Taking a Positive Approach to Organizational Downsizing

WHAT IS THIS RESEARCH ABOUT?

In a world where organizational restructuring and downsizing are commonplace, it is important for employers to understand how to deal with survivors because it is the survivors who will determine the future of the organization. To date, the assumption in the survivor literature has been that downsizing has negative consequences for the remaining employees. The objective of this study was not to deny that downsizing is a highly stressful event for many survivors but to propose that researchers need to go beyond this and investigate the contribution that positive organizational behaviour may make to our existing knowledge. The researchers aimed to show that a positive organizational behaviour approach can be applied within the context of organizational downsizing and can contribute to the understanding of responses from layoff survivors over time.

This research is unique in that rather than focusing on the negative aspects of organizational downsizing, it took a positive approach and incorporated concepts from the positive organizational literature into a well established and researched theoretical framework.

WHAT DID THE RESEARCHERS DO?

Francine Schlosser and Marjorie Armstrong-Stassen from the University of Windsor looked at the positive aspects of organizational downsizing. They examined how managers reacted to the downsizing of their organization over a two-and-a-half-year period.

The researchers first developed a conceptual model, which focused on positive resources, that is generalized optimism and future success expectancy, and positive coping behaviour. They then collected data from two Canadian federal government departments that were targeted for a 20% or more reduction of their workforce. The researchers collected data 18-months before, during and 12-months after downsizing. This allowed them to examine changes over time and identify how many different variables related to those changes.

In this study, the researchers specifically focused on questions relating to generalized optimism, future success expectancy, positive thinking coping, perceived coping effectiveness, job performance, and job satisfaction. The results were then analyzed to determine whether there were changes in the variables over time. Therefore, the researchers were able to test their model relating generalized optimism to the cognitions, affect, and behaviour of Canadian federal government managers during and following a major organizational downsizing.

WHAT DID THE RESEARCHERS FIND?

- Managers expressed higher expectations of future success regarding their career and job performance following the downsizing than they had during the downsizing. They also were more satisfied with the various aspects of their job following the downsizing than they had been prior to the downsizing.
• Generalized optimism is a valuable resource in times of stress. Survivors who were optimistic prior to the downsizing were more positive about their future career and performance success during and following the downsizing. In the post-downsizing period, they were more likely to report they had coped effectively with the downsizing.

• Generalized optimism also positively predicted post-downsizing job performance. It appears that generalized optimism has several personal and organizational benefits during and following organizational downsizing.

• Survivor’s who held high expectations for success in their careers during the downsizing and whom used positive thinking as a coping strategy held higher expectations for career success and were more likely to report that they were coping effectively.

In summary, the research finds that generalized optimism pre-downsizing associates positively with managers' cognitions, attitudes, job performance, and self-reported coping effectiveness post-downsizing. This research also suggests that some of these associations were partially mediated by a positive thinking coping strategy and expectations for future career and job success reported during the downsizing.

HOW CAN YOU USE THIS RESEARCH?

This research can be most valuably used by organizations faced with restructuring initiatives but that have not become accustomed to repeated downsizing. Management can use this research in developing hope in employees of organizations experiencing mergers, downsizing, and other threats to workforce stability. This will help these individuals cope with their uncertain environment and make them more effective performers. Developing optimism in employees in organizations undergoing workforce reduction would benefit both employees and their organizations.

CITATION


KEYWORDS

Optimism, Positive Coping, Layoff Survivors, Organizational Downsizing, Positive Organizational Behaviour

WHAT YOU NEED TO KNOW

Two types of optimism (generalized optimism and future success expectancies) and positive coping during downsizing, related positively to changes in survivors' job performance and job satisfaction over a downsizing period.