

Recent Research of Note

'Job transfer during organizational downsizing: a comparison of promotion and lateral transfers' by Marjorie Armstrong-Stassen in *Group and Organization Management*, September 2003, pp. 392-415.

Summarized and Interpreted by

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Prior research indicates that reaction to organizational downsizing is inherently stressful (Greenhalgh, 1982; Latack, 1990) and how people adjust to stressful situations is determined by their environmental and personal resources (e.g. social support and positive beliefs), their appraisal of the situation as harmful or threatening, what can be done about the situation, and their coping behaviors (Lazarus & Folkman, 1984). An added confounding variable in reaction to downsizing is found in the corporate decisions regarding those who are not losing their jobs; that is, people who remain in the organization during and after the downsizing as survivors of organizational upheaval. The author of this article has focused on the differences over time in one's views of life within the organization. This was interpreted to mean assessment of future career success expectancy, job security, coping effectiveness, and appreciation of procedural justice within their organization. In short, the self appraisal one makes of well being within the firm. In the current research, the intent was to compare, within a stress and coping framework, those downsizing survivors who were the recipients of organizational decisions to leave some people in place during the downsizing, promote some to other areas of responsibility, or to transfer some people to other jobs within the organization. The research hypothesis was that 'there would be a significant interaction between transfer status (promotion, lateral move, no transfer) and time (pretransfer and posttransfer)'. Those who received promotional transfers would react immediately and over time more positively to their situation than their laterally transferred or in-place peers.

Future career success expectancy refers to positive beliefs about one's career path and potential as well as job performance. Previous research by the author (Armstrong-Stassen, 1998) found future success expectancy to be negatively related to perceived job insecurity and significantly positively related to job performance.

Job security refers to the dimensions of confidence of continued work in the same position or with the same firm and the perceived ability or power to counteract a threat to security. In this study, respondents were asked about job insecurity through the dimensions of perceived job loss threat and perceived influence over decisions affecting the future of one's job.

Coping effectiveness refers to facility of positive thinking, direct action, and the preclusion or limited activity of avoidance coping. Positive thinking and direct action coping have been shown to be related to positive outcomes for survivors of downsizing. Avoidance coping or unwilling-

ness/inability to think about the problem has been found to be associated with negative outcomes.

Appreciation of procedural justice refers to the trust that the systems and processes of the firm in general and downsizing in particular are fair. More specifically, procedural justice relies on consistency of outcome and the confidence that those carrying out the procedures must be impartial and neutral. In addition, there must be the knowledge that those directly affected by the decisions will have a voice and representation in the process, and the processes that are implemented should be transparent to members of the organization. In action, perceived job insecurity creates a negative appraisal of procedural justice and relates negatively to job performance.

The method used in this study was to survey members of a governmental unit facing mandated downsizing of just over 20 percent of its work force. The longitudinal study collected data during the beginning of the workforce reduction and again one year and two years later during continued downsizing of the unit. Respondents were from offices throughout the country and included a represented sampling of professional jobs and geographic regions. In each of the collection periods the employees in the sample who remained with the unit were sent survey packets with questionnaires. The sample eventually included 78 men and 92 women with an average age of 43 years and an average time with the unit of 17 years. Job titles were primarily those of officer/analysts, middle managers, and supervisors. All respondents were people who had received promotional transfers, lateral transfers, or who stayed in their original, post-downsizing assignments.

The author's hypothesis was that "there would be significant transfer status by time effect. That is, there would be no significant difference among the transfer groups in the pretransfer period, but post transfer periods would see those with promotional transfers reporting significantly greater coping resources, lower perceived job insecurity, greater perceived justice, and higher job performance than those with lateral transfers or those who remained in the same job." (:396) Data analysis revealed that the research hypothesis was partly supported. As predicted, all three transfer groups were the same at the onset of downsizing except for avoidance coping where the promotional transfer people enjoyed an exception from this negative behavior found in the lateral transfer group. In the third year, respondents who had been promoted reported greater influence over decisions affecting the security of their jobs than the other two groups. Interestingly however, differences in the second year found a greater reliance on avoidance coping among those who received lateral transfers and those not transferred. Those respondents not promoted at the outset were more likely to use avoidance coping as way of dealing with the downsizing. The author suggests that 'anticipatory socialization' might have been in play with the promoted transfer respondents. That is, that one takes on the values and attitudes of a group to which one does not currently belong but expects to in the future (Mortimer & Simmons, 1978). So those who were promoted may have been groomed early on for the promotion and were already identifying with the successful people at the upper levels of the organization.

Implications in practice for this research:

1. In some ways there is a “big obvious” aspect to the findings in this study. Those who are promoted during downsizing are likely to feel positive about their future with the firm. Their performance is likely to be better than those who received lateral transfers or stayed in place and they seem to feel that the downsizing was fair. However, a promotion for everyone who keeps their job is not a realistic response.
2. What we can learn from this study is that those who receive a lateral transfer or remain in the same job during downsizing are likely to have a negative outlook about their life in the firm. Although it may seem that they would be happy to have kept their jobs, in reality, these people feel powerless, coerced, and lack a sense of self-efficacy. They are more likely to use the dysfunctional avoidance coping mechanism and need some help from the firm if they are to remain valued workers.
3. If we cannot promote everyone and cannot avoid lateral transfers or staying in the job following downsizing what can we do? Organizations need to look to their processes for including workers in the decision making in all possible ways during downsizing. Those who remain with the firm need to maintain a sense of control over their work life.
4. Some ways this can be done include worker involvement in deciding where the transfer is going to take them and frequent communication with supervisors before and during layoffs to ward off avoidance coping and increase the sense of procedural justice. The current fashion of blitzing through a downsizing and removing people as quickly as possible may be expedient and make sense from a legal perspective. However, it creates an ongoing dissatisfaction among the survivors that will cause performance problems long after the downsizing is done.
5. Finally, people with healthy personal and professional networks will have more healthy coping mechanisms and a more positive initial appraisal of the situation. Organizational actions to promote these will be value added during and after the environmental trauma of downsizing.

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