shared understanding is likely to exist to enable coordinated activity. If an organization is to change, the mental representations that individuals share about that organization also need to change. The process of sensemaking is central to the creation and change of individuals’ schemata. When individuals experience change, to understand the implications of these changes for themselves and to make sense of it all, they exchange gossip, stories, rumors and past experiences, and take note of symbolic behaviors and actions (Gioia and Chittipeddi, 1991; Isabell, 1990; Labianca et al., 2000; Poole et al., 1989). Through these means, what is more commonly known as sensemaking behavior, individuals then develop new understandings. Thus when organizations are restructured, individuals engage in active sensemaking processes to understand the implications for themselves, their teams/departments, and their ways of working with others. Through these means they can come to some form of new, and where possible, shared understanding to enable cooperative working within
the new structure and the delivery, where possible, of the new goals set for them. This in turn means that we need to understand the nature of the sensemaking processes and the schemata change process individuals go through if we are to understand how restructuring occurs.

5.4.2 Proposed Restructuring Process

Utilco’s organizational structure is a traditional centralized hierarchy of about 3,500 staff. By taking into consideration of our new knowledge developed and the restructuring failure of Chengyang, the researcher proposes to dismantle the old core business division into three new business units – a small core business division (with about 300 staff) and two larger internal service business units, Engineering and Services, which to be from henceforth to provide all needed support activities and services to the new core division on a contractual basis. The core division will become the business owner responsible for the strategic development of the business. Engineering will be responsible for the development, maintenance and repair of Utilco’s network and Services will be responsible for the delivery of customer services. Both business units will provide these services on a contractual basis. This fundamental restructuring of the business therefore also involves the development of new working practices, procedures and systems to support the new contractual working environment. These new ways of working includes more flexible working practices which thus minimize the superior support. Every employee has a sense to treat himself as “owner” under minimum control. The business can therefore be downsized as part of the re-structuring. Simultaneously there will be an intent to shift from the relatively old fashioned technical, “blame/control” culture to a more customer
service orientation

By taking the success portion of Chengyang's restructuring practice, the researcher also proposes to let the staff apply for the types of jobs as they want in the new structure. The staff who are to be offered positions will be selected and those to “take exit” also to be identified. This is the practice somewhat similar to what Chengyang did, i.e. no employees were laid off, those employees whom did not approve of the new system were allowed to leave of their own accord.

Figure 5.4 shows that before change everyone within the old core divisions of Utilco worked together as one company, with equal status. When cooperation beyond the usual was needed it was done on the basis of goodwill. There was an unspoken expectation that the favor would be returned at some time but there was no need to request that or demand something in return. By doing the restructuring, it will be the researcher’s intent to move the staff away from shared sensemaking into the fractured sensemaking as the old common identity breaks down. In this way, the core division should move towards as a business owner, and meanwhile the service businesses will be metaphorically starting to equate themselves with contractors so that every division and even every employee will look himself as owner. As the individuals within each of the new divisions focuses internally on the establishment of their own bit of the new structure, there will be little overlap between the different divisions in terms of the content of their schemata and therefore the way they see the new world. For example, the core division will establish procures that enable them to issue and monitor work against contracts. By adopting this restructuring framework, the researcher believes the effects of organization cynicism on affective commitment, normative commitment, loyal boosterism and withdrawal cognitions can be minimized.
5.5 Limitations and Future Research

5.5.1 Limitations

The sample size perhaps is not that large as the total number of staff employed by the company in Hong Kong was only around 400. While out of which 272 were survivors, the response rate of 51% for mail survey is considered adequate (University of Texas, 2012) although this is one of the limitations of this research. Although some opinions may encourage to test in LISREL, it would however not be applicable for this sample size.

The lack of significant findings on the main hypotheses may be due to the small number of responses, although the (unexpected) significant findings on the buffering effect of continuance commitment and reverse buffering effect of supportive leadership (perceived supervisor support and interactional justice),
suggests that there was sufficient statistical power to find some significant results. The study was based on one organization only, so that these findings may reflect the idiosyncrasies of the organization, or the particular stage of its development. Therefore future researches should focus on more than one reorganized or restructured organizations in order to obtain more responses, and provide a sounder basis for generalization.

Another limitation of this study relates to self-report methodology for measuring many of the variables, and the possibility of common method bias. To reduce common method variance, the dependent variable, OCB, was collected with supervisor ratings; therefore there is no problem on common method bias in this aspect. While for the self-report data (job insecurity, organizational cynicism, and attitudes - affective commitment, normative commitment and withdrawal cognitions), confirmatory factory analyses were conducted, and the results suggest that they are distinct constructs, so common method bias is not likely to be severe.

Furthermore, the lack of findings in this research may be due to that just one dimension, perceived threat of job loss, of perceived job insecurity was used to study the associations. Therefore the other dimension, sense of powerlessness to counteract the threat, can also be included in further research to see if significant findings result. As this study was a cross-section study at a time of post-merger, so any conclusions on causations in this study must be tentative, and longitudinal studies would be useful in the future for more certain conclusions on causation.

In this study job insecurity did not show that it is a significant cause of organizational cynicism or other attitudes, where no significant relationships were
found. It may be because job insecurity was not apparently perceived. Table 5.3 shows that job insecurity had a mean value of 3.18, merely above the midpoint 3 of 1-5 scale. However it suggests that the survivors did perceived job insecurity in the organization though not at high level. Closer examined the survey data, 51.1% of the survivors indicated average ratings of job insecurity over the mean (with the lowest average rating 3.33), this shows that majority of the survivors perceived to some extent high level of job insecurity in the organization. In addition, the survivors who remain in the organization may not perceive that job insecurity is severe though high level; otherwise they have already quitted. It may be because of the time lapse of restructuring which took place four years prior this research and the feelings of job insecurity may have faded.

On the other hand, the survivors were not severely cynically oriented though they showed slight cynicism since the mean value of cynicism is 3.17 merely above the mid point 3 of 1-5 scale and only 43.2% of the survivors had an average score above the mean. It may be because those severely cynically oriented staff might have already been laid off during the reorganizations or have left by voluntary withdrawal and the scale of organizational restructuring was not big enough to affect all survivors, including the low ranked staff, so job insecurity was not perceived to be harsh enough to cause severe negative reactions and cynicism.

Moreover, organizational restructuring or downsizing may not be a new phenomenon for the survivors. They may have mentally and psychologically prepared and accept restructuring as the new way of working life since the waves of redundancies represent a continuous development, and is experienced by many types of industry (Baruch and Hind, 2000).
The data obtained in this thesis can also be analysed by the program PROCESS in order to simultaneously test the effects of mediation and moderation. However this tool was newly developed in 2012. Before this model was developed, the candidate had already started the research and so the questionnaires were not designed in a way that the data collected could be effectively analysed by PROCESS. In addition, the PROCESS is a complicated tool without much information explaining on how PROCESS actually operates because of its extremely short history. The candidate suggests to use it as analysis tool in the future research.”

5.5.2 Future Research

For future research, since opposite relationships between job insecurity and outcomes were found in this study, the factor(s) which cause(s) such relationships can be further investigated. In addition, while supervisor support and interactional justice were discovered as reverse buffers, more research should be done to investigate their reverse impact on organizational behaviour, since very few studies have examined this issue as it is not an effect that is hypothesized in the literature but is one that is unexpectedly found (Beehr, 1995).

Furthermore, acculturative conflicts can be one of the causes of the reverse buffer effect of perceived supervisor support and supervisors’ interactional justice. During merger, acculturation takes place as the different organizational cultures are brought into close proximity (Elsass and Veiga, 1994; Nahavandi and Malekzadeh, 1988). Since the degree and rate of acculturation may vary between individuals and between subgroups within the organization, acculturative conflicts, i.e. cultural clashes (Cartwright and Cooper, 1993; Elsass and Veiga, 1994) may
arise, whereby individuals identify differences and believe, for example, that their way of doing things is superior to others (Marks and Mirvis, 1992). This may lead to people attacking the others’ and defending their own. Culture clash is more likely when people feel threatened by the combination of organizational cultures and the possible loss of their accustomed way of doing things (Marks and Mirvis, 1992). As a result, this leads to negative feelings or attitudes amongst survivors which could be conveyed to their survivor fellows. Therefore, future research related to the impact of acculturative conflicts on organizational restructuring as well as its consequences on supervisor support in affecting organizational behavior is recommended, as there are very few studies on this.
REFERENCES


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APPENDIX 1 HREC APPROVAL LETTER

HUMAN RESEARCH ETHICS COMMITTEE (HREC)
NOTIFICATION

To: Dr Kian Chuan Chang/Chau Yiu Tak
    Graduate College of Management
    ychau11@scu.edu.au, kasey.chang@scu.edu.au

From: Secretary, Human Research Ethics Committee
      Division of Research, R. Block

Date: 20 January 2011

Project: The Effect Caused by Job Insecurity Feeling after Company Restructuring.

Approval Number ECN-11-004

The Southern Cross University Human Research Ethics Committee has established, in accordance with the National Statement on Ethical Conduct in Human Research – Section 5/Processes of Research Governance and Ethical Review, a procedure for expedited review by a delegated authority.

The Chair of the HREC, Professor Bill Boyd, has reviewed this application and it is approved. Your research may commence.

This approval is subject to the following usual standard conditions.

Standard Conditions in accordance with the National Statement on Ethical Conduct in Human Research (National Statement) (NS).

1. Monitoring
   NS 5.5.1 – 5.5.10
   Responsibility for ensuring that research is reliably monitored lies with the institution under which the research is conducted. Mechanisms for monitoring can include:
   (a) reports from researchers;
   (b) reports from independent agencies (such as a data and safety monitoring board);
   (c) review of adverse event reports;
random inspections of research sites, data, or consent documentation; and
interviews with research participants or other forms of feedback from them.

The following should be noted:

(a) All ethics approvals are valid for 12 months unless specified otherwise. If research is continuing after 12 months, then the ethics approval MUST be renewed. Complete the Annual Report/Renewal form and send to the Secretary of the HREC.

(b) NS 5.5.5
Generally, the researcher/s provide a report every 12 months on the progress to date or outcome in the case of completed research specifically including:
- The maintenance and security of the records.
- Compliance with the approved proposal
- Compliance with any conditions of approval.
- Any changes of protocol to the research.

Note: Compliance to the reporting is mandatory to the approval of this research.

(c) Specifically, that the researchers report immediately and notify the HREC, in writing, for approval of any change in protocol. NS 5.5.3

(d) That a report is sent to HREC when the project has been completed.

(e) That the researchers report immediately any circumstance that might affect ethical acceptance of the research protocol. NS 5.5.3

(f) That the researchers report immediately any serious adverse events/effects on participants. NS 5.5.3

2. Research conducted overseas
NS 4.8.1 – 4.8.21
That, if research is conducted in a country other than Australia, all research protocols for that country are followed ethically and with appropriate cultural sensitivity.

3. Complaints
NS 5.6.1 – 5.6.7
Institutions may receive complaints about researchers or the conduct of research, or about the conduct of a Human Research Ethics Committee (HREC) or other review body.
Complaints may be made by participants, researchers, staff of institutions, or others. All complaints should be handled promptly and sensitively.

Complaints about the ethical conduct of this research should be addressed in writing to the following:

Ethics Complaints Officer  
HREC  
Southern Cross University  
PO Box 157  
Lismore, NSW, 2480  
Email ethics.lismore@scu.edu.au

All complaints are investigated fully and according to due process under the National Statement on Ethical Conduct in Human Research and this University. Any complaint you make will be treated in confidence and you will be informed of the outcome.

All participants in research conducted by Southern Cross University should be advised of the above procedure and be given a copy of the contact details for the Complaints Officer. They should also be aware of the ethics approval number issued by the Human Research Ethics Committee.

Sue Kelly  
HREC Administration  
Ph: (02) 6626 9139  
E. ethics.lismore@scu.edu.au

Prof Bill Boyd  
Chair, HREC  
Ph: 02 6620 3650  
E. William.boyd@scu.edu.au
APPENDIX 2 INFORMATION SHEET

INFORMATION SHEET

My name is CHAU, Yiu Tak. I am conducting research as part of my Doctor of Business Administration degree at Southern Cross University. My research project is titled “The Effect Caused by Job Insecurity Feeling after Company Restructuring”. You have been found under the assistance of your HR Manager. As your organization had undergone restructuring in 2005, you, along with another 271 survivors of Hong Kong branch are invited to participate in this study.

Before you decide whether or not to take part in this study, it is important for you to understand why the research is being done and what it will involve. Please take time to read the following information carefully and discuss it with others if you wish. Do contact me if there is anything that is not clear or if you would like more information. It is important that you take time to decide whether or not you wish to take part. Thank you for reading this.

What is this research?
This research investigates whether perceived job insecurity leads to organizational cynicism when organizational restructuring continues over time, and whether this then results in negative attitudes and behavior. A key concern is with the extent to which organizational cynicism mediates the relationship between perceived job insecurity and attitudinal and behavioral reactions. To achieve such accomplishments, this research involves the completion of an anonymous survey questionnaire, interviews and focus groups.

What does this research involve?
The anonymous survey questionnaire will take around 20 minutes to complete. For the interview and focus group, they will last around 30 minutes, and we will ask you to talk about your feeling with organizational restructuring and job insecurity. With your permission, we would like to tape record our conversation. That is so we can then make notes from our conversation afterwards. This will help us to analyze everybody’s thoughts so that we can then produce a report. The interview and focus group will be held at your working place, while for the completed survey questionnaire, a stamped envelope will be provided for return purpose.
My responsibilities to my participants
Participation of this research is totally on voluntary basis. You can decide whether or not to take part in this study. During the research process, it is possible that you may become distressed. If that were to happen, then if you wish we will not continue. In the case of interview and focus group, we will switch off the tape recorder immediately and cease the meeting.

You, along with other people taking part in this research study, will have an opportunity of informing your top management and also the wider community about how the staff feel in a post-merger organization. This will allow the management to evaluate their management effectiveness towards the survivors of mergers and organizational restructuring.

The likelihood and form of dissemination of the research results
The results of this research will only be published inside the final thesis report in the form of group data which will be available in the Southern Cross University library. According to the University research material policy, such material will be retained a period of 7 years.

Participant’s consent
For interview and focus group, each participant will receive this information sheet and consent form which to be signed by the participant before commencement of interview. For the survey questionnaires, individuals receiving this information sheet and questionnaire will be invited to complete the questionnaire with a cover letter inside. The letter outlines the purpose of the survey, what participation involves (completing and mailing back the survey), that the survey is voluntary, and that the survey is confidential. Returned surveys will imply consent.

Feedback
You have an option to receive a summary of the results by email or mail. If they would like to select this option, it is possible to let the researcher know by ticking the box at the side of the question “Please tick this box and provide your email address or mail address (confidential) below if you wish to receive a summary of the results” and leave your contact details in the Consent Form.

Has this research been approved by Southern Cross University?
This research has been approved by the Human Research Ethics Committee at Southern Cross University. The approval number is ECN-11-004.

Inquiries
If you have any further questions or wish further information, then please contact the Researcher or the Supervisor:
Researcher: CHAU, Yiu Tak
Email: ychau11@scu.edu.au
Supervisor: Dr. Kian Chuan Chang
Email: kasey.chang@scu.edu.au
Complaints and concerns about the ethical conduct
If you have any complaints about the research or researcher, or any concerns about the ethical conduct of this research or the researchers, the following procedure should occur.

Write to the following:
The Ethics Complaints Officer
Southern Cross University
PO Box 157
Lismore NSW 2480
Email: ethics.lismore@scu.edu.au

All information is confidential and will be handled as soon as possible.
APPENDIX 3 CONSENT FORM

Title of research project: The Effect Caused by Job Insecurity after Company Restructuring

Name of researcher: CHAU, Yiu Tak

Name of Supervisor (if applicable): Dr. Kian Chuan Chang
(Contact details of the researcher and the supervisor are contained in the information sheet about this research)

NOTE: This consent form will remain with the Southern Cross University researcher for their records.

Tick the box that applies, sign and date and give to the researcher

I agree to take part in the Southern Cross University research project specified above.

I have been provided with information at my level of comprehension about the purpose, methods, demands, risks, inconveniences and possible outcomes of this research, including any likelihood and form of publication of results.

*I agree to be interviewed by the researcher

*I agree to allow the interview to be audio-taped

*I agree to make myself available for further interview if required

*I agree to complete questionnaires asking me about the effect caused by job insecurity after company restructuring

I understand that my participation is voluntary
I understand that I can choose not to participate in part or all of this research at any time, without negative consequence to me. Yes ☐ No ☐

I understand that any information that may identify me, will be de-identified at the time of analysis of any data. Therefore, any information that I have provided cannot be linked to me (Privacy Act 1988 Cth). Yes ☐ No ☐

*I understand that neither my name nor any identifying information will be disclosed or published. Yes ☐ No ☐

I understand that all information gathered in this research is confidential. It will be kept securely and confidentially for 7 years at the University. Yes ☐ No ☐

I am aware that I can contact the supervisor or researcher at any time with any queries. Yes ☐ No ☐

I understand that the ethical aspects of this research have been approved by the SCU Human Research Ethics Committee. Yes ☐ No ☐

If I have concerns about the ethical conduct of this research, I understand that I can contact the SCU Ethics Complaints Officer. Yes ☐ No ☐

Participants name:

Participants signature:

Date:

☐ Please tick this box and provide your email address or mail address (confidential) below if you wish to receive a summary of the results:

Email:

__________________________

Mailing address:

__________________________

** This research has been approved by the Human Research Ethics Committee at Southern Cross University. The approval number is ECN-11-004.
APPENDIX 4 LETTER SENT TO HR MANAGER OF THE BANK

14 February 2010
Human Resource Manager
The XYZ Bank

Dear Sir,

I am a Doctor of Business Administration candidate at Southern Cross University Australia working on my dissertation on the topic of “The Effect Caused by Job Insecurity Feeling after Company Restructuring”. This research investigates whether perceived job insecurity leads to organizational cynicism when organizational restructuring continues over time, and whether this then results in negative attitudes and behavior. A key concern is with the extent to which organizational cynicism mediates the relationship between perceived job insecurity and attitudinal and behavioral reactions. To achieve such accomplishments, this research involves the completion of an anonymous survey questionnaire, interviews and focus groups.

As the ABC Bank has been merged in 2002 and now become the XYZ Bank, I am aware that there are 272 survivors up to this moment. I would like to have your kind assistance to help me retrieve their contact details. I have appointed a research company called Adams Research Company who will distribute my survey questionnaires to these staff for their completion after obtaining your contact list. The blank questionnaire form is enclosed herewith. Meanwhile, I would also like to hold eight interviews and focus groups with different the survivor in each rank. May I discuss the details with you on 21 February 2010? I will give your secretary a call next week.

If you have any questions about the project or about me, please give me a call at 9422-6329. This research has been approved by the Human Research Ethics Committee at Southern Cross University. The approval number is ECN-11-004.

Yours faithfully,
Chau Yiu Tak
DBA Candidate / Southern Cross University, Australia
APPENDIX 5 LETTER SENT TO ADAM RESEARCH COMPANY

14 February 2010

Sales and Marketing Department
Adams Research Company
Milton Mansion
96 Nathan Road, TST
Hong Kong

Dear Sir,

I would like to conduct a research on the topic of “The Effect Caused by Job Insecurity Feeling after Company Restructuring”. I have prepared a questionnaire which to be distributed to 272 participants for their completion. Their contact details are currently on my hand. To avoid the risk of distress encountered by the participants, I prefer to appoint your good company as an outsider to distribute the questionnaires for their completion.

I am aware that the charge for this service would be HK$1,000. The blank questionnaire form is enclosed herewith. The payment would be remitted to your designed bank account upon receipt of your order confirmation.

Thank you for your attention. Looking forward to receiving your confirmation soon. If you have any question, please give me a call at 9422-6329. This research has been approved by the Human Research Ethics Committee at Southern Cross University. The approval number is ECN-11-004.

Yours sincerely,
Chau Yiu Tak
APPENDIX 6 QUESTIONNAIRE TO EMPLOYEES

1 April, 2011

Dear Potential Survey Participant,

INVITATION FOR PARTICIPATION IN AN ACADEMIC RESEARCH STUDY

This study is conducted by the Southern Cross University Business School on employee attitudes towards organizations and work. I would be grateful if you could spend some time to complete the attached questionnaire, which will take only 20 minutes or so of your time. There are no right or wrong answers. We are interested in your opinion. Please answer all questions.

This study comes on voluntarily participated basis, is purely for academic research purposes, and all information will be treated as strictly confidential. No one in your organization will see the individual questionnaire.

Please send your completed survey directly to the researcher in the stamped self-addressed envelope attached, if possible before 1 June 2011.

Your response is essential to the success of this study. If you have any questions or concerns, please feel free to contact undersigned at ericchau115@hotmail.com.

Thank you in advance for your kind cooperation and help in completing this questionnaire. This research has been approved by the Human Research Ethics Committee at Southern Cross University. The approval number is ECN-11-004.

Faithfully yours,

Chau Yiu Tak
DBA Candidate
Southern Cross University, Australia
DIRECTIONS: Please show the extent to which you agree or disagree with each statement by circling the number that best reflects your opinion. There are no right or wrong answers—we are interested in your opinion.

ALL INFORMATION IN THIS QUESTIONNAIRE WILL BE TREATED AS STRICTLY CONFIDENTIAL AND IS FOR ACADEMIC RESEARCH USE ONLY.

It is important to us to get your view on all these issues, so please respond to all questions.

To what extent do you agree with each of the following statements?

1 = Strongly Disagree (SD)
2 = Moderately Disagree (MD)
3 = Slightly Disagree (SID)
4 = Neither Agree nor Disagree (N)
5 = Slightly Agree (SIA)
6 = Moderately Agree (MA)
7 = Strongly Agree (SA)

**Affective Commitment**

1. I would be very happy to spend the rest of my career with this organization
   
   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. I do not feel like “part of the family” at my organization (R)
   
   1 2 3 4 5 6 7

4. I do not feel “emotionally attached” to this organization (R)
   
   1 2 3 4 5 6 7

5. This organization has a great deal of personal meaning for me
   
   1 2 3 4 5 6 7

6. I do not feel a strong sense of belonging to my organization (R)
   
   1 2 3 4 5 6 7

**Normative Commitment**

7. I do not feel any obligation to remain with my current employer (R)
   
   1 2 3 4 5 6 7

8. Even if it were to my advantage, I do not feel it would be right to leave my organization now
   
   1 2 3 4 5 6 7

9. I would feel guilty if I left my organization now
   
   1 2 3 4 5 6 7
10. This organization deserves my loyalty  
11. I would not leave my organization right now because I have a sense of obligation to the people in it  
12. I owe a great deal to this organization  
Continuance Commitment  
13. It would be very hard for me to leave my organization right now, even if I wanted to  
14. Too much in my life would be disrupted if I decided I wanted to leave my organization now  
15. Right now staying with my organization is a matter of necessity as much as desire  
16. I feel that I have too few options to consider leaving this organization  
17. One of the few serious consequences of leaving this organization would be the scarcity of available alternatives  
18. One of the major reasons I continue to work for this organization is that leaving would require considerable personal sacrifice – another organization may not match the overall benefits that I have here  

Thinking about your own job performance, to what extent do you agree or disagree with each of the following statements?  

Individual Initiative  
19. For issues that may have serious consequences, I express opinions honestly even when others may disagree  
20. I often motivate others to express their ideas and opinions  
21. I encourage others to try new and more effective ways of doing their job  
22. I encourage hesitant or quiet co-workers to voice their opinions when they otherwise might not speak up
23. I frequently communicate to co-workers suggestions on how the group can improve

Thinking about your relationship with your organization, to what extent do you agree or disagree with each of the following statements?

Loyal Boosterism
24. I defend that organization when other employees criticize it

25. I encourage friends and family to utilize the organization’s products

26. I defend the organization when outsiders criticize it

27. I show pride when presenting the organization in public

28. I actively promote the organization’s products and services to potential users

Thinking about your relationship with your supervisor, to what extent do you agree or disagree with each of the following statements?

Perceived Supervisor Support
29. My supervisor shows active concern for my feelings

30. My supervisor provides intensive support in order to help me accomplish important priorities

31. My supervisor assures us that help is available if it is needed

32. I can fully rely on my supervisor

Interactional Justice
33. My supervisor considered my viewpoint

34. My supervisor was able to suppress personal biases

35. My supervisor provided me with timely feedback about the decision and its implications
36. My supervisor treated me with kindness and consideration
   1 2 3 4 5 6 7

37. My supervisor showed concern for my rights as an employee
   1 2 3 4 5 6 7

38. My supervisor took steps to deal with me in a truthful manner
   1 2 3 4 5 6 7

To what extent do you agree with each of the following statements?

1 = Strongly Disagree (SD)
2 = Disagree (D)
3 = Neutral (N)
4 = Agree (A)
5 = Strongly Agree (SA)

Organizational Cynicism

<table>
<thead>
<tr>
<th>Statement</th>
<th>SD</th>
<th>D</th>
<th>N</th>
<th>A</th>
<th>SA</th>
</tr>
</thead>
<tbody>
<tr>
<td>39. Most people in this organization think things will get better instead of worse (R)</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>40. I’ve pretty much given up trying to make suggestions for improvements around here</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>41. It’s hard to be hopeful about the future because people around here have such bad attitudes</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>42. Changes to the usual ways of doing things in this organization are more trouble than they’re worse</td>
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<td>43. Personal initiative doesn’t count for much in this organization</td>
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<td>44. People around here get credit they don’t deserve for work didn’t do</td>
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<td>45. You can count on employees here to pitch in/propose and make this a successful organization (R)</td>
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<td>46. In this organization, it’s what you know, not who you know, that counts (R)</td>
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<td>47. Efforts to make improvements are recognized within this organization (R)</td>
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Withdrawal Cognitions
48. I will probably look for a new job in the near future

49. At the present time, I am actively searching for another job in a different organization

50. I do not intend to quit my job (R)

51. It is unlikely that I will actively look for a different organization to work for in the next year (R)

52. I am not thinking about quitting my job at the present time (R)

Job Insecurity

53. I am worried about having to leave my job before I would like to

54. There is a risk that I will have to leave my present job in the year to come

55. I feel uneasy about losing my job in the near future
Personal Information

We need the following information to help us in analyzing the results. Please note that the questionnaire is strictly confidential and will only be seen by the researcher. Please tick (✓) or fill in the information where appropriate.

56. Gender:
   (1) Male ________  (2) Female ________

57. Age:
   (1) Below 25 ________  (2) 26–30 ________  (3) 31–35 ________
   (4) 36-40 ________  (5) 41-45 ________  (6) 46-50 ________
   (7) 51-55 ________  (8) 56-60 ________

58. Nationality:
   (1) Chinese ________  (2) Non Chinese ________

59. Main source of income of the family:
   (1) Yes ________  (2) No ________

60. Education/Professional Qualification:
   (1) Master or above  (2) Bachelor  (3) Post-secondary
       ________  ________  ________
   (4) Secondary  (5) Professional Qualification (if any)
       ________  ________

61. Years of service in the Company: ________ years

62. Position in the Company:
   (1) Manager or Above  (2) Assistant/Deputy Manager  (3) Clerical/Support
       ________  ________  ________
   (4) Others
       ________

Thank you very much for completing this questionnaire.

This code will only be used for matching purpose only. All the data will be analyzed at the University and no one within your organization will see the individual questionnaire.
APPENDIX 7 QUESTIONNAIRE TO DEPARTMENT HEADS / SUPERVISORS

1 April, 2011

Dear Department Head,

INVITATION FOR PARTICIPATION IN AN ACADEMIC RESEARCH STUDY

We are conducting a study under the Southern Cross University Business School, on employee attitudes towards organizations and work. As part of the study, we would like to get your rating of the job performance of five of your subordinates, or less if you have fewer than five subordinates, as identified on the attached page. We would be grateful if you could spend some time to complete the questionnaire for each subordinate. Your answers will help us understand employees' working attitudes and behavior. Please answer all questions of the questionnaire.

Please refer to the attached page with staff name and corresponding code number to rate each specific subordinate on the corresponding numbered questionnaire.

This study comes on voluntarily participated basis, is purely for academic research purposes, and all information will be treated as strictly confidential. No one in your organization will see the individual questionnaire.

Please send your completed survey directly to the research in the stamped self-addressed envelope attached, if possible, before 1 June 2011.

Your response will be very important to the success of this study. If you have any questions or concerns, please feel free to contact undersigned at ericchau115@hotmail.com.

Thank you in advance for your kind cooperation and help in completing the questionnaire. This research has been approved by the Human Research Ethics Committee at Southern Cross University. The approval number is ECN-11-004.

Faithfully yours,

Chau Yiu Tak
DBA Candidate
Southern Cross University, Australia
DIRECTIONS: Please show the extent to which you agree on each statement as a description of the work behavior of the subordinate you are rating.

ALL INFORMATION IN THIS QUESTIONNAIRE WILL BE TREATED AS STRICTLY CONFIDENTIAL AND IS FOR ACADEMIC RESEARCH USE ONLY, so please complete with your OWN TRUE view as much as possible.

Please refer to the code number list for rating the specific subordinate’s work performance.

Thinking about this subordinate’s work performance, to what extent do you agree or disagree with the following statements:

1 = Strongly Disagree (SD)  
2 = Moderately Disagree (MD)  
3 = Slightly Disagree (S1D)  
4 = Neither Agree nor Disagree (N)  
5 = Slightly Agree (S1A)  
6 = Moderately Agree (MA)  
7 = Strongly Agree (SA)

<table>
<thead>
<tr>
<th>Statement</th>
<th>SD</th>
<th>MD</th>
<th>S1D</th>
<th>N</th>
<th>S1A</th>
<th>MA</th>
<th>SA</th>
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<tr>
<td>1. For issues that may have serious consequences, he/she expresses opinions</td>
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<td>honestly even when others may disagree</td>
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<td>2. He/she often motivates others to express their ideas and opinions</td>
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<td>3. He/she encourages others to try new and more effective way of doing</td>
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<td>4. He/she encourages hesitant or quiet co-workers to voice their opinions</td>
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<td>when they otherwise might not speak up</td>
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<td>5. He/she frequently communicates to co-workers suggestions on how the</td>
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<td>group can improve</td>
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<td>Loyal Boosterism</td>
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<td>6. He/she defends the organization when other employees criticize it</td>
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<td>7. He/she encourages friends and family to utilize the organization’s</td>
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<td>8. He/she defends the organization when outsiders criticize it</td>
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9. He/she shows pride when presenting the organization in public

10. He/she actively promotes the organization’s products and services to potential users

Thank you very much for completing this questionnaire.

This code will only be used for matching purpose only. All the data will be analyzed at the University and no one within your organization will see the individual questionnaire.
APPENDIX 8 INTERVIEW NOTES

Interview Date: 7 April 2011

Interviewee: Low rank staff of administration function, joined few months before merger.

1. Reorganization/merger not much impact to him because when he was hired he was already informed of the merger, so no job insecurity or uncertainty.

2. Although subsequent downsizing and restructuring, feels a little bit job insecure, but when thought of the job nature assigned seems quite important, so not feel so insecure. Although feels job insecure, since it is a large organization or bank, this is more secure when compared to other SMEs.

3. Because so low rank, no contact with management or other department heads, not bothered what they do on restructuring, provided his own job is safe and no change. Thinks restructuring is common or normal to a company, management have their own reasoning. (NO cynicism).

4. Although other colleagues are laid off, does not feel guilty or survive syndrome, though sorry for them. Because have to make a living, it is stupid to think to go with them. He thinks that being laid off there should be some bad things which caused them to be chosen for layoff (Not feel injustice, no cynicism because feels nothing to do with him, only when he is not affected then not bother).

5. However because of his own department section head/immediate supervisor changed, then he felt job insecure, frustrated, upset and stressed because doesn't know what the new superior would be like and how he himself will be treated.

6. With the support of immediate supervisor for assigning more important jobs, feels job secured.

7. Not leave the company because of attachment to colleagues but not to organization. Also doesn't want to change environment because used to the working condition and environment, doesn't what to adapt to a new environment. There are low alternatives, may not be able to find another job that is better or similar because of big organization and will be more secure compared to other SMEs. (continuance commitment> affective).

8. Has not thought of nor felt obliged to stay with the organization.
9. However not thought of leaving more because of continuance commitment (invested so much in the network or connections in the organization, doesn’t want to start again in a new one), not because of supportive supervisor (therefore continuance commitment > supportive leadership).

10. Still has intention to leave or withdrawal cognitions but only when found a better job. Therefore continuance is more dominant.

11. Will do own job within the scope good but not other extra jobs. Will not speak good or ill of organization. (No loyalty, no individual initiative).

12. Only wants steady and easy work, timely pay. No challenge.

13. Supervisor is not a person who can be relied on or talked to.
APPENDIX 9 INTERVIEW NOTES

Interview Date: 8 April 2011

Interviewee: A Japanese department head. Lived in HK for over 11 years.

1. Perceives organizational politics — almost all department heads and most top management are from leading party.

2. Culture from that is always arguing on points, everlasting discussions but never compromise nor coming to a conclusion/decision quickly or fast, always very slow in decision making.

3. Feels conflicts among the department heads are to protect themselves (cynicism - doesn’t want to bother, feel they are too low grade).

4. Too many rules and procedures and sticking to them to complicate things, useless (Cynicism, acculturation).

5. Very top management (regional head) is from leading party, a lot of power, politics, so leading party staff at strong positions. (social identity and acculturation).

6. Localization plan by HO, local department heads even fight to gain higher position.

7. Doesn’t care though feel uneasy, just does his own job (No OCB), even sets rules to restrict working area for his department, resists and does not do any extra helping work other than necessary job scope.

8. Has intention to leave because said “job hopping” is common in Japan nowadays because of redundancy (job insecurity, low affective commitment, organizational cynicism and withdrawal cognitions).

9. But said too old to leave, wants more quality job not junior (continuance commitment).

10. People merged from other companies who are not system people, do not possess required qualification, difficult to work with because no mind set of system development (cynicism).

11. Even politics among top management in groups, trying to eliminate those unwanted and even give up important position to the other party.

12. Since top management have conflict/dispute, feels no motivation to continue to work. (withdrawal cognitions).
13. Other non-leading party staff also feel low in position, and just cope with it but no choice, so just do work within scope (social identity, possess cynicism and no OCB) because feel too many useless unreasonable rules, complicated work procedures or workflow, too much division of labour, people have too much time to argue/chat, only know (familiar with) their own little scope of work. (cynicism, acculturation).

14. With all these people and working styles, the branch will not improve. (cynicism).
APPENDIX 10 INTERVIEW NOTES

Interview Date: 12 April 2011

Interviewee: Deputy Manager of Administration, worked for 11 years, recently in April promoted to Deputy Manager.

1. Views restructuring/merger gives no job insecurity but a lot of cynicism. Doubts the competency of the dept. heads, section heads and management, politics, and unfairness. Mainly due to the fact that Japanese expats or department heads only work for about 3 years and then leave; they do not want any changes nor improvement but just only hope to let them work smoothly without any serious problems occurring during their reign. Doubts the purpose of post-merger restructuring in December 2005, since thereafter most departments are headed by the leading party staff.

2. He has to find a better job first before quitting and cannot leave without any security, but hard to find a better job because of his age and declined economy. Has intention to leave and looking for jobs. (continuance commitment and withdrawal cognitions).

3. Feels immediate supervisor is not supportive, not competent nor understanding. Feels discouraged, low morale. Expresses cynicism. Just does his own job but without any betterment or improvement, and doesn't have any loyalty or individual initiative. (no OCB).

4. Feels other colleagues in the operation centre behave the same — no loyalty or individual initiative, but just do their own jobs without any extra, no initiative for betterment. They have very low morale. Those left behind are those have worked in the organization for a long time (over 10 years) waiting for retirement or not able to find a better job alternative outside, thus big continuance commitment. These people are also cynical to the Management on their competency, fairness and politics. Due to the conflict of withdrawal cognition but unable to leave, these staff are more cynical and have low morale, and thus no OCB. They are not affectively committed.
APPENDIX 11 INTERVIEW NOTES

Interview Date: 14 April 2011

Interviewee: Ex-department Head of a back office department which underwent organizational restructuring in December 2005 and was transferred or job relocated to another department. No longer a department head.

1. Undergone merger. Has sense of job insecurity but faced it positively. Continues to work as what a department head or supervisor should do, comforts or alleviates subordinates'concerns and negative or discouraged attitudes as feels organizational cynicism or low work morale, but seems not much help. Even when talked to or comforted staff; staff just feel the same, posses the same attitude towards work (i.e. just do to his/her in-role job), unchanged cynicism and behavior.

2. He has intention to leave, i.e. withdrawal cognition. Waits for chance — job hunter, etc.

3. Feels lack of procedural justice, politics where in-group members enjoy promotion or better position/situation in restructuring, therefore leads to non- leading staff's organizational cynicism. Feels environment is one of not what you know but whom you know or from which party.

4. Management incompetency leads to organizational cynicism. Also incompetency in the organizational change; queries why such change is necessary which leads to organizational cynicism.

5. He himself, as well as his subordinates, does not have personal initiative due to turn down of proposals or suggestions by management, and thus feel discouraged. (no individual initiative).

6. Only work in role, does just his/her part, without any extra-role, i.e. no OCB.

7. Not leave due to continuance commitment - investment in the company and job, does not want to adapt to new working environment arid people, has established a good foundation of personal relationship and job skills. Since company-related special skills has lack of alternatives to change job, and therefore high continuance commitment. Committed to the people but not to the organization.

8. Unsupportive supervisor/management does not ease the sense of job insecurity nor organizational cynicism, and even aggravates the extent of organizational cynicism and the reactions of cynicism, such as reduced personal initiative (i.e. reduce OCB), less affective commitment, more continuance commitment, and more withdrawal cognition.

9. Leads to low morale of staff and therefore only do in-role no extra-role, with no initiative.
APPENDIX 12 INTERVIEW NOTES

Interview Date: 18 April 2011

Interviewee: Manager of Loans Operations

1. Works in company for over 15 years.

2. Age over 50, with grown up children at work.

3. Intends to stay in company until retirement.

4. At early stage of merger/restructuring, there was no clear direction — whether further layoff or not, felt job insecurity, but afterwards with clear directions or communication of directions from new management — no further layoff and better business performance -, then feels or perceives less job insecurity. Also with supportive supervisor department head, so then feels better and more comfort.

5. Feels that to have a supportive leader/ supervisor is better for subordinates, so feels more secure, concerned and confident, because supportive leader will be more considerate and understand the subordinates’ situation and can comfort them, make subordinates feel more comfortable and being understood, with less stress even if mistakes are committed especially for those junior staff (his Department Head said it was the seniors who were responsible to solve problems not juniors).

6. Repeated restructurings make staff feel insecure and create doubt about the purpose or intention for restructuring. Also, with unfair or organizational injustice such as distributive (appraisal) and interactional, this leads to cynicism and doubt about management’s competence. Nevertheless just accepts reluctantly and continues to work, though feels cynical or unwillingly because of continuance commitment.

7. Most of other staff have intention to leave or withdrawal cognition, but not leave now because of continuance commitment (worked for a long time, have invested in the company in terms of years of services, established network, get used to working environment, not want to adapt to the new environment unless better pay and position, etc. Also lack of alternatives), however they are not affectively committed to the company, with no sense of belongingness, nor normative commitment - obligation to stay.
8. Some, such as interviewee, intend to work till retirement or layoff because worked too long, and don’t want to change or find another job nor adapt to another new environment, i.e. continuance commitment.

9. Because of cynical feelings and distrust of the management, staff only do their in-role work even to their best effort, but no extra role work, (especially those from non-leading parties) and feel that even though they give suggestions or initiations for suggestion, these will not be accepted by management, and therefore no OCB (loyalty or individual initiative), though will still help own department colleagues to finish work quickly.

10. Because of continuance commitment, continue to work in the company. Cannot change anything, still have cynical attitude, feel helpless, and therefore continue to have less OCB (individual initiative), with less affective commitment. Waiting for opportunity to leave but not too enthusiastically nor actively searching for job.

11. Interviewee just does work as usual but only in role to the best effort due to position/rank, but no extra role work or behavior. Since no better alternative and has worked so long, continues to work and doesn’t want to change and adapt to new environment. (no OCB).

12. There is not much difference or impact to interviewee or the lower rank staff from the merger or restructuring, however big impact only to higher ranked staff because of commotion at the management level. Therefore these high ranked staff just work within their own scope of work.

13. Most important concern or factor is the leading party management style which makes all non-leading party staff feel uncomfortable and difficult to cope. (social identity and acculturation).
APPENDIX 13 INTERVIEW NOTES

Interview Date: 19 April 2011

Interviewee: Manager of Risk Management, worked for 11 years, in middle 30’s.

1. He has an understanding and supportive department head who is nice to him. They often have lunch together and talk about work.

2. Although he has an understanding and supportive supervisor or department head, he feels that the company’s operations procedures have become complex or complicated which should be and can be simplified after the merger. In the old days, the procedures were much simpler, with not so much redundant and unnecessary work. Sometimes he feels it is ridiculous to carry out such nonsensical procedures.

3. The company seems to be going backwards, not like the western companies which have more simplified and easy procedures or workflows.

4. When he talked with other colleagues about the nonsensical procedures, they all shared the same ridicule.

5. His supervisor also voiced the same complaints to him sometimes but there is no other option.

6. However as a manager, he has to perform his position and in role behavior, e.g. to give suggestions to department head or superior on the improvement of work quality in the team, even though the management might not accept or consider the proposals, Anyway it is part of his job or responsibility (individual initiative).

7. He has no plan to quit his job for the time being because his boss is nice to him, but he might quit if his boss left the company.
APPENDIX 14 INTERVIEW NOTES

Interview Date: 20 April 2011

Interviewee: Senior Manager of business promotion, worked for 19 years, in middle 40's.

1. With so many reorganizations in the company, the interviewee feels a little job insecure as having seen so many colleagues being made redundant although she has not yet been the victim of restructuring (job insecurity).

2. She feels that the management and her supervisor are just fine. They give autonomy and support for all her work. But the management is not good in management skills, and often make their subordinates or even the immediate middle management or team heads feel discouraged, disappointed and upset, and don't know how to cope with instructions. (cynicism and supervisor support).

3. The interviewee and other middle management have to fulfill their in-role jobs to promote the business and initiate suggestions and improvement of the department performance (individual initiative).

4. She has no intent to leave the company as she has been working in the company for 19 years and she does not want to cope with another new environment. She just wants to be steady and just earns a living (no withdrawal cognitions, has continuance commitment).
APPENDIX 15 INTERVIEW NOTES

Interview Date: 27 April 2011

Interviewee: Manager of Operation Systems, worked for 11 years in early 40’s.

1. There seems lots of politics in the company. Those of the leading group play the dominant role and all procedures and systems follow their style. Things have become more complicated than simplified (acculturative conflicts).

2. Supervisor or the department head is not supportive, so cannot help subordinates to cope with the tough time. Feels discouraged and wants to quit. Actually he has a new job confirmed, has resigned and will leave the company soon (no supervisor support, no interactional justice).
APPENDIX 16 INTERVIEW NOTES

Focus Group Interview Date: 28 April 2011 for 2 hours

Group members are survivors of different rankings (department heads, managers, assistant managers and support staff) from different departments and most of them have worked for over 10 years.

Focus group observations:

1. Some of the staff feel a general sense of job insecurity in the company with sudden restructuring.

2. The interviewees have the attitude that they will just do their work (without good or bad intentions) and hope to pass everyday without problems (no OCB).

3. It seems that the higher ranked interviewees are supportive to their subordinates, however they are also disappointed by the Top Management’s management style and complain about the complicated redundant and non-sensical operation procedures (cynicism, acculturative conflicts).

4. With the supervisors' opinions, the other staff advocate such feelings and are cynical to the Management’s incompetency.

5. They all feel that there are politics in the company. There are different groups, and the strongest power are those of the Leading partner’s.

6. Although the interviewees worked for the company for a long time, it seems that they do not have loyalty to the company. Their attitude is just to have a job to earn their living and they do not want to cope with a new working environment, so therefore they have no intention to quit their job or leave the company (no loyalty, possess continuance commitment, no withdrawal cognitions).

7. They said that actually a lot of the other colleagues wanted to leave the company, but because of the bad economic condition they would, however, rather stay in the company waiting for better opportunities until the economic situation improved.