

INFORMATION TO USERS

This manuscript has been reproduced from the microfilm master. UMI films the text directly from the original or copy submitted. Thus, some thesis and dissertation copies are in typewriter face, while others may be from any type of computer printer.

The quality of this reproduction is dependent upon the quality of the copy submitted. Broken or indistinct print, colored or poor quality illustrations and photographs, print bleedthrough, substandard margins, and improper alignment can adversely affect reproduction.

In the unlikely event that the author did not send UMI a complete manuscript and there are missing pages, these will be noted. Also, if unauthorized copyright material had to be removed, a note will indicate the deletion.

Oversize materials (e.g., maps, drawings, charts) are reproduced by sectioning the original, beginning at the upper left-hand corner and continuing from left to right in equal sections with small overlaps. Each original is also photographed in one exposure and is included in reduced form at the back of the book.

Photographs included in the original manuscript have been reproduced xerographically in this copy. Higher quality 6" x 9" black and white photographic prints are available for any photographs or illustrations appearing in this copy for an additional charge. Contact UMI directly to order.

UMI

A Bell & Howell Information Company
300 North Zeeb Road, Ann Arbor MI 48106-1346 USA
313/761-4700 800/521-0600

DISSERTATION
DOWNSIZING THROUGH VOLUNTARY LAYOFF:
PREDICTING THE CHOICES OF NON-RETIREMENT ELIGIBLE EMPLOYEES

Submitted by
Susan Jones O'Donnell
School of Education

In partial fulfillment of the requirements
for the Degree of Doctor of Philosophy
Colorado State University
Fort Collins, Colorado
Fall 1996

UMI Number: 9719598

UMI Microform 9719598
Copyright 1997, by UMI Company. All rights reserved.

**This microform edition is protected against unauthorized
copying under Title 17, United States Code.**

UMI
300 North Zeeb Road
Ann Arbor, MI 48103

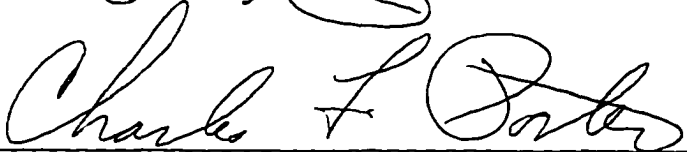
COLORADO STATE UNIVERSITY

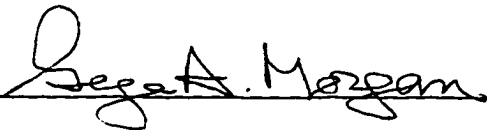
November 5, 1996


WE HEREBY RECOMMEND THAT THE DISSERTATION PREPARED UNDER OUR SUPERVISION BY SUSAN JONES O'DONNELL ENTITLED *DOWNSIZING THROUGH VOLUNTARY LAYOFF: PREDICTING THE CHOICES OF NON-RETIREMENT ELIGIBLE EMPLOYEES* BE ACCEPTED AS FULFILLING IN PART REQUIREMENTS FOR THE DEGREE OF DOCTOR OF PHILOSOPHY.

Committee on Graduate Work

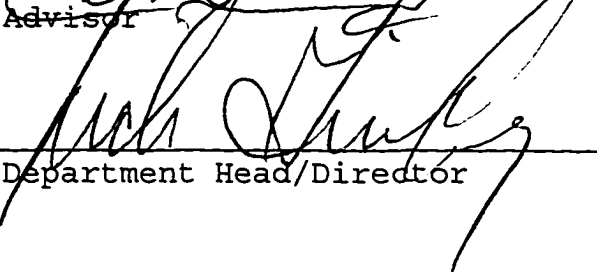








Advisor



Department Head/Director

ABSTRACT OF DISSERTATION

DOWNSIZING THROUGH VOLUNTARY LAYOFF:

PREDICTING THE CHOICES OF NON-RETIREMENT ELIGIBLE EMPLOYEES

Downsizing has become a trendy way to reduce headcount and improve operating costs. However, the results of downsizing are not always successful. Not only do organizations regularly fail to meet their profit objectives through downsizing but low morale and survivor's syndrome are unexpected organizational consequences. If downsizing must be done, voluntary layoff is recommended because it reduces the emotional impact of restructuring. The purpose of this study was to identify significant differences between employees who accepted and employees who refused a voluntary layoff offer and determine if the variables from voluntary turnover could be used to predict voluntary layoff.

A Voluntary Layoff Survey was developed using voluntary turnover variables and given to 84 subjects who had received a voluntary layoff offer. Forty-three had accepted an offer and left their organizations while forty-one had rejected the offer. Using the Voluntary Layoff Survey, significant differences were identified between groups including: (a)

future work plans considered prior to the layoff, (b) opinions about supervisors and coworkers, (c) perceptions about the future providing good reasons to leave, and (d) perceptions about the external employment environment.

Using discriminant statistics, two composite variables, "good reasons to leave" and "perceptions of the employment environment" accurately predicted the layoff choice in seventy-six percent of the cases. Finally, because the variables for voluntary turnover produce separation between those accepting and rejecting voluntary layoff, these two phenomena are proven to have the same theoretical base.

Susan Jones O'Donnell
School of Education
Colorado State University
Fort Collins, CO 80523
Fall 1996

ACKNOWLEDGMENTS

I would like to thank the committee, my advisor, and my friends for their support and guidance during this project. This dissertation also belongs to my husband, Dan, as we are truly a team. Thanks for encouraging me and helping me keep this entire process in perspective.

TABLE OF CONTENTS

I	INTRODUCTION	1
	Downsizing Overview	2
	Downsizing History.	3
	Who Gets Downsized.	4
	Downsizing Outcomes	4
	Human Capital Issues.	5
	Downsizing Approaches	8
	Purpose of the Study.	13
	Importance of the Study	14
	Research Questions.	15
	Summary	18
	Definition of Terms	19
 II	 REVIEW OF THE LITERATURE.	 24
	Downsizing	25
	Organizational Reasons to Downsize.	25
	Downsizing Consequences	27
	How Downsizing is Accomplished.	36
	Best Practices.	45
	Changing the Employment Contract.	50
	Profits or People	50
	The Old Employment Contract	51
	Defining The New Employment Contract.	52
	Roadblocks to the New Employment Contract	56
	Voluntary Turnover.	56
	Historical Evolution of Turnover Models	57
	Models of the Turnover Decision Process	63
	Significant Variables of Voluntary Turnover.	70
	Prior Plans	71
	Supervisor and Coworkers.	76
	Organizational Climate and Policies	82
	Job and Work.	83
	Disposition	85

	Perceptions of the Future	86
	External Employment Environment	87
	Demographics.	88
	Comparing Voluntary Turnover, Voluntary Layoff	89
III	METHODOLOGY	92
	Population and Sample	93
	Geographical Setting.	93
	Criteria for Inclusion.	94
	Sampling Design	95
	Sample.	98
	Instrumentation	99
	Developing the Voluntary Layoff Survey. . .	100
	Voluntary Layoff Survey	103
	Survey Conceptual Variables.	108
	Validity, Reliability, Normal Distribution	117
	Procedures.	121
	Survey Administration.	121
	Statistical Analysis and Research Design .	122
	Qualitative Data Analysis	128
IV	RESULTS	129
	Demographics.	130
	Individual Demographics.	131
	Work-Related Demographics.	132
	Spouse and Family Demographics	135
	Conceptual Variables.	136
	Plans Prior to Layoff.	138
	Supervisors and Coworkers.	141
	Good Reasons to Leave.	144
	Employment Environment	147
	Correlation Coefficients.	150
	Discriminant Analysis	152
	Qualitative Data.	157
	The Group Rejecting the Layoff Offer	157
	The Group Accepting the Layoff Offer	159
	Layoff Package	161
	Interesting Information	163
	Plans to Leave the Work Force.	164
	Company was Well Managed	165

	Life Changes	166
	Disposition	166
	Downsizing a One-time Event	167
	Promoted if I say,	168
	Financial Trouble	168
V	DISCUSSION	169
	Significant Quantitative Findings	169
	Research Questions.	170
	Additional Findings	192
	Qualitative Findings.	194
	Applications.	195
	Using the VLS	196
	Improving the VLS	198
	Continue Voluntary Turnover Research.	198
	Conclusion.	199
VI	REFERENCES	200
VII	APPENDICES.	218
	A - Voluntary Layoff Survey with Cover Letter	218
	B - Human Subjects Committee Approval	224
	C - Additional Survey Data.	226

DOWNSIZING THROUGH VOLUNTARY LAYOFF:
PREDICTING CHOICES OF NON-RETIREMENT ELIGIBLE EMPLOYEES.

CHAPTER I
INTRODUCTION

The 1980s marked the beginning of a chaotic transformation for American businesses. A downturn in the economy reduced profits and soaring inflation increased expenses, interest rates, and debt service for most organizations (Downs, 1995; Heenan, 1990; Medoff 1995). The entire competitive environment changed favoring more flexible and adaptable organizations. Companies identified as the best managed in the 1960s and 1970s were often the hardest hit as their massive size and control oriented approach made them slow to react (Lawler, 1992). Control and hierarchy resulted in excessive staffing and a resultant drop in white-collar productivity (Cameron, Freeman, & Mishra, 1991). These stellar American organizations, often the largest, were inhibited from changing by their sheer size and corporate arrogance (Downs, 1995; Lawler, 1992; Peters, 1987).

The emergence of an international business community and a global economy brought other changes. New technologies, particularly for information management and communications became more affordable. Coupled with advances in electronics, production processes, and automation, old manufacturing facilities quickly become a liability (Barbee, 1987; Silverthorne, 1987). With global competition, possibilities for cheaper labor, lower taxes and government subsidies existed for firms outside of the United States. Consumer quality expectation heightened as more diverse products were available and customer satisfaction became a tangible business strategy (Downs, 1995; Heenan, 1990; Marks, 1993).

Downsizing Overview

In response to these rapid shifts, coupled with increasing concern for profits and investor returns, organizations began restructuring operations. Most included downsizing, a generic term describing the approaches used to reduce and manage headcount (Marks, 1993). The intended purpose of downsizing was to improve overall organizational effectiveness and efficiency, without impairing competitive position. It was a deliberate and systematic elimination of employees resulting from a belief there were excess jobs

within the organization (Bush & Aldridge, 1991; Tombaugh & White, 1990b).

Downsizing History

Downsizing follows mergers and acquisitions, and is often a regular element of reengineering, defined by Hammar and Champy (1993) as "the fundamental rethinking and radical redesign of business processes to achieve dramatic improvements" (p. 32). The headlines make it very clear that companies continue to slash jobs, reduce staff and close operations. During the 1980s, in Fortune 500 organizations, over 3.4 million jobs were lost due to downsizing, or one job in every four (Downs, 1995; O'Boyle, 1990). Between 1987 and 1991, the Fortune 1000 companies were reduced by 85 percent which resulted in two million employment separations (Cameron et al, 1991). IBM, Sears, AT&T, and Kodak alone cut ten percent of their employees. The total number of people who lost their jobs through downsizing, between 1980 to 1993, was 8 million (Downs, 1995).

The first quarter of 1994 was no exception with corporate layoffs continuing to rise in spite of positive gains in the economy. Layoffs in 1994 averaged 3,106 per day, some 13 percent higher than the first quarter of 1993 ("Job Cuts Rise," 1994). By year end, 500,000 people had been laid off even though the economy had created 3 million

new jobs. Unfortunately, most of the new jobs paid less than the jobs lost (Bartlett & Steele, 1996a; Downs, 1995). Good-paying manufacturing jobs have drastically diminished with 2.7 million being lost since 1979 and one million since the start of the decade (Zuckerman, 1995). Corporate America, during the last decade has been downsizing at an incredible pace. And, the litany continues with 343,000 people laid off in 1995 between January and October.

Who Gets Downsized?

Of those downsized, two thirds were college graduates in salaried positions (Downs, 1995). Males between 35 and 54 years old were the most vulnerable with their layoff statistics having tripled since the 1980s (Medoff, 1995). The middle management jobs they held have all but vanished ("Corporate Downsizing," 1996). Downsizing is now the fashionable way to increase profits and pacify the shareholders (Downs, 1995).

Downsizing Outcomes

The legacy of downsizing is clear -- there are no lifetime employment guarantees. Today's employees have adjusted after 15 continuous years of cutbacks. Downsizing has become a way of life. Though slowing slightly during 1995, big organizations like AT&T, Boeing, BellSouth, and CNA financial are still cutting back (Caudron, 1996). However, if the predicted recession appears in 1997 or 1998,

downsizing will again accelerate. For a generation of workers, the employment contract of hard work and loyalty, in exchange for long-term employment has been rewritten overnight. There are no longer jobs for life (Barbee, 1989).

Unfortunately, the results of downsizing are mixed. Profits increased for just 51 percent of the firms downsizing between 1989 and 1994 while productivity improved in just 34 percent of these organizations (Floyd & Wooldridge, 1996). The really dismal statistic involves morale. Eighty-six percent of the companies downsizing have seen employee morale decline and it continues to decline in 1995. Perhaps this is why downsizing has been called "dumbsizing" (Markles & Murray, 1996a) or a "shell game" (Lalli, 1996). This grim view of the job is effecting consumer confidence and retarding economic growth in spite of low unemployment. "One hundred million Americans, mostly working families and individuals -- blue-collar, white-collar and professional -- are being treated as if they were expendable" (Bartlett & Steele, 1996b, p. 31A). The idea of the American dream, financed through a secure job, has vanished for millions.

Human Capital Issues

Layoffs tear at the fabric of organizations. Sudden retirement or unemployment leaves people confused and unprepared for life without a job (Sims, Fineman, & Gabriel,

1993). Employees feel dependent on the organization's power structures and helpless about their future (Joiner, 1987). Companies want to reduce their obligations to employees and employees are scared (Atchinson, 1991).

The Employers' Viewpoint

After a layoff, employers feel workers should be grateful they still have a job and they should be more productive (Knowdell, Branstead, & Moravec, 1994). However, the truth is the survivors contribute too little (Atchinson, 1991). Bardwick (1991) describes it as the entitlement habit where people think they are owed various benefits merely because of their previous existence. The years of excessive staffing have led employees to rely on others for services and support. Survivors are given more to do with no additional pay. They usually receive smaller or no raises (Cameron et al, 1991) and cannot do everything that remains unless significant restructuring has occurred.

Survivors

Survivors of a layoff feel badly for their departed coworkers and themselves (Kleiman, 1994). Their sense of distributive justice is outraged as stockholder wealth and executive compensation have increased dramatically due to the upsurge of the 1980s stock market. Unfortunately, employee compensation has not kept pace (Atchinson, 1991).

Studies indicate that if management does not provide the appropriate leadership for the organization after a layoff (e.g. clear policies & procedures, open communications, precise performance standards) the dissatisfied survivors often seek other employment (Downs, 1995; Tombaugh & White, 1990a). Survivors also lose faith after downsizing occurs when the benefits of a layoff, communicated before the cutback are never achieved (Chafin, 1992).

Survivor's syndrome is now a common complaint for those left on the job. As Medoff (1995) explained, it is like slavery where only one slave had to be punished for everyone to get the message. Layoff survivors are described as feeling very insecure about their positions (Curtis, 1989; Heenan, 1990; Jacobs, 1989; Noer, 1993; Xiaoge, 1991) with lowered organizational commitment (Isabella, 1989).

Layoff Victims

The economic toll on displaced workers is enormous. Of those who are laid off, more than half are still unemployed after a year or have taken jobs that pay less than 80 percent of their previous wages. Those over 40, employees who have only worked for one company their entire work life, or people with some type of disability can expect the reemployment to take even longer than one year. Some 25

percent of re-employed individuals lose health care and medical coverage in their new jobs (Downs, 1995).

Downsizing Approaches

The most common method of downsizing involves involuntary layoff and it produces the most negative outcomes. However, there are other methods to reduce headcount. The American Management Association (1992) questioned over 1000 firms about the practices used to reduce involuntary layoffs. Common responses included hiring freezes (61.6 percent), demotions (44.2 percent), pay reductions (35.1 percent) and early retirement offers (34.3 percent). Programs using voluntary separation offers (28.6 percent) and voluntary job-shares (15.8 percent) were less common. Forced leaves (13.8 percent) and a shortened work week (15.3 percent) were the least used strategies. However, in most cases, these strategies merely reduced the numbers of employees involuntarily downsized.

Involuntary Layoffs

In past decades, layoffs were a dreaded event, feared by all employees. As late as the 1950s, these were done without severance pay. However, they were truly layoffs with recall rights and small stipends. Today, a layoff is a termination -- without cause or due process. A typical scenario involves management keeping the layoff circumstances confidential until the employees targeted are

determined. Then, with lightening speed and carefully practiced speeches, those to be cut are notified and given severance, contingent on signing a final settlement letter absolving the company from any liability. They are given an hour to clean out their desks and escorted off company property as if they had done something wrong (Downs, 1994; Spears, 1996).

With involuntary layoff, individuals have no choice in the matter, and often suffer greatly. The human process of dealing with job loss is often compared to the Kubler-Ross (1969) model of grief associated with death and dying. This is depicted in a five-step model beginning with (a) denial, (b) anger (i.e. rage, envy and resentment), (c) bargaining, (d) depression (i.e. sadness, pessimism, guilt, feelings of worthlessness), and (e) acceptance (Noer, 1993).

Early Retirement

A company eager to change its culture and dump a bureaucratic past, though this change takes on average seven years (Ettorre, 1996), may benefit from eliminating "old-timers." This is accomplished through early retirement offers, one method of voluntary downsizing (Downs, 1995; Marks, 1993; Medoff, 1995).

Retirements may yield substantial improvements to operating costs by eliminating higher paid senior employees with costly benefits: more vacations, higher health care

costs and more retirement accrual. This is particularly evident within a two-tier pay system where senior employees are paid on a higher scale. However, there are hidden costs if retirees' health benefits are paid by the firm as these costs continue long after the downsizing.

Organizations commonly offer early retirement incentives to entice older workers who will be retiring in the near future anyway. If cost containment or profit enhancement was the major goals of the downsizing, 54 percent of the organizations offered early retirement (Marks, 1993). Of those focused on more proactive efficiency improvements, only 38 percent offered early retirement incentives.

IBM, a company with a "no-layoff" policy used early retirement as a strategy through six years of reductions to avoid involuntary layoffs. The first offer, made in 1986, was a fiasco with 15,000 employees accepting the early retirement offer when only 8,000 employee reductions were needed (Kerr, 1993; Marks, 1993). In essence, IBM had no clue as to how interested employees might be or how large the retirement incentives should be.

Voluntary Layoff

Voluntary separations or voluntary layoffs are included by one fourth of organizations downsizing. Whether to avoid litigation, to comply with Federal law, or because it is the

right thing to do, this option seems to be increasing in popularity. IBM used voluntary layoff to downsize in 1989, 1992 and again in 1996 (Narvaes, 1996). AT&T anticipated that 10-12 percent of their employees might accept a voluntary separation including an incentive package to accomplish a record cut of 40,000 employees (Keating, 1995). Voluntary layoffs were also offered as part of Denver area companies downsizing efforts at EG&G Rocky Flats, Coors Brewing Company and Public Service of Colorado.

Voluntary layoffs permit people to leave the organization at will. Their decision is prompted by personal motivations (e.g. want to change careers, good opportunities available elsewhere, relocation, etc.) and the value of the incentive packages (e.g. lump sum payments, tuition, etc.). The process is one of self-selection. Companies use this method to produce sufficient workforce reductions with the hope an involuntary can be avoided layoff (EG&G Rocky Flats, 1994).

Contrary to enhanced retirement packages, voluntary layoff encourages those not yet eligible for retirement to leave the organization. The incentives are often called a "buyout" package and range in amount of severance, bonus and benefits provided. The bottom line is that departees are financially rewarded for leaving. This practice minimizes both survivors' guilt and anger at the loss of colleagues,

with an added benefit that the organization is perceived as more people oriented and concerned with morale (Cameron et al, 1991).

If voluntary layoff reduces most of the negative consequences of downsizing, why isn't it the method of choice? As demonstrated in the IBM experience, organizations have little history and knowledge about who will leave and how many. For example, Connecticut Mutual Life Insurance formulated a lucrative buyout plan to get rid of 450 employees. Over 900 took the offer, causing the organization to pay \$16.9 million in severance pay for jobs that had to be refilled (Markels & Murray, 1996b).

Clearly, the best and brightest often exit the organization when their escape is company financed. It might seem during these chaotic economic times of discontinuous change (Nadler, Shaw & Walton, 1995) that paying for this brain drain should be avoided. However, Newman (1993) found voluntary turnover (quitting) of the better performing managers, officials and technical professionals increased during downsizing activities. Thus, trying to hold high performers captive is hopeless. This is supported by others (Bycio, Hackett, & Alvares, 1990; Downs, 1995; Markels & Murray 1996a; O'Boyle, 1990).

It would be useful to have some method to predict the number of employees that might accept a voluntary layoff

offer. Such a methodology would also assist the organization in designing the appropriate buyout package based on the numbers needed for reduction. However, there is no research addressing the reasons why employees accept or reject a voluntary layoff.

Purpose of the Study

Voluntary layoffs provide a psychologically and emotionally less painful downsizing process for departees. It is much less disruptive than involuntary layoffs -- often called organizational executions (Downs, 1995). Voluntary layoff with severance incentives reduces many short-term organizational problems associated with downsizing, such as survivor sickness, guilt and anger. Yet, no work to date describes the non-retirement eligible participants of voluntary layoff programs. There is little information about what drives decisions to take or refuse a voluntary layoff with severance incentives.

The purpose of this study is to explore the differences between those who accept a voluntary layoff offer and leave the organization, and those who reject the voluntary layoff offer and stay with the organization. Using a survey instrument developed from the literature surrounding voluntary turnover or quitting, these differences are explored. The combination of variables producing the best

prediction of group membership is defined. Also, a link between voluntary turnover and voluntary layoff is established allowing researchers to tap into the findings from 40 years of studies on quitting. Finally, applications for this information and suggestions for further work in the field are proposed.

Importance of the Study

An organization can reduce the trauma of downsizing by starting layoff activities with voluntary layoffs. Allowing employees to self-select their future minimizes some of the emotional fallout from downsizing. Additionally, for strategic planning purposes, it would be invaluable to be able to predict the number of employees that might take a voluntary layoff before the buyout offer. Using the Voluntary Layoff Survey developed for this study and discriminant statistics, an organization could survey to determine what departments, professions, or skills might be most effected by a voluntary exodus. This information would assist an organization in planning layoff stages and determining the level of incentives (i.e. buyouts) needed to achieve the necessary downsizing. Consequently, it would be possible to add some level of understanding and control to the voluntary layoff process.

Additionally, establishing the construct validity of the Voluntary Layoff Survey, and its ability to distinguish

between individuals who will accept a layoff and those who will not, allows researchers to link voluntary layoff with voluntary turnover as similar processes, sharing variables. Forty-years of research into voluntary turnover then becomes a foundation for this relatively new phenomena, voluntary layoff.

Research Questions

The research questions emerged from the previous work on voluntary turnover and the purposes of this study. They are briefly presented here with further discussion supplied in the review of the literature, provided in Chapter II. Because there is no existing tie between voluntary turnover and voluntary layoff, the research hypotheses are stated in the null form.

Demographics

The first research question involves an investigation of the demographics of the two groups, those that accept a voluntary layoff offer and those that reject a voluntary layoff offer. The question is: are the groups from the same population or, are there demographic variables which predetermine group membership.

H_{10} = There are no differences between the demographics of people who accept or people who reject a voluntary layoff offer.

Plans Prior to Layoff

The second research question explores the plans and thoughts that participants had about work prior to the layoff announcement. This question seeks to determine if there are differences between those that accept a voluntary layoff offer and those that reject a voluntary layoff offer when comparing their pre-layoff plans about work.

H₂₀ = There are no differences between the prior thoughts, beliefs and plans made by those that accept and those that refuse a voluntary layoff offer.

Supervisors and Coworkers

The third research question focuses on beliefs about supervisors and coworkers. The question seeks to determine if the attitudes and opinions about supervisors and coworkers vary between those who accept a voluntary layoff and those who do not accept a voluntary layoff.

H₃₀ = There are no differences between those that accept a voluntary layoff and those that reject a voluntary layoff when comparing their opinions about supervisors and coworkers.

Organizational Policies and Climate

This research question examines participants' beliefs and opinions about the organization: organizational climate and policies.

H₄₀ = There are no differences between those accepting a voluntary layoff and those not accepting a voluntary layoff when compared on beliefs about the organizational policies and climate.

Job Attitudes and Beliefs

The fifth research question deals with participants' views of their jobs and if they are satisfied with work and the work situation.

H5₀ = There are no differences in the beliefs and attitudes about the job between those that stay and those that leave when offered a voluntary layoff.

Good Reasons to Leave

The sixth research question deals with perceptions about the future, what may happen to the company, the job, and job opportunities. The situations expected may create good reasons to leave.

H6₀ = There are no differences in the perceptions about the future of the company, the job and job opportunities between those that accept a voluntary layoff and those that reject a voluntary layoff.

Downsizing Was Good

Examining the feelings of the individuals involved in a downsizing, this question probes for a value judgment as to whether the downsizing was a good and necessary action.

H7₀ = There are no differences between those that stay and those that leave during a voluntary layoff when comparing how they judge the downsizing decision.

Employment Environment

The individual's assessment of the employment environment and alternate job opportunities is a well documented variable of quitting. The eighth question examines if perceptions of the employment environment

differentiate those taking a voluntary layoff offer from rejecting the layoff offer.

H8₀ = There are no differences between the perceptions of the external environment between those that take a voluntary layoff and those who do not.

Combining Variable for Better Prediction

This research question addresses whether or not the significant variables of this study can be combined to predict the choices of the individuals in this study more effectively than any single variable.

H9₀ = There is no difference in the predictive power between one variable and a combination of variables to determine the choices of non-retirement eligible individuals regarding a voluntary layoff offer.

Relationship between Voluntary Layoff and Voluntary Turnover.

The final research question deals with the relationship between voluntary layoff and voluntary turnover. Assuming there is no relationship, then the variables that differentiate individuals who quit and don't quit (i.e. voluntary turnover) would not differentiate between those who accept and those who do not accept a voluntary layoff.

H10₀ = The variables used to differentiate between those who will quit and those who will not quit can not be used to differentiate between those who will accept and refuse a voluntary layoff.

Summary

In conclusion, voluntary layoff as a self-initiated downsizing process is more humane than involuntary layoff since it does not result in survivor guilt and morale

degeneration. If the variables of voluntary turnover (quitting) are proved to be operating in voluntary layoff, it is likely that individuals who accept a voluntary layoff offer are probable candidates to quit the organization in some future time frame. It makes sense to encourage these people to leave by offering additional incentives, thereby preserving the morale and maintaining an employee population that plans a future with the organization. Because people are the most valuable asset of an organization (Merriam & Caffarella, 1991), it makes sense to understand the dynamic processes that influence organizational exits such as voluntary turnover and voluntary layoff. With human resource management becoming a "major strategic tool that can uphold the competitive position," (Pucik, Tichy, & Barnett, 1992, p. 61) maintaining valuable skills and abilities within the organization are critical components of organizational survival and success.

Definition of Terms

The following list gives working definitions for terms that are used liberally in this study.

Buyout or Buyout Package

A buyout or buyout package is a collection of incentives, including money, benefits, and services, given to an employee in exchange for an agreement to leave the

organization. Generally, receiving a buyout package is contingent on an employee signing an agreement not to sue the employer for anything that may have arisen out of the employment relationship. Buyouts are incentives over and above normal severance payments.

Downsizing

Downsizing is a generic term describing the approaches that organizations use to reduce and manage headcount. The intended purpose of downsizing is to improve overall organizational effectiveness and efficiency without impairing competitive position. It is a non-evaluative term which includes both good and bad outcomes (Marks, 1993).

Layoff

Though past definitions of this involuntary organizational exit included rights of recall; currently, a layoff is a termination from the organization with no cause or fault attributed to the employee (Downs, 1995, Noer 1993).

Leavers

The term leavers is used in the literature on voluntary turnover to refer to those that leave the organization through quitting (Abelson, 1987; Jackofsky & Peters, 1983; Porter, Steers, Mowday & Boulian, 1974) In this paper, the term will include those who leave the organization through voluntary layoff.

Non-retirement eligible

A non-retirement eligible employee is either lacking the age or years of service necessary to receive retirement benefits or for some reason has not accrued retirement benefits.

Organizational Exits

Organizational exits are the ways in which an employee leaves his/her employer. These are comprised of two groups of exits. The involuntary exits include termination (firing) and involuntary layoff. These are accomplished at the will of the employer with no consent or approval from the employee. Voluntary exits include retirement, voluntary turnover (quitting) and voluntary layoff. Voluntary exits are primarily the choice of the employee and may happen: with organizational sanction, as in a voluntary layoff or early retirement; or without organizational approval as in voluntary turnover (quitting) or retirement.

Rightsizing

A value-laden term for various approaches to reducing headcount which are accomplished as strategic and holistic plans. The implication is that rightsizing will result in more positive and successful outcomes, and overall, couches the activity of reducing headcount in a positive term (Newman, 1993).

Severance

Severance is the payment allowance given to terminated employees. It commonly includes two weeks of pay with additional amounts added based on length of service.

Severance Incentives

Severance incentives are the same as a buyout package. They include payments of money, benefits and services, over and above that which would be normally included as severance.

Stayers

The term "stayers" is used in the literature on voluntary turnover when referring to those who do not quit. These individuals stay with the organization (Abelson, 1987; Jackofsky & Peters, 1983; Porter et al, 1974). In this study, the term will also include those who stay with the organization and do not accept a voluntary layoff.

Survivors

Survivors are the employees who are not laid off and remain in the organization after a downsizing event.

Survivor Sickness

Survivor Sickness encompasses a wide range of attitudes, perceptions and feelings that occur in those who are not laid off. These include guilt, anger, uncertainty, fear, distrust and depression (Noer, 1993).

Victim

A victim of a layoff is an employee who is removed through involuntary layoff. These people are forced out of the organization.

Voluntary layoff

Voluntary layoff is the downsizing process by which employees, of their own volition, decide to receive a layoff, or separation from the organization. This process usually involves buyout or severance incentives in exchange for the employee's agreement to leave.

Voluntary turnover

Voluntary turnover is the departure of an employee from the organization at his/her own volition. The employee resigns from an organization. Voluntary turnover is the behavioral term for quitting and does not include retirement. For purposes of this study, voluntary turnover does not include voluntary layoff as one of the purposes of this study is to prove a link between these variables.

CHAPTER II

REVIEW OF THE LITERATURE

The literature review is organized around several broad areas. First, additional information regarding downsizing is provided including: reasons why organizations downsize, how downsizing is accomplished, and a description of the outcomes of downsizing. Best practices will be explored as well as the nature of the new employment contract between organizations and individuals. The review continues with a discussion of the literature on voluntary turnover, the historical development and evolution of turnover models, and models of the turnover decision process. Finally, the statistically significant variables reported in the literature of voluntary turnover are reviewed. These variables provided the theoretical foundation for the Voluntary Layoff Survey Instrument. The variables from voluntary turnover were used to determine the differences between non-retirement eligible employees who accept (leave) or reject (stay) a voluntary layoff offer. The significant variables from voluntary turnover established the link to voluntary layoff.

Downsizing

The term downsizing entered the language in 1970 (Uchitelle & Kleinfeld, 1996). Since that time, 75 percent of the population has had some close contact with a layoff or layoff victim. This has heightened the anxiety about job security to levels not seen since The Great Depression. While a friendly regulatory environment has produced a new round of mergers (Boroughs & Fisher, 1995), the investors versus stakeholders mentality has created a new business paradigm (Hammonds, Zellner, & Melcher, 1996) where "firing people is trendy in America" (Underwood, McCormick & Branscombe, 1996, p. 44).

Organizational Reasons to Downsize

Many reasons have been given by organizations to explain downsizing decisions. Table 2.1 compares the results of 406 diverse firms participating in the 1992 Laborforce 2000 Survey (Marks, 1994; Mirvis, 1993) with the outcomes of a 1991 American Management Association (AMA) survey (Knowdell et al, 1994). The AMA surveys its membership yearly on workforce reductions and is reported to have a bias towards large firms and those in manufacturing (Marks, 1994). The Conference Board conducted the Laborforce Survey by randomly soliciting its members for participation.

These items can be divided into two basic groups: proactive strategies which focus on improving operations, enhancing strategic objectives and treating the entire organizational system; or reactive strategies which

Table 2.1

Two Surveys on Reasons to Downsize (Mirvis, 1993; Knowdell et al (1994).

AMA Survey	%	Laborforce 2000	%
Actual/Anticipated Downturn	55%	Cost Containment	27%
Improve Productivity	23%	Lack of Profits	25%
Mergers or Acquisitions	9%	Improve Efficiency	22%
Transfers of Work	8%	Increased Competition	12%
Automation/ New Processes	3%	Strategic Realignment	5%
		Mergers and Acquisitions	3%

concentrate on improving financial performance (Cameron et al, 1991). Depending on the strategies selected for improvement, the complexity and results differ.

Unfortunately for employees, one of the quickest ways to improve financial performance is to focus on labor cost containment and headcount reduction.

In organizations focusing on labor cost containment, there were three basic strategies employed. The first involved redesigning or restructuring the organization by redefining or redesigning units and changing locations.

Within this group, 64 percent shutdown various operations, 62 percent combined units and 50 percent sold portions of the business (Marks, 1993). The second strategy revolves around eliminating positions with 47 percent reporting significant reductions of workers, 38 percent cutting significant numbers of management personnel, and 40 percent relying on early retirement offers. The final broad strategy for labor cost reduction involves the organizational policies involving staffing. Most organizations implemented hiring freezes (57 percent) while 10 percent allowed workers to adopt part-time schedules.

Downsizing Consequences

Positive Outcomes

Reactive strategies produce immediate short-term results which can be impressive. Fisher (1991) reported about half of the organizations involved in downsizing felt this activity met their expectations. Thirty-two percent increased profits and 21 percent improved return-on-investment. Downs (1995) noted there is an almost immediate rise in stock price when layoffs are announced. Investors believe downsizing is good news.

Executive compensation is often linked to stock price, so a layoff announcement can produce financial rewards for management while also returning value to the investor. This was evident when AT&T announced a layoff of 40,000 workers

and the stock price rose as the "slaughter was announced" (Sloan, 1996a, p. 44). The trend seems to be ongoing with investors having a record year in 1995. The DOW Industrial Average was up 30 percent and the typical CEO salary has jumped 13 percent per year (Gergen, 1996).

Another organizational purpose behind layoff seeks to improve employee productivity by eliminating the "deadwood." Management uses a layoff as a quick way to eliminate poor performers and scare employees into a high-performance mode. For employees, this leads to the constant fear that any error will result in discharge. Downs (1995) reports the media often conveys a layoff announcement as a positive event for the investors. With the organization's name in the paper, the executives look decisive and performance is expected to improve. Meanwhile, the organization may be able to cry about their desperate situation and the loss of jobs, coercing tax breaks, refunds and business incentives from the community. The ultimate threat being the firm will close or relocate, further devastating the community.

Negative Outcomes

Not all downsizing outcomes are positive. The evidence continues to prove that downsizing is risky business, often leaving a legacy of inhumane management which targets only symptoms and in the long run destroys the future health of the organization (Downs, 1995; Tomasko, 1992). About half

of the organizations never see the benefits expected from downsizing (Fisher, 1991; Marks, 1994). Long-term decreases in labor costs are achieved by fewer than two-thirds of the organizations that downsize and less than half of the organizations realize any lasting improvements in profitability (Kleiman, 1994). The results were even worse in companies that undertook second and third rounds of downsizing (Bridges, 1994a). The simple fact is downsizing doesn't guarantee increased profits.

The downsizing process was modeled by Blackman (1992). Given the reasons outlined in Table 2.1, the organization begins internal and external actions to reduce costs. If downsizing is selected, four steps follow: (a) planning for downsizing, (b) communication of the workforce reduction, (c) implementation of the reduction, and (d) managing the new workforce. Each of these steps has associated human resource issues. During the planning stage, rumors and unintended organizational messages are a problem, because the anticipation of reductions interferes with communication. During the actual reductions, coping with the reduction activity is the chief concern. Finally, when managing the new workforce, survivor issues emerge. All of these lead to reduced organizational effectiveness indicated by increased turnover and decreased productivity.

Companies often manage to eliminate the right numbers of people in the wrong areas or lose some of the best minds (Coffey, cited in Greengard, 1994), especially if cost cutting is the driving force (Marks, 1993). New employees must be recruited and trained, contractors hired, or ex-employees brought back as contractors. All of these situations create problems. Unfortunately, the increased costs for training the workforce, working necessary overtime, contributing to retiree health benefits, and making severance payments catch organizations unprepared for the total expense (Marks, 1994).

Prospective employees are likely to avoid a company where downsizing has recently occurred. When contractors are present and paid at higher rates, employees see the organization as less trustworthy. Distrust and perceptions of unfairness also lead to reduced productivity (Atchinson, 1991; Pearce, 1993). Layoffs may give short-term profits a boost, but in the long run, downsizing begins a cycle in which companies falter due to a loss of talent, productivity, and morale for months, even years afterwards (Downs, 1995).

The Downsizing Spiral

Layoffs reduce customer confidence, scare customers away and contribute to economic decline. All of these

problems make repeated layoff necessary to maintain profit levels as productivity declines.

The cost of the layoff is carried by the community. As individuals are unemployed, their disposable income declines, passing the problem to local merchants. The tax base erodes requiring schools and other public services to also downsize. It is not uncommon to see the tragedy of downsizing occurring while executive compensation rises (Marks, 1994).

Because most workforce reduction strategies or downsizing events are associated with short-term strategies and pressing financial needs (Cameron et al, 1991) restaffing efforts begin within a relatively short amount of time after a cutback. It may be the organization doesn't consider the costs of recruitment, selection, and training (Cascio cited in Williams & Livingstone, 1994) when it encourages volunteers to leave. Sometimes these costs are diminished when the organization rehires layoff victims as temporaries or independent contractors. However, rehiring after an involuntary layoff, negatively impacts morale. According to the Laborforce 2000 Survey (Emshoff, 1994) 90 percent of large organizations have downsized since 1989 and lowered morale is the norm. Though reports vary, between 58 percent to 86 percent suffered a major decline in employee morale while 37 percent indicated employee turnover had

increased to the point where it was difficult to retain employees (Boroson & Burgess, 1992; Floyd & Wooldridge, 1996; Tombaugh & White, 1990b). Absenteeism and accidents increased and incidents of lost productivity and poor quality also rose (Fleishman & Harris, 1995; Miller, 1992).

Human Consequences

Victims. For those laid off, the statistics are grim. In addition to the vocational consequences indicated in Chapter I, the suicide rate is 30 times the norm (Marks, 1993). One crisis consultant reported handling more suicides in the workplace and concluded that employees must have ways to vent anger, frustration, and helplessness (Thornburg, 1992). Employees need training in how to deal with downsizing, how to bounce back without ranting and raving or being self-destructive (Golden, 1996).

Survivors. The survivors of downsizing are extremely distrustful of management and 70 percent still worry about losing their jobs (Houston, 1992). These feelings result in 35 percent of employees having trouble adjusting to new bosses and 41 percent are unable to assume new responsibilities ("Survivor Guilt," 1993). Resentment, anger, and depression are the human outcomes of downsizing (Caudron, 1996; Marks, 1994; Noer, 1993; Thompson, 1992). Survivors suffer from lack of direction, risk avoidance, and withdrawal long after the layoff.

Legal Action

Regardless of how layoffs are orchestrated, the affected employees are increasingly litigious. Laws prohibiting discrimination, particularly against older workers, along with employee legal protections claimed under wrongful discharge have made layoffs very difficult for the corporation. The increasing burden of proof placed on the employer and the possibility of precedent setting judgments has many human resource professionals worried. "Employees are now winning more than half of the wrongful discharge cases filed" (Bridges, 1991, P. X). Often this is due to the employer violating their own policies, procedures and work rules. The following discussion introduces the major legal issues surrounding downsizing.

Employment-at-Will. In the past, employers have been willing to fight settlements, paying legal fees rather than giving in to former-employee demands. However, a decision awarded \$450,000 to two employees laid off from Public Service of Colorado because the utility company did not keep its "promise of job security" ("2 Laid-off PSC," 1994, p. C2) may cause companies to reconsider engaging in these legal battles. Local experts believe this court decision will hamper companies who are trying to be more efficient, effective, and productive. This decision certainly

emphasizes the need to clarify employment-at-will understandings between employer and employee.

WARN. Employers must have a comprehensive reduction in force plan prior to any restructuring activities (Flaxman & Myers, 1992; Knowdell et al, 1994). The focus of this plan must be on adhering to all legal matters involving compensation and benefits, as well as the Worker Adjustment and Retraining Notification Act (WARN) which requires notification of layoffs for all organizations employing over 100 people, including local and federal government. WARN is administered by the Federal Department of Labor.

ADEA. Consideration must be given for the Age Discrimination In Employment Act (ADEA) which prohibits age discrimination against people over 40 and covers all employers with 20 or more employees. Recent court decisions have ruled that signing a general release against all claims in order to qualify for enhanced severance benefits may violate the ADEA (Costa-Clarke, 1994). In a landmark case, SmithKline provided lump-sum payments and continued medical benefits to layoff victims. The suit claimed that older workers, in signing the same release as the younger workers, were surrendering more rights, referring to ADEA protections. The judge ruled that older workers must be given more consideration, such as larger packages based on age, to sign away these rights.

ADA. The ADA or Americans with Disabilities Act of 1990 must be considered such that employees with disabilities are not unduly impacted by a downsizing action. To comply with ADA, a downsizing must not create any "(a) disparate treatment of disabled employees and (b) adverse impact on employees with disabilities" (Knowdell et al, 1994).

COBRA. Under COBRA, employees must be offered specific rights under the Consolidated Omnibus Budget Reconciliation Act (COBRA) and given details on pensions, profit sharing and other financial benefits. Finally, any payments and disbursements such as commission and profit-sharing must be paid within defined time periods.

EDWAAA. The Economic Dislocation and Worker Adjustment Assistance Act (EDWAAA), which replaced the Job Training Partnership Act (JPTA) promotes collaboration between local government, state government, business and labor to assist displaced workers. These programs usually include retraining assistance, job-search training funds and other services related to re-employment (Knowdell et al, 1994). This act is administered and funded by the Department of Labor with additional resources from state and local agencies.

Spillover to Government

The Federal Government is also feeling the pinch of downsizing. Since 1992, government agencies have cut 160,000 jobs (Reischl & Koca, 1995). Recognizing that society in general has little tolerance for the big government created during the 1970s, the Clinton Whitehouse promises to continue cuts, taking the government well below two million employees.

In the defense industry, where massive downsizing is occurring due to the end of the "Cold War" and the fall of the Soviet Union, Congress passed Section 3181 of the National Defense Authorization Act on October 23, 1993, to guide the restructuring of the nation's nuclear facilities. This bill specifically requires that layoffs be minimized through retraining, attrition and voluntary separation programs (Stephenson, 1994).

How Downsizing is Accomplished

There are four basic options for immediately reducing headcount. Elgin (1992) lists these as: (a) layoffs without severance, (b) involuntary terminations with normal severance, (c) early retirement incentives and, (d) voluntary layoffs with enriched severance packages. The most expensive option is early retirement, which is included in 54 percent of the downsizing efforts (Marks, 1993). Walton and Patterson (1992) recommended this as one of the

best methods. The first option, involuntary layoff, though the least expensive in dollars is the most damaging to employee morale and community reputation.

Involuntary Layoff

Involuntary reduction of employees can be organized by seniority, performance evaluations, department or job elimination. Prior to the 1980s, layoffs were usually done by seniority, with the last employee in the door being the first laid off. The problem is the newer employees, being younger, better educated ("Overqualified Generation Xers," 1994) and "technoliterate" (Filipczak, 1994) are needed to gain a competitive advantage. Today, the focus is to eliminate older workers who are more costly in salary and health benefits than young people with fewer years of service (Medoff, 1995). Reductions must be done very carefully to avoid legal actions resulting from discrimination. Additionally, experts warn that involuntary layoffs often target women and minorities, minimizing work place diversity (Blackman, 1992; Kleiman, 1994).

If administrative and exempt employees are involved, more subjective measures usually determine who will be laid off. Whether real or contrived, job elimination often befalls those whose performance is considered substandard. By eliminating the job, management need not deal with performance issues which are commonly undocumented. Too

often, issues of performance are not addressed until reductions are on the horizon and it is too late for action plans for improvement (Joiner, 1987). Layoffs, by performance ranking, without solid documentation may not hold up in court. Therefore, the system is manipulated and specific positions are eliminated to ensure those targeted for layoff are terminated through job elimination.

Retirement and Early Retirement

As mentioned, early retirement is viewed as the best method for downsizing (Walton & Patterson, 1992). Legal changes have increased the popularity of this methodology, as mandatory retirement was prohibited in 1986 by the ADEA (Mondy & Noe, 1993). However, the decision to retire is complex. It involves life-style changes and economic trade-offs based on the unknown factor of lifespan. This decision is influenced by family, health concerns, and investment returns (Lawless, 1996). Employers often increase benefits to encourage retirement and offer incentives for early retirement. These can include an increase in the monthly retirement check, lump sum payments, or social security bridges. Additionally, early retirement no longer means the end of work completely. More than 25 percent of the workforce works in temporary or part-time jobs. Many of these workers are semi-retired.

Feldman (1994) defined the retirement choice as dealing with three interconnected decisions: (a) to leave full-time, long-term employment, (b) whether additional employment of some type will be necessary and, (c) the adjustment to retirement. These decisions are made collaboratively with a working spouse and influenced by various individual differences (work history, marital status, health status), opportunities, organizational factors, and the external environment. Contingent on the number of employees who elect to retire, the use of early retirement offers as a downsizing strategy, can increase organizational costs through the health care benefits offered retirees (Marks, 1993; Marks, 1994).

Feldman (1994) described retirement as a combination of push factors: those that push the individual away from the organization, and pull factors: the appealing factors such as leisure and travel that make retirement desirable. This push or pull concept is a common underpinning in most voluntary separation situations.

Retirement is any change in a long-term career job or career path after middle age (Feldman, 1994). Thus, anyone who exits a particular field after 10 years and is in his or her middle 40s would qualify as a retiree. This definition provides a broadly applicable hypothesis regarding the decision to leave the organization. Feldman divided the

factors influencing retirement into four categories, shown in Table 2.2.

Table 2.2

Factors Influencing Early Retirement (Adapted from Feldman, 1994, p. 291).

Personal Difference	Career Path Incidents	Organizational Factors	External Environment
Work History Years of Service Career Orderliness Layoff history Age	Discrimination: Older Worker Voluntary v. Involuntary retirement Opportunities: part-time or self-employment in industry	Financial Rewards Current Wages Future Pensions Early Retirement Counseling	Uncertainty About Macro-Economic Trends Government Programs To Assist Older Workers
Marital Status Married Working Spouse Spouse's Income	Age Related Performance: Physical Intellectual Social	Flexibility in managing older workers	Social Security: Eligibility Tax Laws
Demographic Status Race, Gender	Type Of Industry Mfg or Service Large vs. Small Industry Growth / Decline Unionization		Economic Growth Inflation
Attitudes Towards Work			
Attitudes Toward Retirement	Primary vs. Secondary Labor-Market job		
Health Status			

Factors such as long service, being male, and having fewer entries and exits from the workforce will encourage early retirement (Feldman, 1994). People who are married and have a working spouse are more likely to take an early retirement as will those with health problems. The final items under personal factors include work attitudes and retirement attitudes. Having positive work attitudes may

keep people on the job, while positive retirement attitudes will encourage early retirement.

In the career path areas, discrimination against the individual's ethnic, gender or age group will discourage retirement. If the employment environment lacks opportunities for part-time work or self-employment within the industry, individuals will stay employed. Feldman (1994) found working in manufacturing or for a large company predicts early retirement while service workers and those at small companies stay on the job much longer.

Organizational considerations that encourage retirement include financial rewards, such as buyouts and retirement incentives. Those with large pensions will also retire earlier. Having retirement counseling often encourages people to make this decision. Finally, organizations have the ability to provide flexibility for older workers, including shortened work schedules, job sharing, and telecommuting. These options can influence employees to stay in the work place for additional years.

The external environment effects the decision to retire early in the same ways it effects the decision to quit. If external opportunities are perceived to be available and favorable, people may retire. This is tempered by the amount of social security and pension to be received.

In addition to the specific factors, the work of Beach and Frederickson (cited in Feldman, 1994) in image theory; about how people view their current, past and future goals may provide some understanding of how and why retirement decisions are made. Image theory proposes that people make decisions which align with their self-image. Beach and Mitchell (1987) noted these images are influenced by work, family, friends, recreation, hobbies, ethical principles and spiritual beliefs. Images of retirement and work greatly impact the attitudes held and as such influence the early retirement decision.

Voluntary Layoff

Voluntary layoff is classified as a proactive human resource strategy to manage downsizing (Marks, 1993). Voluntary layoff with severance incentives is classified by Cameron et al (1991) as a Workforce Reduction Strategy. The activities in this family are designed to eliminate jobs through: (a) attrition, (b) transfer and outplacement, (c) retirement incentives, (d) buyout packages and (e) involuntary layoffs. Often called "grenade" approaches, these are designed to produce immediate decreases in headcount.

The benefits to the company when employees volunteer for layoff are obvious. Senior management and legal counsel no longer belabor where cuts will be made, who will go, and

what criteria will be used for layoff. After the fact documentation of poor performance is unnecessary and decisions regarding who will be "killed" (Downs, 1995) are not needed. Wrongful discharge litigation is virtually eliminated through the voluntary layoff process. The workforce is reduced by self-determination. From the organization's perspective, voluntary layoff is a godsend. It is also possible that a complete downsizing activity can be accomplished by voluntary layoff as was done at the Coors Brewing Company in 1993.

From the employee's view, it is more questionable. Worker dislocation studies indicate that laid off workers earn \$6,000 less a year in their new jobs and experience a loss of \$80,000 over their life (Stamps, 1994). However, if an organizational exit is anticipated, receiving payment is an added bonus for the employee.

No research has been done to predict the actual reasons people elect to voluntarily leave an organization during downsizing. Often, the workers depart before the workload is reduced, creating major problems for the employer. Early retirement and voluntary layoff were the preferred layoff methods in the 1980s (Fagiano, 1992) until the knowledge drain became intolerable. However, because employees leave willingly, the event doesn't produce the same emotional trauma.

IBM, Coors Brewing Company and Colorado Public Service Company have all used voluntary layoff in addition to early retirement offers. IBM was one of the first to use the voluntary layoff approach, to conform with a no-layoff policy. When profits declined 25 percent at IBM Europe, it was obvious that the United Kingdom division would have to reduce staff. Given that IBM had experienced a surprise departure of too many valuable employees in the US when offering retirement buyouts (Marks, 1993), the severance incentives were moderated to protect scarce competencies and reduce the voluntary exit of employees with valuable skills. Therefore, a lump-sum severance payment was given, calculated by accruing one month of pay for each year of service, with a maximum of two years pay (Peach, 1992). IBM also bridged retirement for three years, allowing employees who would be eligible within this time frame to retire immediately.

The same lump-sum payment amount was given to employees accepting a 1993 voluntary layoff at the Coors Brewing Company in Golden, Colorado. A retirement bridge similar to IBM was also given at Coors. The Coors layoff hoped to reduce 600 employees. A total of 640 volunteered. Two-thirds volunteered for layoff because they were not eligible for retirement. This represented approximately 10 percent of the population given the offer, making an involuntary

layoff unnecessary. This percentage agrees with Mirvis (1993) who found the average employee reduction resulting from any voluntary layoff was 12 percent.

AT&T offered a voluntary separation package in hopes of enticing 10-12 percent of their workforce to resign. The incentive package included almost nine months of salary, an unspecified bonus, and a \$10,000 training and relocation allowance (Keating, 1995). The same combination of voluntary layoff, early retirement and involuntary layoff was also used at Public Service of Colorado to cut 1,100 jobs in 1994.

Best Practices

Numerous actions can be taken to obtain the best possible outcomes from downsizing. The following is merely a brief discussion of some of the considerations.

Focus on Customers

Emshoff (1994) recommended a downsizing process that begins with an overall vision of the marketplace, focused on the customer and the competition. Using this approach, difficult decisions can be made that will support business goals.

Focus on Processes

Knowdell et al (1994) outlined the entire process for managing downsizing. The process begins with a complete assessment of the current environment including: employee

skills, affirmative action implications, union agreements, personnel policies and the legal aspects of downsizing. From this inventory, a downsizing is planned complete with termination meetings, severance packages, transition services and press releases.

In addition to these activities, training must be provided so managers understand what they must do and how to reducing the pain of the employees while at the same time, minimize the legal risks for the firm. Final considerations included dealing with the emotions and behaviors of those who remain in the workplace. They need training and encouragement to make the new organization successful. This involves rethinking the work and planning for a strategic workforce.

Focus on Survivors

Right Associates' survey determined that survivors, those who remain with the organization after a downsizing, have reduced trust ("HR paints a bleak portrait...", 1993). This can be improved through communication and support during the layoff process. The recommended implementation steps include explaining the reasons for the restructuring and layoff, followed by specific information on what benefits will be given to those who leave (Caudron, 1996). Business activities should continue with ongoing communications and training (Atchinson, 1991)

Marks and Aprix (1993) presented a seven-step process that centers on helping employees cope with and recover from restructuring. Their model required two basic requirements be in place before realistic assistance can be given to layoff survivors. The first requirement was proactive human resource strategies to support any downsizing activities. Included would be such policies as job-shares, part-time, sabbaticals, hiring-freezes and contract employees. Additionally, these strategies must be supported visibly by senior management and implemented by caring supervisors. Their seven-step plan included: (a) accepting there is a need to reform the group, (b) improving communications, (c) revising and aligning important corporate values, (c) training middle-level managers to help the survivors, (d) implementing tactics to help survivors adjust, (e) helping employees let go of the past, and (f) involving people in forming a new organization.

This supported Covin's (1993) survey findings where layoff survivors felt they could have improved the processes and procedures of the downsizing if their input had been considered.

Focus on Communication

Regardless of the methods used, the literature agrees that employees need as much information as possible as soon as possible when restructuring activities begin.

Communicating specifics about the plans improves organizational effectiveness (Blackman, 1992; Cameron et al, 1991, Caudron, 1996; Walton & Patterson 1992). Blackman's work indicated that detailed information regarding the people issues, given in advance, minimized the negative impact on the organization. Miller's (1992) work found that the most effective managers involved employees in problem solving and two-way communication as opposed to no communication or one-way communication.

Caudron (1996) emphasized the need for communication, both before, during and after the downsizing process. Management must be proactive and aware of the emotional needs of survivors. People have to know what their new job involves and have clear guidelines and clear job goals. Without these, they can't support the new organization. Whether the company implements regular brown bag seminars, E-mail Q&A, hotlines, newsletters or meetings, up to 75 percent of survivors said this communication was very important. Even with extensive communications, it still takes about 18 months to lift morale to pre-layoff levels.

Focus on Ethics

The easy way to downsize is often not the most ethical. Spears (1996) discussed the lack of ethics displayed in traditional rules of the downsizing: "(a) keep 'em guessing, (b) cut fast, and (c) then you're gone" (p. 62). If a

company is going to build trust, caring and commitment, these rules must be changed.

Employees need excessive amounts of information during restructuring. When layoffs are necessary, employees can contribute reorganization and work redistribution ideas that will help to better manage the cuts. This involvement improves their understanding of the rationale for the downsizing. Finally, the organization must maintain friendly and open communication with all employees downsized. The ethical organization cares about people and understands that today's relationships build bonds that carry into the future (Spears, 1996).

Focus on a Vision

Massive amounts of research have been done regarding the power of creating a shared vision (Bennis, 1989; Bennis & Nanus, 1985; Block, 1988; Covey, 1989; Kouzes & Posner, 1987; Nanus, 1992; Rayner, 1993). The importance of having a vision about how the downsizing will transition to the new organization and what that future organization is cannot be underestimated. If the employees have no sense of why downsizing was necessary or what the new plan entails, they can't support it. Thus, creating and sharing the vision is a downsizing best practice.

Changing The Employment Contract

Historically, in a capitalistic society, the division of labor allowed skilled employees to create wealth (Avishai, 1994). Coupled with the economic principle of laissez-faire, the market dictated the value of these skills. Government then added the final element, laws defining the social contract between the worker and employer. However, as employees are being replaced by machines and the push is on for everyone to become a "knowledge worker" the relationship between these three parties is no longer clear. Corporations question if they have any social responsibilities or obligation to workers. When they are featured on magazine covers as corporate killers, society wonders also (Zuckerman, 1996).

Temporary and contract positions are becoming more common, allowing organizations to hire fewer employees (Robinson, 1996). For most employees, it is an employment-at-will arrangement without any solid relationship between the employer and employee (Golden, 1996). Life-long employment is dead (Barbee, 1987), it was killed by downsizing.

Profits or People

When AT&T announced a layoff involving 40,000 people due to technology changes and the competition (Cook & Hetter, 1996), Secretary of Labor Reich decried this as an example

of social irresponsibility (Ettorre, 1996). As a result, AT&T backed off, reducing the number of employees to be cut. A message was clearly sent. Government believes it is "no longer fashionable to announce mass corporate firings" (Sloan, 1996b). AT&T's responsiveness to the publicity instead of their employees clearly indicated the numbers to be reduced were negotiable. The jobs and skills to be eliminated were not the driving force behind AT&T's decision. AT&T was looking for profits, not looking after people. Certainly, survival of an organization this size is critical to the economy, however, looking only to the bottom line has redefined the employment relationship.

The Old Employment Contract

The old employment contract was based on the implicit assumptions of a long-term relationship with the reward for performance being promotion (Borchard, 1995; Marks, 1994; Noer, 1993). Management was paternalistic and loyalty was demonstrated by long service to the company. The net result of this contract was a lifetime career with one organization, concluded with a retirement pension. These rules were established during the industrial revolution and influenced by scientific management which separated the workers from management (Atchinson, 1991).

Defining The New Employment Contract

The employment relationship is now defined as situational -- leading to a more flexible workforce. Rewards other than promotions are necessary because the flattened organization has few levels and little, if any, room for regular promotion. Management's new role is to empower, leaving the employee with autonomy and a responsibility to take care of themselves (Atchinson, 1991).

Loyalty in the new employment contract is now defined in the context of being responsible for good work and maintaining high-level skills. For a group of workers who have become a disposable commodity, it merely means not "looking for your next job on company time" (Algeo, 1996b, p. 8A). The new contract is only for explicit work. When the project or job is completed, or the technology and skills change, there is no guarantee of continuing employment.

Employees are now in charge of their careers. They will have flexible work patterns, multiple careers, and gradual retirements. Employees will become life-long learners, able to adapt and change with technology (Vantage Human Resource Services, 1996). The new employment contract, an implied social contract, is currently being defined by the corporate partner in this relationship.

However, it is only a matter of time and a shrinking job-skill pool before some balance is obtained.

Employee Loyalty and Customer Loyalty

Reichheld and Teal (1995) explained that loyalty, though rare in the workplace, is extremely valuable. Firms lose on average half of their employees every four years and half of their customers every five years. Customer loyalty can not be maintained without an environment that fosters employee loyalty. In loyalty management, profits take a secondary importance to building loyal customers, employees, and investors. Cost savings are produced by minimizing employee churn and relying on loyal employees who will cut costs while improving quality.

However, it is doubtful that employees over 45 will see this management model. Because older workers are more expensive, they are more likely to become part of the downsizing body count (Yates, 1996) or killing field. Though corporations "love to talk about nimbleness and efficiency gained through restructuring" (Markels & Murray, 1996b, p. 1), and how they must downsize if their competitors are doing it (Peak, 1996), hasty across-the-board cuts often come back to haunt them. It is a reoccurring theme that downsizing cuts are often too deep and hiring begins almost immediately afterwards.

Unfortunately, the new hires know little about the company, the work, and the customers.

Systems Changes

The new employment contract is surrounded by changes in the entire business system. Ettorre (1996) denotes four key areas: (a) culture, (b) high-performance environment, (c) employment security and (d) skill building, that are critical to building the new relationship.

Culture. The culture in organizations must change to value workers at the same level as customers and investors. The importance of this value is demonstrated by organizations who have found downsizing reduces customer service and satisfaction (Algeo, 1996a; Lalli, 1996). Often downsized employees are snapped up by competitors increasing the disadvantage (Markels & Murray, 1996a).

High-Performance Environments. Organizations must offer a high-performance environment where rewards and incentives are linked to performance (Atchinson, 1991; Ettorre, 1996). Productivity will grow when employees share in the rewards. The organizational complaint about dead-wood can be resolved if employment is tied to performance. If employees don't deliver, they are not rewarded or retained.

Employment Security. Employment security must be of paramount concern to the organization. Currently, it ranks as the premiere issue for employees. This means downsizing

must become a method of last resort, not the first option that comes to mind when an employer is faced with a competitive situation. This appeared to be AT&T's motivation and the reason for quick backpedaling when questioned by the Secretary of Labor (Ettorre, 1996).

Cutting employees is one way to cut costs, with some formula determining the numbers to be downsized. However, becoming a low-cost provider is deemed the "stupidest business trend in the last 30 years" (Markels & Murray, 1996, p. 1) and often leads to disaster.

Skills Training. Employees will need new skills to survive in the new business paradigm. These include learning how to learn and how to speak the customer's language (Avishai, 1994). Employees must be ready to deal with change and at times, failure, while organizations must become learning and teaching models. Government's responsibility is in creating a quality public education system to meet the citizen's and employer's expectations.

Ettorre (1996) stated the least employees can expect is for companies to give employees the skills they need to be productive and marketable. Training is often the first program eliminated when cutbacks are implemented as part of a re-engineering or downsizing strategy, however, increasing employee training is a necessity (Atchinson, 1991; Dentzer, 1996; Swoboda, 1996). According to Lalli (1996) skill

investments have proved a successful strategy for many companies.

Roadblocks to the New Employment Contract

Unfortunately, some employers see this investment in workers as a liability, making them more able to seek employment elsewhere. However, Downs (1995) believed an organization losing employees to its competitors has only itself to blame. This new partnership represents a major change for all parties. As an implied social contract, nothing in writing binds the partners. Until these relationships are clearly understood, there will be much posturing, denial and pain experienced by all involved. The ideal situation is no layoffs, and nobody gets abandoned (Hammonds, Garland, & McNamee, 1996). Until there is a re-emergence of sharing the wealth and rewards between the employers, employees, and the government, the social contract among them is in a state of chaos.

Voluntary Turnover

Voluntary turnover is defined as a self-determined exit from the organization. In the vernacular, it is quitting. In academic literature voluntary turnover is called: organizational turnover, employee turnover, voluntary departure, and intentional turnover (Hulin, 1991; Lee & Mitchell, Wise & Fireman, 1996; Williams & Livingstone,

1994). Research over the past 40 years has developed theories about the causes of voluntary employee turnover. The following section discusses the historical evolution of voluntary turnover models, turnover decision processes, and the significant variables from the literature that have been determined to drive voluntary turnover.

Historical Evolution of Turnover Models

March and Simon (1958)

The early work of March and Simon (1958) was well accepted as a major theory explaining voluntary turnover. This theory, depicted in Figure 2.1, linked job satisfaction

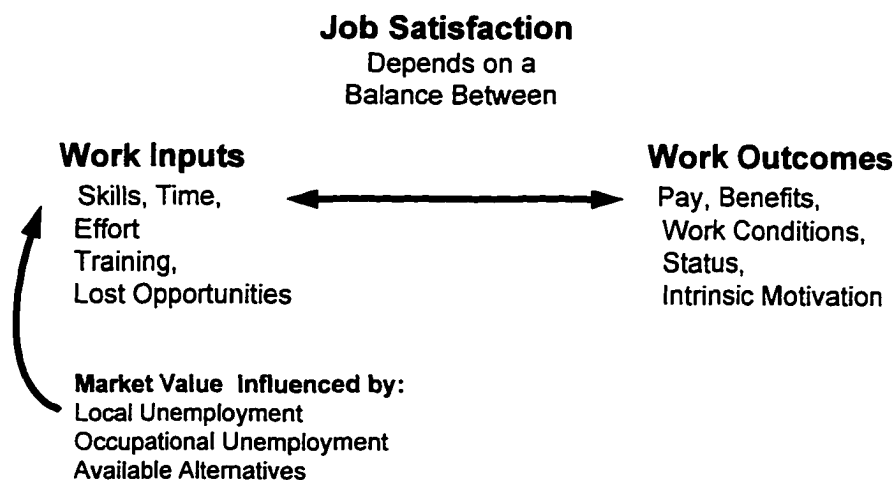


Figure 2.1. Job satisfaction as a balance between work outcomes and work inputs influenced by environmental factors (adapted from March and Simon, 1958).

or dissatisfaction to turnover. Satisfaction was determined by evaluating the worker inputs of skills, time, training and lost opportunities against the outcomes of pay, benefits, status, and intrinsic motivation. The environment was acknowledged to play an important role by determining the value of the inputs as well as influencing turnover. In times of low unemployment or skill shortage in the labor market, the worker's inputs were deemed to be more valuable, making it easier to find new opportunities. In times of high unemployment, the skills were devalued, thus finding a more desirable (satisfying) alternative was perceived to be more difficult. This model was recognized for defining the employee's decision to participate in thinking about turnover based on an evaluation of their job satisfaction and job opportunities.

Thibaut and Kelly Model

The Thibaut and Kelly Model (cited in Hulin, 1991) was developed in 1959 and also looked at the causes of organizational turnover. Their conceptual model defined comparison level (CL) as an individual's set of standards developed from past experiences. If an outcome exceeded this standard, it was desirable. If the outcome was below the CL, it was not satisfactory. Thibaut and Kelly's model determined job satisfaction using CL and another construct, the comparison level for alternatives, CL_{alt} . CL_{alt}

represented the value of other choices or positions. If the possible outcomes or opportunities appeared more positive than the CL, the individual would make the changes necessary to achieve a better opportunity.

In the case of voluntary turnover, CL evaluates the circumstances of the current job while the CL_{alt} represents the perceived external possibilities. When a situation is less desirable than the comparison level or expectations, the employee is dissatisfied. If the alternatives appear to be more positive, when CL_{alt} is more desirable than CL, an employee quits or leaves the organization in pursuit of CL_{alt} . However, dissatisfied employees remain on-the-job until they perceive more positive CL_{alt} .

Katz and Kahn's (1978) work also proposed this notion of comparison. Employees determined their satisfaction by comparing the job or role to the rewards received. The outcome determined if they were satisfied. Dissatisfaction led to voluntary turnover.

Cornell Model

The Cornell Model (cited in Hulin, 1991), shown in Figure 2.2, combined the input and output concept of the March and Simon (1958) model with the comparisons of Thibaut and Kelly. In the Cornell Model, the worker evaluated job satisfaction by applying their personal frames of reference

to the work outcomes or rewards. This allowed them to adjust the outcomes as necessary for job satisfaction.

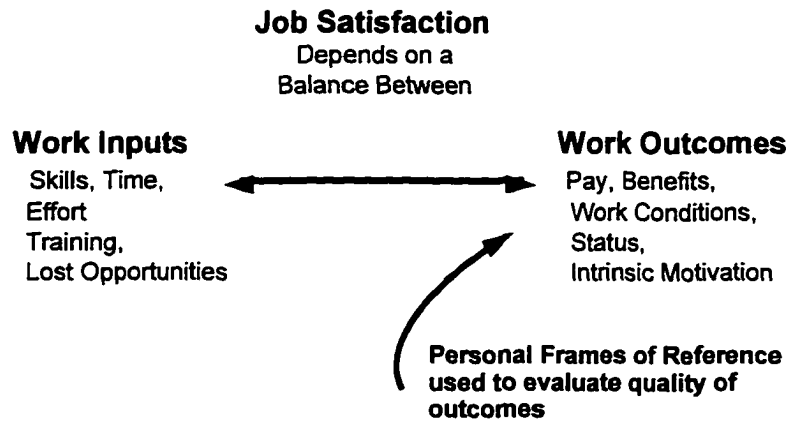


Figure 2.2 Cornell Model of job satisfaction as a balance between work outcomes and work inputs influenced by personal frames of reference (adapted from Hulin, 1991).

Hulin, Roznowski and Hachiya's Model

As expected, the next version of the job satisfaction model combined elements of all the three preceding models. Hulin, Roznowski & Hachiya's 1985 Model (cited in Hulin, 1991), shown in Figure 2.3, combined the inputs and outcomes influenced by personal frames of reference with the employment environment effects.

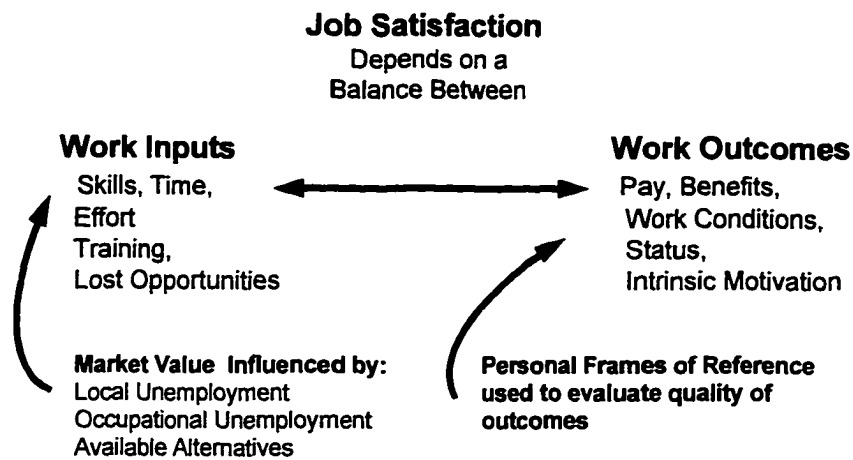


Figure 2.3. Hulin, Roznowski & Hachiya model of job satisfaction as a balance between work outcomes and work inputs influenced by personal frames of reference and environmental conditions (adapted from Hulin, 1992).

Social Models

The next iteration of job satisfaction and turnover models recognized the influence of mediating variables on the individual's frames of reference, job outcomes and inputs. These were labeled as social variables because of their association with cultural values and beliefs absorbed through social learning theory.

Social Learning Theory, often called Social Cognitive Theory, developed from the work of Bandura, Sears, Rotter and others (Grusec, 1992) who believed learning occurred through a complex interaction between the individual and their experience within a social context. Rotter (1982) explained Social Learning Theory as the process of learning actions that are reinforced by society to the point where

expectations are developed about the performance outcomes. This included cultural expectations for job satisfaction.

Sichel (1989) noted Social Learning Theory concentrated on how behaviors were acquired, maintained, and modified. This can not be meaningful unless analyzed within the context of society's morals and values. Bandura (1977, 1986, 1989) further developed Social Learning Theory to include: (a) the individual, his or her attitudes and beliefs; (b) the environment, what is experienced and observed; and (c) the overt behaviors of the individual that influence a situation. Thus, social models of job satisfaction contain numerous additional mediating variables such as expectations for pay, supervisors, coworkers, and conditions of the job itself.

Dispositional Models

Another family of job satisfaction models included those theorizing that job attitudes were a result of an individual's personality and disposition. Originally proposed by Weitz (1952) and Staw, Bell and Clausen (1986), these developed the theory that affective disposition moderates job satisfaction. People with negative dispositions are likely to tolerate job dissatisfaction at a higher level before quitting. The premise was these negatively disposed people will view the job as just another set of problems to be dealt with in an already miserable

life (Judge, 1993). As expected in his study, the converse was also true. Those with positive dispositions were more susceptible to dissatisfaction causing turnover. Positively disposed individuals view life as a good situation and they have less tolerance for being dissatisfied at work.

Summary

The models of turnover have evolved from simple theories about the individual and the employment environment to complex maps of personal and cultural values, attitudes, and beliefs, intertwined with external economic market conditions. The power of these models is in their ability to link the many variables that lead to dissatisfaction and discontent resulting in voluntary turnover.

Models of the Turnover Decision Process

In voluntary layoff, the decision to accept is precipitated by the offer of a buyout or severance incentive if individuals will leave the organization. Likewise, the voluntary turnover decision has antecedents and trigger events that lead to the organizational exit. This section of the literature review explores these events and the decision processes leading to voluntary employee turnover.

Mobley

Early work by Mobley (1977) linked job satisfaction and voluntary turnover to the decision path displayed in Table 2.3. His work is recognized for defining the intermediate

linkages for turnover decision. Dissatisfaction leads to thoughts of quitting which eventually develop into the intention to quit. Researchers believe the intention to quit is the most reliable indicator of future turnover.

Table 2.3

Mobley's (1977) Turnover Decision Path

<u>STEP</u>	<u>SPECIFIC BEHAVIORS</u>
Trigger	Experience job satisfaction or dissatisfaction
1	Thinking about quitting
2	Evaluate expectations about finding a new job and costs of quitting current position
3	Intention to search for new job
4	Develop actual search for alternatives
5	Evaluate acceptability of alternatives
6	Comparisons of these alternatives to present job
7	Intention to quit

Additional work, through a longitudinal study of Marines, found significant differences between those who exited from an organization early and those who did not. The differences were measurable in job satisfaction and expectations of present job. This study, an extension of Mobley's original work found the expectations for alternative employment were not significant (Youngblood, Mobley, & Meglino, 1983).

Steers and Mowday

Work by Steers and Mowday (1981) presented another decision path for employee turnover (Table 2.4). This process emphasized individual differences and personal assessment resulting in the intention to quit becoming a behavior.

Arnold and Feldman (1982)

Arnold and Feldman (1982) tested a model for turnover with accountants. The results indicated there were significant differences in the demographics, tenure,

Table 2.4

Steers and Mowday's (1981) Model for Staying or Quitting

STEP	DESCRIPTION	IMPLICATIONS
1	Personal Assessment of values and job expectations.	Determines affective beliefs about job satisfaction, organizational commitment and job involvement.
2	Affective beliefs influence desire and intention to quit.	Develop thoughts of quitting, Choice will depend on non-work influences.
3	Intention to stay or quit becomes the behavior.	Initiates search behavior. Expectation of finding an alternative job

cognitive orientation to the position, and perceived job security of those who left their jobs and those who stayed. These differences created the intention to search for alternatives. At this point, the individual's perception of available options leads to the intention to turnover.

Gerhart's Model

Gerhart (1990) proposed the following model which brings together individual factors, employment environment factors, and the perceived ease of movement (Figure 2.4).

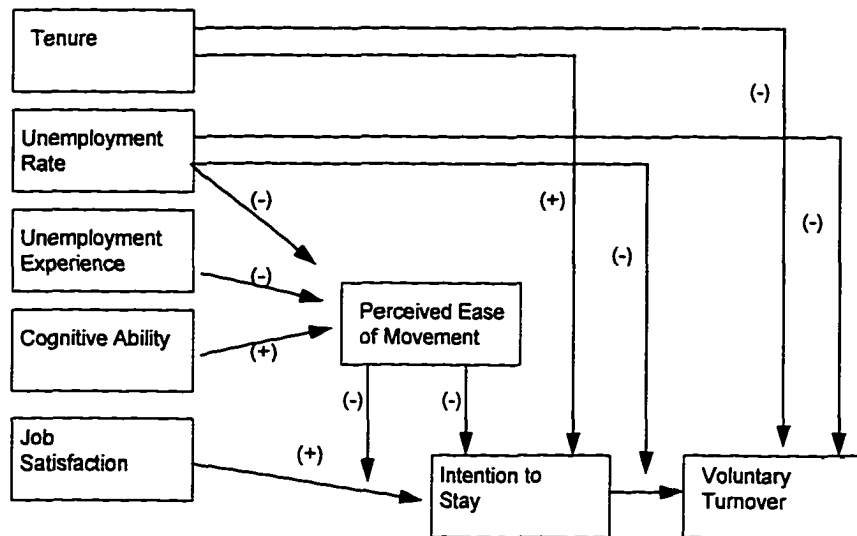


Figure 2.4. Adapted from Gerhart's (1990) model of voluntary turnover, noting the direction of relationships as (+) or (-)

His research found that the labor market factor had a stronger impact than previously suspected.

Lee and Mitchell

Lee and Mitchell (1994) also noted the turnover process starts when the employee experiences some type of trigger event causing reflection about the job. This trigger or shock might be a personal life event, such as marriage or

pregnancy, or a significant work-related event. It forces the individual to think about the job.

The trigger can be managed in different ways depending on the individual and their social and cognitive framework. To some, the event is neutral and nothing changes. For others, there is a natural and appropriate response learned from life experiences. Lee and Mitchell (1994) scripted these processes as the four decision paths shown in Table 2.5.

In Path #1, the quit decision is available as a script and is possible should the appropriate situation arise. Lee and Mitchell (1994) believe this decision path is common in the secondary labor market where short-term employment is common. Employees routinely quit when they can't get time off, the boss yells, or when they have earned sufficient money. Quitting then is an automatic response, a scripted behavior.

In the second path, Lee and Mitchell (1994) propose no match with experience and therefore no existence of scripted behaviors. The employee either chooses to adapt to the shock and make the necessary image changes or quits. This is a push model because the organization is the source of the reason to quit. No search for desirable alternatives takes place. Voluntary layoff offers, if given with little

time to examine other options, are similar to this decision model.

Table 2.5

Adapted from Lee and Mitchell's Four Decision Paths for Voluntary Turnover (1994).

Step	Path #1	Path #2	Path #3	Path #4
1	Shock	Shock	Shock	No shock
2	Fits experience	No matches	No match	Observe
3	Scripted - no consideration	Mental deliberation evaluation of job	Mental deliberation evaluation of job	Constant mental evaluation
4		Stay or quit	Focus on stay or quit	Leaving is always possible
5		Stay and fit image (reassessment of basic commitment to current organization)	Change image or quit (reassess commitment to organization)	Evaluate image fit and commitment to organization
6			Evaluate existing alternatives - assess outside possibilities	Evaluate satisfaction on job
7			Evaluate fit of alternatives or stay	Affective notions about job
8			Select best alternative	Stay or quit
9			Stay or quit	

The third path by Lee and Mitchell (1994) combines push and pull possibilities with no previous experience with the shock event, thus no scripted behavior. The shock can be negative (loss of benefits), neutral (a merger) or positive

(a job offer at another firm). In this model, the employee then evaluates the job and the possible alternatives. The choice to stay or leave is based on the outcomes of this assessment. This model could also be applied to voluntary layoff offers. The layoff offer announcement could be perceived as a neutral shock or a positive shock due to the incentives are involved.

The fourth path suggested by Lee and Mitchell (1994) involves no shock or critical incident. Employees are engaged in constant evaluation of the fit and opportunities or are aware of emotional responses to the job that may have bypassed all cognitive inputs. The more problems that occur with fit and job satisfaction, the more likely the worker will become emotional about the situation. The more affect present, the less satisfied the employee becomes until he or she quits because of unhappiness or lack of job satisfaction. This path might relate to the voluntary layoff decision if the employee had already realized his or her unhappiness and was preparing to quit.

Lee et al (1996) continued the decision path research and found in a study of nurses who had quit that these decision paths matched qualitative interview results. As the nurses described their reasons for leaving, the decision paths were validated.

Significant Variables of
Voluntary Turnover

The literature abounds with research on voluntary turnover, why people quit a job. Over 1000 studies have investigated this phenomena (Steers & Mowday, 1981) and numerous decision models have been proposed. Cotton and Tuttle (1986) took a systems approach to explain turnover decisions. They defined three systems (Table 2.6)

Table 2.6

Cotton and Tuttle's (1986) Factors In Employee Turnover

EXTERNAL	WORK-RELATED FACTORS	PERSONAL FACTORS
(+S) Employment perception	(-S) Pay	(-S) Age
(-M) Unemployment rate	(-M) Performance	(-S) Gender
(+W) Accession rate	(-M) Role clarity	(S) Tenure (+ women)
(-S) Union Presence	(+W) Task repetitiveness	Biographical data
	(-S) Overall satisfaction with work itself	(+S) Education
	(-S) Overall satisfaction with supervision	(WM) Marital Status - if married
	(-M) Overall satisfaction with coworkers	(-S) Number of dependents
	(-M) Overall satisfaction with promotion	(WM) Ability and Aptitude
	(-S) Organizational commitment	(+N) Intelligence
	(-S) Overall job satisfaction	(+S) Behavioral intentions
		(-S) Met expectations

Confidence Level Coding:

	S = Strong $p < .0005$	
- indirect relationship	M = Moderate $.0005 < p < .005$	W = Weak $.01 < p < .05$
+ direct relationship	WM = Weak to Moderate $.005 < p < .01$	N = No Confidence $p > .05$

composed of: (a) the external factors, (b) work-related correlates, and (c) personal factors. The specifics of each category are shown with the confidence level for each.

Cotton and Tuttle pointed out that turnover studies show most of the variables are moderated by other variables. The simple concept that directly linked variables to turnover is no longer valid.

Because of the copious number of these variables, they will be organized into five broad conceptual families: (a) prior plans, (b) attitudes and beliefs, (c) perceptions about the future (d) external employment environment, and (e) demographics for discussion.

Prior Plans

Weiss, Igen and Sharbaugh (1982) proposed a cycle of on-the-job questioning and information gathering. This begins with the new worker eager to obtain data about their roles and performance measurement, and is characterized by the search for information and questioning. As uncertainty is reduced, this search is diminished and job behaviors become a role, performed almost script-like. During this period, little thought is given to changing job roles and external influences are ignored. This would equate to individuals who adapt to an organization and accumulate many years of service. In the scripted state, they don't consider searching for new information and are not easily influenced by subtle performance feedback or gentle suggestions from others.

This complacency is interrupted when significant events rock the individual's stability and create uncertainty. Information gathering begins anew to ascertain the appropriateness of behavior, roles, and scripts of the previous existence and the individual is again open to feedback and change. The information search may consist of activities in the workplace, such as asking for performance feedback, or off-the-job exploration such as reading the classified ads, taking new courses, and asking friends about possible job opportunities. Employees are suddenly thrust into an information gathering state. Once awakened, individuals can begin to evaluate their options: either to improve or change their behaviors to better fit the organization or to leave the organization altogether. Once this assessment begins, employees start to make plans about the future. The certainty about these plans depends on where they are in the turnover decision process. However, developing plans to leave the organization is a precursor of turnover.

Organizational Commitment

The research on organizational commitment may provide additional understanding as to why individuals leave organizations. Commitment is a multifaceted concept often displayed in attitudes or behaviors, which is often divided into three forms to allow precise description. The three

forms include: continuance, affective and moral commitment (Jaros, Jermier, Koehler, & Sincich, 1993).

Continuance. Continuance commitment investigates the investments an employee makes in the organization with the research showing that the more investments like time, friends, job effort and organization-specific skills, the less likely an employee will leave because of these sunk costs. This aligns with the exchange-theory notion of commitment where satisfaction with rewards and the environment of the firm are lost or exchanged for leaving the firm. This gives an individual a sense of being locked into the organization due to the "high costs of leaving" (Cohen, 1993; Jaros et al, 1993, p. 953).

Affective. Affective commitment is the level of loyalty, attachment, warmth, fondness, pleasure and feelings for the organization. It is often described as a sense of belonging and measured as emotional attachment (Jaros et al, 1993). The higher the affective commitment, the more difficult departing the organization becomes.

Moral. Moral commitment is the propensity an individual has to identify with organizational norms, values, goals, and mission. This doesn't center on the emotional aspects, but instead deals with the idea of obligation, duty or calling (Jaros et al, 1993). These elements of commitment are components of the withdrawal

process. It has been theorized that losses in the areas of commitment directly contribute to employees considering quitting. This thinking process leads to search behavior and the formation of intent to leave. Jaros and his colleagues tested several models where commitment was an intervening, reciprocal, latent or direct contributor to organizational turnover.

Hackett, Bycio and Hausdorf (1994) supported the three commitment forms and their individual impact on turnover. They emphasized organizational commitment and the side-bet theory of continuance commitment, where the investment in pensions and other accumulated interests is evaluated, the less likely individual are to leave.

Jaros et al (1993) also suggested that commitment contributes to a latent factor called withdrawal and it is this withdrawal tendency that is directly linked to thinking of quitting, search intentions, and intent to leave. This was also reported by Mobley, Griffeth, Hand and Meglino (1979). Thus, commitment is an indirect variable of turnover.

Organizational commitment is defined as a belief in the goals of the organization and a willingness to exert effort on behalf of the organization. Due to this, the individual desires to maintain membership in the organization. The "stated intention to remain with the organization is

strongly and inversely related to turnover" (Porter et al, 1974, p. 604).

Other researchers supported the relationship of organizational commitment to turnover (Abelson, 1987; Arnold & Feldman, 1982; Cotton & Tuttle, 1986; Hom & Hulin, 1981). Blau and Boal (1987) and Huselid and Day (1991) linked commitment to job involvement which reduced the likelihood of quitting. Youngblood et al (1983) found that marines exhibited organizational commitment through the intention to re-enlist. Questions related to organizational commitment would include queries about (a) intention to stay until retirement, (b) leave the organization, (c) begin a job search, and (d) make a career change.

Down Shifting

Americans are living longer, healthier lives with increased wages and standards of living (Samuelson, 1996). Now they are trying to find ways to improve the quality of life. Americans are discovering the Simplicity Movement, the way to live more and work less (Brant, 1996). This phenomena is call "down shifting," where workers leave their full-time jobs in corporate American and begin their own businesses or work part time. For a number of middle managers, work in the non-profit sector seems more meaningful after the cut-throat activities of downsizing.

People want to gain more control of their lives and spend more time doing important things (Brophy, 1995; Marks, 1995). Working out of the house, spending time with friends and family may mean a smaller house, but living on less can be delightful. People want to put their faith in their own ventures, and not go back to corporate life (Algeo, 1996a). It is considerably better to be a contractor than being a stress-out bureaucrat pushing paper (Filipczak, 1994). Questions concerning down shifting would center on: (a) starting my own business, (b) quitting to stay home, (c) quitting to work part-time.

Major Life Change

Weiss et al (1982) reported that a crisis brings reexamination of work roles and may produce turnover and a career change. This theory is similar to the trigger event in Lee and Mitchell's (1994) work. Life-changing events such as pregnancy cause individuals to examine their work and life roles. This wake-up call serves as a precursor to turnover.

Supervisor and Coworkers

The attitudes and beliefs of the individual mediate the worker's satisfaction which is inversely related to turnover. Whether these are personal frames of reference or social values, they impact job satisfaction. The supervisor and coworkers comprise the social systems of the work

environment. The employee may be attracted to these people because they share common values, attitudes or beliefs. This is called entity attraction (Wagner & Hollenbeck, 1992). The second attraction experienced in the work place is functional attraction which develops when individuals work together to obtain an important outcome. Both of these create satisfaction with the coworkers and the supervisor. Again, satisfaction with the social system is inversely correlated to turnover (Farris, 1971).

Supervisor Satisfaction

The supervisor has been reported to be a significant factor in job satisfaction (Farris, 1971). The supervisor's role in performance evaluation is often a source of this satisfaction or dissatisfaction. Williams and Livingstone (1994) analyzed performance and turnover, finding that poor performers were more likely to leave. However, there were moderating variables. In the case of rewards being associated with good performance, the negative correlation was even stronger between performance and voluntary turnover. Poor performing employees were more likely to quit than high performing employees but this relationship increased when rewards were contingent on performance.

Williams and Livingstone (1994) also substantiated a curvilinear or U-shaped relationship between voluntary turnover and performance. Thus, there are circumstances

where the correlation is positive and conditions in which negative relationships exist. High performers are likely to depart when conditions of their employment (less than competitive salary or benefits) make it feasible for them to secure better jobs elsewhere.

Dreher and Dougherty (1980) reported a $r = -.37$ correlation between turnover and supervision. Much of this was related to the supervisor's perceived competence and ability to give feedback. Feedback makes the employees dependent on the supervisor: Positive feedback increases interest in the task which heightens intrinsic motivation which is related to satisfaction and turnover (Harackiewicz & Larson, 1986).

Feedback was found to be an important way for the individual to find out how the organization is faring. Employees ask about personal performance and use this for organizational clues (Greller, 1992). Additionally, supervisor feedback increases task interest which increases satisfaction (Harackiewicz & Larson, 1986). Cotton and Tuttle (1986) found significant turnover correlations with supervisor satisfaction, supervisor competence and trusting the supervisor.

Supervisor Trust

Autry (1991) stated trust is necessary for change efforts to be successful. Trust is also a necessary

ingredient for people to work together (Mayer, Davis, & Schoorman, 1995). Trust, grounded in mutual respect, forms the bond between employees and management, creating an atmosphere of cooperation (Atchinson, 1991). Trust also helps minimize risk. The need for trust increases as the risk increases and with downsizing as a common phenomena, today's work world has become a very risky place. Defined by Mayer et al (1995) as the willingness to take a risk and be vulnerable to the actions of another, trust is often equated with cooperation, confidence and predictability. Trust requires telling the truth (Marks, 1994; Spears, 1996). The shortcomings of most synonyms are in the lack of a tie with risk. To cooperate, the parties need not be at risk. Confidence in another's abilities doesn't require vulnerability, and predictability doesn't help individuals take a risk. Trust depends on personality and situation specific events. However, in a chaotic organizational situation, if the supervisor can't be trusted, the employee is at risk. The perception of this risk has been significantly related to turnover.

Trustworthiness. Factors required for trustworthiness are defined as ability, benevolence, and integrity (Mayer et al, 1995). Ability has to do with the competencies, skills and characteristics that the trustee has which will allow him or her to be in charge or in control a specific

situation. The word ability is often substituted for the term competence (Butler, 1991). Thus, the ability to trust a supervisor can be tied to their competence or ability to be in control. Because of the uncertainty in the workplace and the fact that decisions regarding downsizing are often made at very high levels, employees are likely to judge their supervisors as less trustworthy than in the past. This may have more to do with the perception of the supervisor's knowledge or control over the organizational situation than any real lack of ability.

Benevolence, the second requirement of the trustee, is tied to the willingness to help, or the specific attachment the trustee has for the trustor (Mayer et al, 1995). If a supervisor is obsessed with his or her job future and downsizing survival, the benevolence conveyed to the employee may be reduced.

The final element of trust deals with integrity, that the trustor has a set of important principles and values (Covey, 1989). These attributes are displayed by a belief in justice, past actions, and credible communications. Butler (1991) added consistency and fairness. A supervisor may not have all of the information in an organization undergoing restructuring. This may curtail communications and reduce credibility

Developing Trust. The level of trust evolves over time as the trustee and trustor interact. Low trust is characterized by more monitoring or surveillance while high trust is denoted by an increased willingness for further trust. However, because ability is an important element of trustworthiness, trusting someone in all situations is moderated by the evaluation of their ability (Mayer et al, 1995).

Organizations have tried to replace the need for trust with contracts and legal agreements, however, these impersonal instruments have not replaced this need. With the increasingly diverse workforce and the lack of common backgrounds and experiences to rely upon, the importance of trust will continue to increase in future years. This is particularly important in a work place moving towards teams and teamwork (Lawler, 1992; Wellins, Byham & Wilson, 1991).

Input to Decisions

Though the literature on participation is mixed, it appears that certain types of participation contribute to job satisfaction. Because the amount of input is based on the style of the supervisor, this contributes to attitudes and beliefs about the supervisor. Latham, Winters and Lock (1994) found participation was a significant variable to improving performance. Participation also improved involvement which improved self-efficacy (Bandura, 1977;

1986; 1989) and improved satisfaction. Wagner (1994) found significant ties among performance, satisfaction and participation in the following areas: work decisions, informal participation (influence sharing) and employee ownership.

Katzenback and Smith (1993) and Hammar and Champy (1993) found participation in work decisions improved performance and in most cases satisfaction. Turnover is reported to be lower in organizations where employees have a voice (Fisher, Schoenfeldt, & Shaw, 1990). Other researchers found a correlation between participation, satisfaction, and turnover intention (Dunham, Grube & Castaneda, 1994; Jackson, 1983).

Organizational Climate and Policies

Also contributing to employee satisfaction is the organizational climate that surrounds the employee. Closely related to organizational commitment, the sense of pride and belonging keep employees from leaving.

Climate

One question often asked to test the climate centers around if this is a good place to work and does the organization meet your expectations. Employees want the organization to meet their expectations (Porter et al, 1974; Porter & Steers, 1973). Dansereau, Cashman and Graen (1974) and Huselid and Day (1991) found those leaving had their

expectations met to a lesser degree than those staying with the organization.

Pay

Broad organizational policies such as pay contribute to employee satisfaction which impacts turnover (Ferratt, Dunham, & Pierce, 1981). Huselid and Day (1991) found those with lower pay were more likely to leave. Also, those who felt they were unfairly paid compared to coworkers were more likely to quit. Gerhart (1987) reported that pay status, how one is paid compared to others, predicted job satisfaction and turnover. Finally, Cotton and Tuttle (1986) reported significant results with turnover related to pay and pay satisfaction. Though these studies reported significant results, Mobley et al (1979) found no significant relationship between pay and turnover. Porter et al (1974) noted that as pay dissatisfaction increased, turnover was likely, but found no significant relationship between pay satisfaction and employee turnover.

The Job and the Work

One of the major challenges in Human Resource Management is to match the individual to the job demands. If this is a good match, job satisfaction should result because the job environment is the central issue in motivation and satisfaction (Monday & Noe, 1993). Again, job satisfaction is negatively related to employee turnover

(Arnold & Feldman, 1982; Cotton & Tuttle, 1986; Dreher & Dougherty, 1980; Gerhart, 1990; Hom & Hulin, 1981; Hulin, 1966, 1968, 1991; Newman, 1974).

Job Satisfaction.

Job satisfaction has been significantly correlated to turnover with a prediction of numerous moderating variables (Carsten & Spector, 1987). Job satisfaction also is related to specific and tangible aspects of the work environment (Porter & Steers, 1979). Thus, the nature of the work plays a part in the job satisfaction determination. Because of this, questions about the work have served as the basis for various job satisfaction assessment tools such as: (a) JDS - Job Diagnostic Survey (Hackman & Oldham, 1975), (b) 1976 JCI - Job Characteristics Inventory, (c) 1969 JDI - Job Descriptive Index, (d) 1967 MSQ - Minnesota Satisfaction Questionnaire, (e) 1976 IOR - Index of organizational reactions and (f) 1965 SWS - Stogdill's Satisfaction with Work Scales (Ferratt et al, 1981).

Hirst (1988) and Dunham et al (1994) found repetitive work tasks were negatively associated with job satisfaction. Skill variety developed affective commitment, the feeling of belonging, which is an important part of organizational commitment. Schmitt and McCune (1981) found less challenging jobs influenced civil servants to retire while

Jackofsky and Peters (1983) reported boring jobs caused an increase in turnover.

Quality of Work Life

Quality of work-life refers to job programs that allow employees to meet their important personal needs. These are multivariate approaches that effect influence, participation, tasks, and rewards. As structural programs, Quality of Work Life establishes systems to make changes in worker participation, job design, and work groups (Monday & Noe, 1993). These programs improve job satisfaction and worker motivation which improves productivity and reduces turnover.

Job Stress

Employees who experience greater job stress report a lower quality of life and higher turnover (Abelson, 1987; Fisher et al, 1990; Weiss et al, 1982). Job stress results in burnout, absenteeism and at its extremes, employee turnover (Monday & Noe, 1993).

Disposition

Disposition models are contingent on the belief that people have innate personality traits. One of these traits is affective disposition, which acts as a modifying variable. Affective disposition, or the ability for an individual to be satisfied with life in general was found to be a mediator for turnover (Gerhart, 1987; Hulin, 1991;

Judge, 1993). Weitz (1952) proposed that predicting the level of employee dissatisfaction with work required evaluating the individual's affective disposition. His questionnaire with 44 items to measure disposition has been broadly used by researchers. The questions assessed the level of griping and overall satisfaction with life. Porter et al (1974) found positive individuals tend to remain with the firm.

When reporting a defined level of dissatisfaction, an individual with a positive affective disposition is actually more dissatisfied than one with a negative affective disposition. The positive employee expects to be satisfied with life choices and will make changes congruent with being happy and satisfied. For the employee with a negative disposition, unhappiness at work is just another of life's problems to be endured. Unhappy people tend to gripe and complain more than others. They are generally less satisfied with life overall. Gerhart (1987) discovered that people have a longitudinal trend towards job satisfaction based on their disposition. People who are happy, remain mostly happy.

Perceptions of the Future

Often, employees go through their work situations without much thought. As Weiss et al (1982) noted, this is likely to continue until a trigger event shocks the

individual into thinking about the job. As Lee and Mitchell (1994) confirmed, the trigger event is followed by assessment. At this time, future issues are evaluated that will contribute to job satisfaction. Particularly with a downsizing announcement, job security is evaluated. If the position appears to be unstable, with termination, relocation and little chance for advancement, turnover is likely (Carsten & Spector, 1987; Cotton & Tuttle, 1986). Huselid and Day (1991) and Dreher and Dougherty (1980) found that fewer opportunities for advancement led to turnover. If the turnover wasn't immediate, the search behavior preceding withdrawal occurred (Arnold & Feldman, 1982). And, the most practical finding revealed that positive information about the future led to greater satisfaction and security with less turnover.

External Employment Environment

The availability of job alternatives has been a predictor of turnover since the early work of March and Simon (1958). The perceptions of the labor market, unemployment rates and opportunities for employment are strongly tied to voluntary turnover. These data have been reported repeatedly (Carsten & Spector, 1987; Cotton & Tuttle, 1986; Hom & Hulin, 1981; Mobley, 1982; Mobley et al 1979; Spencer & Steers, 1981). Dansereau et al (1974) determined the expectancy of finding another job was

directly related to turnover. Youngblood et al (1983) showed that employee perceptions of the labor market were significant. Carsten and Spector (1987) reported that with high unemployment and limited opportunity, there was a low relationship between satisfaction and turnover. Dissatisfied people would not leave their jobs. When unemployment was low and many opportunities were available, turnover and job satisfaction were more closely correlated (Gerhart, 1990; Mobley, 1977).

Demographics

The demographic correlations with turnover are widely reported. Women are more likely than men to leave the organization, while married people and older individuals usually elect to stay with the organization (Abelson, 1987; Arnold & Feldman, 1982; Lefkowitz, 1994; Newman, 1993; Spencer & Steers, 1981; Youngblood et al, 1983). The more education subjects have, the more likely their decision to leave (Huselid & Day, 1991; Price & Mueller, 1981). Tenure is directly tied to departure with the more years of service, the less likely individuals are to quit (Gerhart, 1990; Stumph & Hartman, 1984; Weiss et al 1982).

Family demographics in addition to marital status contribute to the turnover decision. The number of dependents was inversely correlated to departure (Barefield & Morgan, 1969; Arnold & Feldman, 1982) and whether the

spouse was employed (Feldman, 1994). Concern over the availability of medical benefits was expressed by Cheney, Coyle and Vongs (1995).

Though job position did not prove to be significant to turnover in the 70s (Cashman & Graen, 1974), this variable has proved to be significant in the 1980s downsizing movement as more middle managers are terminated. The number of different positions recently held was found to be significant (Hulin, 1991; Jackofsky & Peters, 1983) with the greater number predicting more turnover. Katz (1990) also found that job changes, either forced or voluntary, within the same company or to a new organization, served as trigger events. Trigger events are the precursors of turnover.

Comparing Voluntary Turnover and Voluntary Layoff

Dalton, Krackhardt, and Porter (1981) proposed a two-by-two model where organizational control was mapped against employee control (Table 2.7). Employee actions were termed voluntary and involuntary and organizational actions were called avoidable and unavoidable.

Involuntary layoff would be in the avoidable-involuntary square indicating the organization has a choice to avoid conducting the layoff but the employee has no control. The voluntary-avoidable square contains the

Table 2.7

Dalton et al (1981) Expanded Taxonomy For Organizational Exits

Organization Control	Employee Control	
	<u>YES-Voluntary</u>	<u>NO-Involuntary</u>
<u>Yes - Avoidable</u>	Voluntary Turnover - Quitting for: better pay elsewhere better working conditions problem with leadership better organization elsewhere	Dismissal Layoff Forced Retirement
<u>No - Unavoidable</u>	Voluntary Turnover - Quitting for: spouse imposed relocation mid-career change stay home - care for spouse/kids pregnancy - not return to work	Severe Medical Reasons Death

activities where both the company and the employee have a choice. Strategies such as voluntary retirement, voluntary layoff and quitting fit this definition. All of these voluntary exits are in the same category because of many similarities. Though it is possible for the organization to create the conditions that will entice employees to stay or encourage employees to depart, ultimately, the turnover decision rests with the employee.

Likewise, voluntary layoff offers produce exits similar to quitting. With the appropriate incentives, voluntary layoff merely increases the rate of voluntary-avoidable turnover rate. Therefore, voluntary layoff and voluntary

turnover appear to have a common base for the non-retirement aged individual.

Retirement as the end of work, relies on different drivers because full-time employment is no longer needed. Adding a buyout package or severance incentives merely provides a definable trigger event, causing employees to examine the possibilities of retirement or voluntary layoff. In some cases, employees have already have developed the intention to leave and started search behaviors. For these employees, voluntary layoff offers provide a serendipitous reward for a decision already made.

In conclusion, the processes and the variables involved in voluntary turnover and voluntary layoff appear to be similar. A hypothesis of this study proposes to prove this relationship by using the variables of voluntary turnover to differentiate between those who take a voluntary layoff and those who do not.

CHAPTER III

METHODOLOGY

The purpose of this exploratory study was to determine the differences between non-retirement eligible employees who accept a voluntary layoff offer and non-retirement eligible employees who do not accept a voluntary layoff offer. To assess these differences, a survey questionnaire instrument, developed from the literature on voluntary turnover was administered to participants who had been offered a voluntary layoff package within the last two and one half years. The questionnaire explored the characteristics and the demographics of the two populations. Using descriptive discriminant statistics, a prediction of group membership was produced through a correlational research approach (Fraenkel & Wallen, 1993; Leedy, 1993).

This chapter provides the details of the population, procedures, instrumentation, variables, and statistical methods related to the study. As with any study involving volunteers, especially those asked to report opinions and attitudes about work, certain unique challenges were encountered. These and the previously mentioned items are discussed.

Population and Sample

Establishing the population for any experimental study is an important design criteria. Because this study involves employees who have received a voluntary layoff offer, the theoretical population includes all those who received a voluntary layoff offer or buyout, within the last two and one half years.

Geographical Setting

The geographical setting describes the location where the sample was obtained. For this study, the location was the metropolitan Denver Area. Denver is a diverse city with a large population of individuals who have received a voluntary layoff offer. Selecting subjects from the Denver metropolitan area controlled for economic and employment conditions which are known to impact turnover decisions (Carsten & Spector, 1987; Cotton & Tuttle, 1986; Williams & Livingstone, 1994) and minimized any employment environment differences experienced by the subject. Because numerous organizations within this geographic area have used voluntary layoff as a downsizing process during the last few years, several companies were included in the study to minimize the impact of any particular industry. Using multiple organizations also eliminated the possibility of creating a profile more representative of one organization

and its culture than of the individuals, in general, who accept or reject voluntary layoffs.

The Denver-metro area was also selected because the researcher has: (a) Personal knowledge of several local firms that used voluntary layoff as a method of downsizing and (b) numerous contacts in the business, teaching, and consulting communities of Denver.

Criteria for Inclusion.

The primary qualification for participation in the study was receiving a voluntary layoff offer within the previous two and one-half years. However, because early retirement or retirement "bridges" are included in proactive restructuring plans (Feldman, 1994; Lawless, 1996) those eligible for retirement, who received a retirement incentive or retirement buyout were not included in this study. The decision to retire, defined as the "end of work" (Feldman, 1994), is predicated on complex judgments involving financial preparation, health concerns, investments, and family. Historically, retirement has been studied separately from voluntary turnover. Since the purpose of this study was to determine the differences between those who accepted or did not accept a voluntary layoff, retirement-eligible employees were not included.

Sampling Design

Due to the pilot nature of this assessment and the need to test and validate the instrument, a volunteer sample was deemed necessary. Every effort was made to ensure participants were solicited from a variety of sources and represented a cross section of organizations, professions, and industries. Subjects were solicited through personal announcements, flyers at outplacement firms, newsletter advertisements, and personal contacts. A nonprobability sampling method undoubtedly introduces some bias (Gliner & Morgan, 1995) but can be useful for the initial design and testing of a survey instrument (Babbie, 1990).

Personal Announcements

Personal announcements were made at student and faculty meetings at higher learning institutions including Colorado State University, Regis University, and Community College of Denver. The purpose of the study was explained and participants who had received a voluntary layoff offer within the previous two and one-half years were solicited. All of the announcements were followed by a question and answer session. According to Dillman (1978) an appeal to subjects' altruistic tendencies often persuades subjects to participate. This forum resulted in contact being made with two Personnel Managers working for firms that had used voluntary layoffs within the last year. They assisted the

researcher in recruiting participants who had been offered a voluntary layoff, but had not accepted and were still working at the firm.

Outplacement Firms

Flyers were posted at five major outplacement consulting firms in the Denver area. These included: Drake, Beam, Morin; Right & Associates; Career Labs; MBL Associates; and Lee & Burges. The flyers explained the purpose of the study, the confidentiality of individual responses, and the affiliation with Colorado State University. Eligible individuals were encouraged to call the researcher for further information.

Newsletter Advertisements

An invitation to participate in the study was published in the monthly newsletter sent to all employees who were recently separated either through voluntary layoff or involuntary layoff from EG&G Rocky Flats. Again, a description of the study was given as well as an outline of the participant requirements such as survey completion and time required. Interested volunteers were encouraged to contact the researcher for further information. A majority of the EG&G Rocky Flats participants who had accepted a voluntary layoff were recruited through this contact.

Personal Contacts

The researcher also used personal contacts to recruit subjects. The researcher called several individuals who had worked at the Coors Brewing Company prior to a voluntary layoff offer. Through chain or snowball sampling, these contacts volunteered to participate and provided additional names to be contacted. The same approach was used to solicit additional participants from EG&G Rocky Flats, AT&T, and Public Service of Colorado. Every effort was made to ensure that members of both groups, those that accepted a voluntary layoff offer and those that refused a voluntary layoff offer were contacted. After one month of solicitation, participants from Coors Brewing Company, EG&G Rocky Flats, AT&T, IBM, Public Service of Colorado, Northern Colorado Medical Center, and CNA insurance had volunteered to participate.

Selecting Subjects

A minimum of 60 subjects were required for the study; 30 who had accepted a voluntary layoff offer and 30 who had not accepted a voluntary layoff offer. The number of subjects was dictated by the needs for statistical power and level of significance (Babbie, 1990). According to Rudestam and Newton (1992), large effects can be detected using an alpha of .05 with as few as 26 subjects per group.

The original emphasis was on finding participants who had taken a voluntary layoff offer. Because they had left the downsizing organizations, it was more difficult to locate them. Employees who had rejected the layoff offer were still on-the-job and thus much easier to contact. Once the subjects who had accepted the layoff offer were obtained, those rejecting the layoff offer were solicited until both groups were approximately the size. Though subjects from the two groups were not matched, both had members from all of the participating organizations with one minor exception. CNA Insurance had no representative in the group that rejected the voluntary layoff offer.

Sample

By March 31, 1996, 100 subjects who had received a voluntary layoff offer between December 1994 and March of 1996 had volunteered and had been mailed the Voluntary Layoff Research Survey (Appendix A). Participants represented Coors Brewing Company, EG&G Rocky Flats, AT&T, IBM, USWest, Public Service of Colorado, Northern Colorado Medical Center, and CNA insurance.

A total of 87 surveys were returned, though only 84 were usable (see Results Section). Forty-three had accepted a voluntary layoff offer and forty-one had not accepted a voluntary layoff offer. Table 3.1 displays the gender, age, and layoff decision of the participants. There were 37

males in the study divided evenly between the two groups. Of the 47 females, 25 accepted the voluntary layoff offer and 22 refused. The average ages for each group were almost identical at slightly over 39 year old. The ages ranged from 10 subjects less than 30 years old to 3 subjects over 50 years old.

Table 3.1

Gender and Voluntary Layoff Offer Decision by Age.

Age at Layoff Offer n=84		Accepting Offer n=43		Rejecting Offer n=41	
		Male n=18	Female n=25	Male n=19	Female n=22
<u>Age</u>	< 30	0	6	2	2
	31-35	1	6	1	3
	36-40	5	3	5	8
	41-45	5	8	6	7
	46-50	5	1	5	2
	> 50	2	1	0	0
	<u>Average Age</u>	39.53 years		39.59 years	

Instrumentation

A survey questionnaire methodology was selected because it provides an economical way to gather data which can be

statistically analyzed (Cummings & Worley, 1993; Fordyce & Weil, 1989). Additionally, the anonymity provided allows participants to freely disclose their feelings (Fordyce & Weil, 1994) as well as reduces bias (Fowler, 1993). This was particularly important for subjects reporting attitudes and beliefs about former or current employers.

Developing the Voluntary Layoff Survey (VLS)

Sashkin's (1989) 10-step model for designing and conducting organizational surveys was used as a guide for developing the Voluntary Layoff Survey (VLS) and is featured in Table 3.2. The first step in this model relates to defining the objectives of the survey.

Objectives

The purpose of the VLS, composed from the literature on voluntary turnover, was to determine if significant differences could be detected between employees who had accepted a voluntary layoff and those who had not accepted a voluntary layoff offer. Describing these differences would lead to a greater understanding of which employees might take a voluntary layoff and, possibly the future use of the VLS as a tool to predict individual layoff choices.

The survey was constructed from previous research on turnover and behavioral assumptions about organizational exits. Verification of significant findings through the VLS would establish that voluntary layoff was grounded in the

Table 3.2.

Sashkin's (1989) 10-Step Model for Designing and Conducting Organizational Surveys (pp. 268-270)

Step	Description
1.	Define the objectives.
2.	Identify the population to be studied.
3.	Select the survey sample.
4.	Construct the questionnaire. Cover Letter, Items, Scales
5.	Pretest the Questionnaire.
6.	Prepare the final draft.
7.	Administer the questionnaire
8.	Code the responses
9.	Tabulate the responses
10.	Report

same theories as voluntary turnover or quitting, allowing the application of over 40 years of voluntary turnover research to a relatively new phenomena, downsizing through voluntary layoff. Following Sashkin's (1989) model, the population and sample to be studied was identified.

Constructing the Questionnaire

Cover Letter. The cover letter (Appendix A) was developed to be straight forward and simply written (Sashkin, 1989). It introduced the survey, explained the

purpose, and appealed to the participants to answer all questions honestly and guaranteed confidentiality. The letter addressed how long it would take to complete the survey, as well as noted that every effort had been made to protect against any risks. The cover letter was intended to make the respondents feel like a valuable, informed resource to be consulted on this socially useful issue (Dillman, 1978).

Survey Instructions. The first page of the survey reiterated the purpose of the survey and thanked the respondents for participating. Again, an appeal was made for their input due to their experience with voluntary layoff. For any additional questions regarding the survey, the phone numbers of the researcher, co-researcher and the Office of Regulatory Compliance which governs human research were given. The survey instructions continued with examples of two types of questions: Either fill-in-the blank or place an "X" in the box for the best answer.

Question Construction. With some exceptions in the demographics section, each question was constructed as closed-ended with ordered answer choices using a six-item, modified Likert scale ranging from 1 = strongly disagree to 6 = strongly agree (Fowler, 1993; Sashkin, 1989). This format is easy to use and code into a computer (Fraenkel & Wallen, 1993) and is recommended when asking a series of

attitude and belief questions about well-defined issues (Dillman, 1978). Though attitudes are difficult to measure (Henderson, Morris, & Fitz-Gibbon, 1987) the intent was to infer from these, the participants' values and beliefs at the time the layoff was offered.

The Voluntary Layoff Survey

Following Sashkin's (1989) model, the objectives were formulated into the survey items. These were organized into conceptual areas suggested by the literature and relating to the research questions. Specifically, the VLS (Appendix A) had 81 closed-ended questions, three open-ended questions and two qualitative essay questions in six sections, discussed below.

Section 1 - Eligibility.

The first section of the survey contained three questions establishing the subjects eligibility for the study by determining if they met the two sample criteria. The first question asked for the date the voluntary layoff offer was made at their organization. Question 2 asked if they were eligible for retirement at the time of the offer or if the offer had made them eligible for retirement. An answer of "yes" indicated the subject was not eligible for inclusion and instructions were given to proceed immediately to Section 6 - Demographics. This technique, called a screening question (Dillman, 1978, p. 144) provided specific

directions to some but not all of the respondents. In this case, those who were retirement eligible were directed not to complete the body of the survey.

Closing the eligibility section, question three asked "Did you accept the voluntary layoff package?" The answer choices were "yes" and "no." In many ways, this was the most important question on the survey as it established the dichotomous grouping variable for statistical analysis. This section concluded with requesting a separation date for those that answered "yes" to "accepted the voluntary layoff offer."

Section 2a - "Prior to the layoff offer, I thought about or planned to."

The second section of the survey examined the individual's thoughts, plans, beliefs and perceptions prior to the layoff offer. This section was actually composed of two parts, with Section 2a having questions about thoughts or plans prior to the layoff offer. This section was constructed from voluntary turnover research models, identifying the subject's thinking about leaving an organization and their progress, as described by the models, towards an organizational exit (Gerhart, 1990; Lee & Mitchell, 1994; Mobley, 1977; March & Simon, 1958). The survey consisted of eight questions constructed with the modified Likert scale. Questions asked about plans to stay

with the organization until retirement, make a major life change (birth, marriage, adoption, etc.) and starting a business. Career plans were investigated by asking if participants had thought about or planned to make a career change, leave the organization to take a job elsewhere, or begin a job search outside of the company. This search behavior is the predecessor to turnover in most models (Arnold & Feldman, 1982; Jaros et al, 1993; Mobley et al, 1979; Porter et al, 1974).

Some of the questions about future plans did not require leaving the organization. Two other questions asked about quitting to work part-time or stay home and pursue non-work interests. These solicited additional descriptive information about the subjects.

Section 2b - "Prior to the layoff offer, I perceived or believed."

The nineteen questions in the second part of Section 2, solicited information about the subjects perceptions or beliefs related to: Supervisors, coworkers, organizational policies, organizational climate, affective disposition (e.g. happiness), job satisfaction and job characteristics. These were also developed from the research on voluntary layoff and focused on variables reported to be significant determiners of turnover in previous studies (Farris, 1971; Gerhart, 1990; Hulin, 1991; Youngblood et al, 1983). Using

the modified Likert scale, respondents were asked to evaluate supervisor competence, supervisor trust, satisfaction with supervisors and satisfaction with coworkers. Beliefs about the equity of pay and pay satisfaction were solicited as well as perceptions about job satisfaction, job repetition and quality-of-work life. Seventeen of these questions were combined into three composite variables. The two questions on disposition were included on the VLS to assess the impact of disposition as a moderating variable (Carsten & Spector, 1987; Judge, 1993). These were not part of any conceptual cluster.

Section 3 - Perceptions about the Future.

The third section asked the participants to recall their thoughts at the time of the layoff offer, before the decision to accept or not accept was made, and report their perception. Twelve questions probed topics such as whether staying on the job would bring a promotion, relocation, demotion, termination or diminished opportunities for advancement. Subjects were asked whether the downsizing was a one-time activity, if downsizing was good for the company, and if the company was in financial trouble. Questions also focused on the incentive package and whether a "take the money and run" attitude was appropriate. From this section, two conceptual variables were created from eight of the

questions. The composite variables were named "Good Reasons to Leave" and "Downsizing Was A Good Decision."

Section 4 - Perception of the Employment Environment

Four questions were presented in this section related to the external employment environment. Subjects reported on their beliefs about unemployment, opportunities to find a job, and the chaos within their industries. These questions were combined into one conceptual variable entitled, "Employment Environment."

Qualitative Descriptive Question. Next, the participants were asked an open-ended question concerning what they believed were the differences between the two groups in this study. The question stated "in a few words, how would you describe non-retirement age employees who accept a voluntary layoff offer and those who do not take a voluntary layoff offer?" The purpose of this question was to see if the descriptions would differ between the groups. Additionally, it was hoped that the qualitative data would support the quantitative findings.

Section 5 - The Package.

Section 5 of the VLS asked questions about the items included in the severance package and their importance. Ten items were listed with two additional spaces available for additional entries. A qualitative question closed this section by asking, "If you did not take the package, what

could have been added to the package to change your mind?" This section was developed to obtain information about the severance packages offered by the different organizations and to see if the groups in the study viewed these benefits differently.

Section 6 - Demographics

The final section of the VLS sought the demographics at the time of the layoff offer. Asking these questions at the end of a survey results in higher response rates (Dillman, 1978). Fourteen questions examined gender, income, professional position, and education of the subjects. Questions were asked about dependents, marital status, and if medical benefits were available through the spouse. Subjects were queried about when they might retire, and how many positions were held and employers worked for during the last five years. Two open-ended questions gained the specifics about age and years of service at the time of the layoff offer. Again, these questions were gleaned from previous studies on voluntary turnover (Cotton & Tuttle, 1982, Carsten & Spector, 1987) and were noted as statistically significant variables.

Survey Conceptual Variables

Because of the number of questions on the VLS, and high possibility for intercorrelations among variables, some method had to be developed to reduce the data. This was

accomplished by forming conceptual variables, questions that were combined because of their similar focus. The individual items were averaged to produce a conceptual variable, an artificial score representing the mathematical manipulation (Kinnear & Gray, 1994).

Plans Prior to the Layoff Offer

In the first part of Section 2a, five questions about future plans were combined into one conceptual factor. These questions, reported in Table 3.3, related to thinking about making an employment change. Because all questions were required to have the same valence before averaging, one question was reversed so that the final factor favored plans

Table 3.3

Questions Combined to Form "Plans Prior to the Layoff." Variable.

Question	Description
	Prior to the layoff offer, I thought about or planned to:
Q4	stay with the same company until retirement. (reversed)
Q5	make a career change
Q6	leave the organization and take a job elsewhere
Q8	begin a job search outside the company
Q10	start (or work in) my own business

that would result in leaving the organization. Thus, the higher the value of this variable, the more likely the subject was to leave. The new conceptual variable was entitled "Plans Prior to the Layoff."

Supervisors and Coworkers

The literature on the impact of supervisors and coworkers on satisfaction and turnover is plentiful (Arnold & Feldman, 1982; Bycio et al, 1990; March & Simon, 1958; Hulin, 1991; Mobley, 1977; Mobley et al, 1979; Porter & Steers, 1973). These studies clearly document a direct relationship between satisfaction with supervision and overall job satisfaction. If workers are not satisfied with their supervisors, or feel supervisors are incompetent, voluntary turnover increases. The same outcomes are reflected in satisfaction with coworkers.

Questions about supervisors and coworkers were presented in Section 2b, where perceptions and beliefs prior to the layoff offer were queried. Seven of the 17 questions in this section dealt with beliefs and/or perceptions about these people and were combined into a conceptual variable entitled "Supervisors and Coworkers" (Table 3.4).

Trusting the supervisor is another critical factor reported in job satisfaction (Atchinson, 1991; Autry, 1991; Marks, 1994; Mayer et al, 1995) and related to turnover. The last question, "I had input into decisions" was placed

into the Supervisor and Coworker category because it is reflective of a collaborative leadership style of the

Table 3.4

Questions Combined to Form "Supervisors and Coworkers" Variable

Question	Description
	Prior to the layoff offer, I perceived or believed. . .
Q12	my supervisors were competent
Q20	I was satisfied with supervision
Q21	management shared information with employees
Q22	I was satisfied with my coworkers
Q25	I trusted my supervisor
Q28	I had input to decisions

supervisor which had been reported (Latham et al, 1994; Wagner, 1994) as a significant factor related to job satisfaction and turnover.

Organizational Policies and Climate.

Six questions (Table 3.5) from Section 2b were combined to create a conceptual variable reflecting the individual's beliefs about the organization, its climate and policies. These included questions about the organization as a good place to work, whether it met expectations, and if the

subject felt a sense of loyalty (Dansereau et al, 1974; Ferratt et al, 1981; Huselid & Day, 1991; Porter et al, 1974; Porter & Steers, 1973). Whether the company was well managed was also included in the organizational climate and policies variable because of the global nature of this question.

Finally, two questions about pay were grouped into this variable. These included questions about satisfaction and fairness of pay since they have been reported to be significant in influencing turnover (Cotton & Tuttle, 1986; Gerhart, 1987; Mobley et al, 1979; Porter et al, 1974).

Table 3.5

Questions Combined to Form "Organization Climate and Policies" Variable

Question	Description
	Prior to the layoff offer, I perceived or believed. . .
Q14	the company was well managed
Q15	my pay was satisfactory
Q19	I was paid fairly compared to coworkers
Q23	the organization met all of my expectations
Q24	I felt loyal to the company
Q26	this was a good place to work

Job Attitudes and Beliefs

The last composite variable formed from VLS Section 2b asked for information about the individual's job beliefs and perceptions before the layoff offer. Five questions (Table 3.6) were used to create the conceptual variable "Job Attitudes and Beliefs." Three questions focused on job satisfaction, enjoyable work, and job repetition (Arnold & Feldman, 1982; Cotton & Tuttle, 1986; Dreher & Dougherty, 1980; Gerhart, 1990; Hom & Hulin, 1981; Hulin 1966, 1968, 1991; Newman, 1974).

Table 3.6

Questions Combined For "Job Attitudes and Beliefs" Variable

Question	Description
	Prior to the layoff offer, I perceived or believed:
Q13	my job was satisfying
Q16	my job was repetitive (reversed)
Q17	my work was enjoyable
Q18	there was good promotion potential for me
Q27	there was a high quality of work life

Two questions were included in this variable based on current Human Resources issues. One question focused on

promotion potential and the other on quality-of-work life. Promotion potential could have been part of the "Organizational Climate and Policy" variable particularly after a layoff when retrenchment policies become a company-wide issue. However, before layoff activities, promotion is tied to job performance, training, and succession planning (Fisher et al, 1990). Therefore, this question on promotion potential was combined with those on job attitudes and beliefs.

Quality of work life is defined by Monday and Noe (1993, p. 347) as the "extent to which employees satisfy significant personal needs" through their work experiences. Because the suggested interventions for quality-of-work life include job redesign and autonomous work groups to improve motivation and productivity, this question was also included in the conceptual variable focusing on job attitudes and beliefs.

Good Reasons to Leave

Section 3 of the VLS asked subjects to report their perceptions about the future in their organizations on 12 questions. These were converted into two conceptual variables. Six questions formed the new variable "Good Reasons to Leave" (Table 3.7). These questions explored if subjects thought opportunities for advancement would diminish or whether they might be fired or demoted if they

stayed with the organization. The question "my position was secure" sought to identify those who were not at risk of layoff and had to be reversed to score in the same direction as the other variables. Finally, two questions about the buyout package were posed to determine if the severance incentives influenced the decision to leave an organization.

Table 3.7

Questions Combined to Form "Good Reasons to Leave" Variable

Question	Description
	At the time of the layoff offer (before I made my decision), I perceived that . . .
Q35	opportunities for advancement would diminish in the future
Q36	I might be demoted as a result of the downsizing
Q37	I might be fired, or my job eliminated in the near future
Q40	My position was secure (reversed)
Q41	I had better leave while there were buyout packages (severance incentives)
Q42	the incentives were so good, I should take the money and "run"

Downsizing Was Good

Another conceptual variable created from Section 3 was called "Downsizing Was Good." This was formed by averaging two questions (Table 3.8) related to the downsizing decision. It was assumed that individuals who understood

Table 3.8

Questions Combined to Form "Downsizing Was Good" Variable

Question	Description
	At the time of the layoff offer, I perceived that . . .
Q38	downsizing was a good move for the company
Q39	the company needed to reduce people

and agreed with the downsizing decision or were unaffected by the decision were more likely to think of this event in a positive light. Considering these beliefs, they might be more likely to stay in the organization.

Employment Environment

The final questions combined into a conceptual composite variable involved the subjects' perceptions about the external employment environment (Table 3.9). Since the early work of Simon and March (1958), the external employment environment has played an important part in the decision to leave an organization (Carsten & Spector, 1987; Cotton & Tuttle, 1986; Hom & Hulin, 1981; Mobley, 1982; Mobley et al, 1979; Spencer & Steers, 1981). Considering all of the subjects were from the same geographical area (Metro-Denver) and made their decision about the voluntary layoff at approximately the same time, differences here are

Table 3.9

Questions Combined to Form "Employment Environment" Variable

Question	Description
	At the time of the layoff, the external employment environment provided:
Q43	low unemployment
Q44	good employment conditions
Q45	many opportunities for finding a good job
Q46	total chaos in the industry (reversed)

mostly perceptual and have strong implications regarding the propensity to make an organizational exit. As Denver is experiencing job growth in manufacturing, transportation, communications, public utilities, and retail (Rundles, 1996), the job opportunities are good in most vocational areas.

Validity, Reliability and Normal DistributionValidity

Validity is defined as "the degree to which correct inferences can be made based on the results from an instrument (Fraenkel & Wallen, 1993). Because this was a newly designed instrument, great care was taken to validate the face and content validity of the VLS. Face validity

refers to the commonly accepted meanings and mental images of what is relevant (Babbie, 1990) to the study and in this case, what items are related to layoff. To establish the face validity, in addition to composing the survey from the literature, a panel of experts reviewed the survey at several points during its construction. These individuals included researchers and business people who had managed during staff reductions and themselves accepted voluntary layoff offers. They reviewed the questions to be sure they were clear, unambiguous, and focused on the major issues of importance during a voluntary layoff.

Content validity is concerned with the "degree to which a measure covers the range of meaning included within the concept" (Babbie, 1990). This was also evaluated by experts who evaluated the survey and the possible interpretations that could be made for each question. Questions were revised and additions made to achieve group agreement. Finally, as Sashkin (1989) recommended, the survey was pretested by a class of graduate management students who took the survey, pretending to be legitimate participants. After taking the survey, a group discussion was held and suggestions for improvement were offered. This resulted in additional changes being made.

Construct validity (Babbie, 1990; Fraenkel & Wallen, 1993) relates to the theoretical expectations of an

instrument, that it will perform as expected related to the concepts measured. Construct validity was expected because the VLS was composed from past research results and would be satisfied when the instrument and the conceptual variables performed in the expected ways. That is, if there were statistically significant differences between the group that accepted the voluntary layoff and those that rejected the voluntary layoff as measured by the VLS, these could be detected.

Reliability.

Reliability is the measure of consistency -- can an instrument give consistent results when the same trait is measured (Huck, Cormier, & Bounds, 1974). This is commonly measured using a reliability coefficient which is an index reporting the consistency of scores (Fraenkel & Wallen, 1993). Cronbach's alpha is a well-known measure for internal consistency (Norusis, 1994). Typically, a Cronbach's alpha of .80 is considered good for the applied social sciences. To test the reliability of the VLS, alpha coefficients were calculated for the seven conceptual variables. All proved to be good (Table 3.10) with values very close to .80 or greater.

Normal Distribution

Normal distribution of the predictor variables (e.g. the conceptual variables) is an assumed assumption of

discriminant analysis and is indicated by Kurtosis and Skew measures. Kurtosis is defined as the measure of clustering towards a central point while skewness is the degree of non-symmetry (Norusis, 1993). In both cases, values less than are used as a rule of thumb to indicate a normal distribution. All of the conceptual variables proved to be normally disturbed. Table 3.10 reports the Kurtosis and Skewness numbers.

Table 3.10

Cronbach's Alphas, Kurtosis and Skew for Conceptual Composite Variables.

Variable	Alpha	Kurtosis	Skew
Plans Prior to the Layoff	.82	-.59	.22
Supervisors and Coworkers	.89	-.78	-.36
Organizational Climate & Policies	.82	.00	-.53
Job Attitudes & Beliefs	.83	.61	-.34
Good Reasons to Leave	.78	-.80	-.05
Downsizing Was Good	.80	-.53	-.33
Employment Environment	.77	-.41	-.11

Procedures

After the survey was pretested and finalized, it was administered to the subjects. The following discusses the procedures used.

Survey Administration

Colorado State University requires approval from the Human Subjects Committee prior to the start of any research project. Approval from the committee was received on February 23, 1996 (Appendix B). Solicitation of subjects began immediately thereafter and was completed by March 31, 1996. Each participant was advised by the researcher or a primary contact (i.e. personnel officer) about the nature of the study, and the need to complete all of the questions for statistical reasons. Surveys including a cover letter (Appendix A) and return envelope were sent to the subjects by mail as they were recruited. The first surveys were mailed on February 27, the last on March 31st, 1996.

As suggested by Dillman (1978), one week after the initial survey mailing, a postcard was sent to all subjects thanking them for participating in the study and including a plea to those who had not returned surveys to complete them. Additionally, the note offered to replace surveys or envelopes that had been misplaced. The card was intended to remind the participants of the importance of the survey and was carefully worded not to be intimidating or impatient.

Three weeks after the survey mailing, another postcard was sent to the participants who had not responded. This was the last follow-up and urged non-respondents to complete the survey or call the researcher for a replacement.

Statistical Analysis and Research Design

This exploratory pilot study was an association or relational approach due to the lack of random sample selection and active independent variables. It involved multiple groups that were naturally formed through the subjects' decision to accept or reject the voluntary layoff offer. This decision to accept or reject the voluntary layoff offer is the grouping variable. The study was a post-test only design which is the nature of all descriptive discriminant analysis studies where the purpose is to determine what variables might be selected to predict the grouping outcome. Due to the sample size, the level of significance used was $\leq .05$, although alphas resulting in higher significance are reported in statistical tests.

All statistics were done on a personal computer using SPSS statistical software, Version 6.1. The programs for discriminant analysis are part of the professional statistics upgrade.

One-Way Analysis of Variance

One-way Analysis of Variance (ANOVA) was performed on all composite variables to determine any statistically

significant relationships between them and the grouping variable, (i.e. layoff decision). ANOVA is an inferential statistical method to compare group means (Huck et al, 1974) where the larger the test statistic (F), the more likely a statistically significant difference (Fraenkel & Wallen, 1993). One-way ANOVA is appropriate for comparisons involving one independent variable with two or more levels (Hinkle, Wiersma, & Jurs, 1994).

If a conceptual factor was proven to be significant, further analysis through ANOVA was conducted on the individual variables (one per question) used to form the composite. This identified the actual questions causing the significant responses on the conceptual scales.

Correlation Coefficients

A correlation coefficient describes how variables are related (Hinkle et al, 1994). Discriminant analysis is a multivariate statistical procedure, and as such strong inter-item correlations of predictor variables distort the results. To determine the correlation between variables, the Pearson product-moment correlation coefficient, ("r") was used. This measure can vary between -1 and +1 denoting the direction and magnitude of the relationship. A correlation matrix was produced using the conceptual variables to determine if any inter-item correlations were present.

Discriminant Analysis

Discriminant analysis (DA) is a classification technique developed in the 1930s, primarily from the work of Fisher, a biologist. It wasn't until the late 1960s that the technique became commonly used in other fields. Eisenbeis and Avery (1972) stated this was due to the lack of complete explanations and no available computer programs to handle the complex calculations. DA is commonly used to predict college success for admission candidates, classify high credit risks from accounting statements, and in any other application where the decision maker wishes to use simple attributes to classify cases into a few categories (Morrison, 1976). In this study, the grouping variable was the actual decision to take or not take the voluntary layoff. The predictor variables are the conceptual composites developed from the VLS.

DA is a multivariate technique that involves both predictive and inferential statistics. Discriminant is similar to multiple correlation except that the criterion variable is nominal rather than continuous, and can be used with any dichotomous criterion variable (Huck et al, 1974).

Descriptive DA identifies the variables that best "discriminate" between members of a group by minimizing the probability of making an incorrect classification.

Predictive or prescriptive DA uses the variables identified

in the descriptive phase to predict group membership of new subjects (Silva & Stam, 1995). Simply stated, discriminant equations are developed using one group of subjects to create classification rules. These rules are then applied to another group (Sakamoto, 1991).

In this study, there were only two groups and each person belongs to only one group, based on their decision on the voluntary buyout. Discriminant analysis looks for a linear function which divides the sample into regions. The relationship between the two populations, and how distinct they are, determines how accurate classification predictions will be. Silva and Stam (1995) emphasize that each group should be well-defined, and the classification must be done objectively. To this end, groups should be identified before data is collected and the attributes measured should represent as "complete and accurate a description of the entities as possible for accurate discrimination between the groups . . ." (p. 280).

The most common descriptive discriminant analysis is canonical DA, where the original attributes are transformed into new variables, known as canonical variables, in order by their power to separate the groups. By using a few of the canonical variables, hopefully most of the differences between groups can be explained. Thus, canonical DA also performs a data reduction task because only the variables

that provide the best separation are used (Krzanowski & Marriott, 1994; Silva & Stam, 1995).

Test Statistic. The test statistic used in DA is the Wilks's lambda statistic. This ranges from zero to one and is comparable to an F test for a MANOVA (Silva & Stam, 1995). Stronger group separation is indicated by lower values of lambda and the smaller this value becomes, the more likely a factor is to be significant (Kinnear & Gray, 1994). Higher values indicate smaller mean differences and less separation of the layoff groups.

Canonical variables with significant F values are important to the classification of the groups, while other variables may be discarded. In this study, the conceptual composite variables are the predictor variables and are assessed and weighed to give the dependent or criterion variable (i.e. layoff groups) maximum separation. Thus, different combinations of the composite variables will be tested to find those that produce the best prediction of who will accept the layoff offer.

Variables are added into the equation according to the largest F statistic that results in a prediction more accurate than one made by chance (Huck et al, 1974). When the independent variable no longer maximizes the group separation, it is removed from the equation. The goal of discriminant analysis is to minimize the overlap of the

distributions so that predictions can be made as to which group each case belongs by examining the independent variables.

Assumptions of DA. There are three major assumptions for canonical DA. The first assumes that "attributes associated with each entity are independent" (Silva & Stam, 1995, p. 285). This requires testing for any inter-item correlation to avoid multicollinearity (Ferratt et al, 1981; Schmitt & McCune, 1981). The second assumption states the population distribution of each predictor variable are normally distributed so, the suggestion is made that the univariate distributions of all variables be analyzed. The third assumption involves equal variance or covariance across groups, or homogeneity of variances.

Software Procedures. SPSS for Windows software was used for statistical analysis. Stepwise insertion and ordering of variables is the most common method for DA where the variables that account for the maximum differences are added one-by-one until the p value of the F statistic is no longer significant. At this point, the analysis is complete as the contribution of additional variables is minimal. The step-wise procedure is extremely valuable when there are numerous variables in the analysis.

Missing Data. When using SPSS software for discriminant analysis, cases with any missing data are

deleted. To avoid the loss of subjects in this study, the use of conceptual variables replaced individual variables with a mean score based on the available data (Schmitt & McCune, 1981). This was a design decision made prior to the survey. However, there were no missing data for the questions used in the conceptual variable formulation. Thus, the problem anticipated with list-wise deletion of cases did not occur.

Qualitative Data Analysis

The two qualitative questions, asked in an open-ended essay format on the survey were transcribed, coded and analyzed for thematic content. According to Patton (1990), the challenge of qualitative questions is to produce findings, establishing some meaning or understanding of the subjects comments. This was done using content analysis where the notes are coded and predominant themes are extracted. The results of this analysis are reported.

CHAPTER IV

RESULTS

This chapter presents the results of the study, using both the inferential statistics and qualitative findings from the Voluntary Layoff Survey (VLS). The VLS was administered to subjects who had accepted a voluntary layoff offer and those who had rejected such an offer within the past two years and one half years. The demographic results are reported, followed by an analysis using seven conceptual formed from individual survey questions. If a conceptual variable was statistically significant, further analysis identified the individual questions as the basis for the relationships with the layoff offer decision. Discriminant analysis was performed to determine if some combination of variables would improve the prediction of the layoff decision. Details on the severance packages and other descriptive details are presented. The remaining survey data including means and standard deviations for each question are presented in Appendix C.

Of the 100 surveys distributed, 87 were returned. Unfortunately, three completed surveys could not be included

for various reasons. One survey was completed by an individual who was retirement eligible. He wrote a detailed note explaining because he did not want to retire, this decision was more like accepting a voluntary layoff. Another survey was missing so much information that for statistical purposes it would have been of little use. The third survey was missing the demographic information, as if the subject had forgotten to complete the survey. This survey was not included in the analysis.

Thus, of the 87 surveys received, only 84 were used in the analysis. Forty-three responses were in the group that had accepted the voluntary layoff offer. Forty-one survey participants had not accepted the layoff offer. This constitutes a response rate of 87 percent which is very good (Babbie, 1990, Dillman, 1978).

Demographics

There were no statistically significant differences between the two groups in any of the demographic variables. This indicates that the groups were similar demographically. Initial statistics about the population's age, gender and layoff decision were presented in Chapter III, Table 3.1. The remaining demographic variables are described below to create a profile of the voluntary layoff survey participant.

Individual Demographics

Gender

Table 3.1 in Chapter 3, shows the details regarding age, gender and layoff decision. There were 47 women in the study and 37 men, divided almost evenly between groups.

Age

The average ages for both groups were very similar. Those accepting the layoff offer averaged 39.53 years and those not accepting averaged 39.59 years of age. The data are displayed in Table 3.1.

Education

The educational levels of the two groups were very similar with few representatives in either group having less than high school or vocational school (Table 4.1). The majority were college graduates or holders of a graduate degree.

Table 4.1

Education by Voluntary Layoff Offer (n=84)

Education	Accepting offer n=43	Rejecting Offer n=41
Less than H.S.	1	0
Some College	5	8
Vocational School	1	0
College Graduate	17	20
Graduate Degree	19	13

Work-Related Demographics

Tenure

Those accepting the offer had an average of 13.08 years of service while those rejecting the offer had only 11.5 years (Table 4.2). However, this difference was not statistically significant.

Job Title

The distribution of job titles within the two groups appeared to be quite different (Table 4.2). In the group that rejected the offer, almost half, or 20 out of 41 were managerial, perhaps indicating a willingness of supervisory and managerial people to volunteer for the survey. In the group that accepted the voluntary layoff offer, the job titles were more varied with the largest portion self-reported as professionals. There were no clerical positions among the group rejecting the layoff offer. However, these differences were not significant in a Chi square test. The subjects represented a variety of professional levels with more being managers in the group rejecting the offer while the group that left had professionals. These differences were not significant.

Table 4.2

Average Tenure and Professional Level by Voluntary Layoff Offer Decision (n=84).

Variable	Accepting Offer n=43	Rejecting Offer n=41
<u>Avg. Years Service</u>	13.08	11.88
<u>Profession</u>		
Managerial	13	20
Administrative	2	4
Clerical	3	0
Technical	9	9
Professional	16	8

Income

The yearly incomes of the participants are reported in Table 4.3. Both groups show some members at all levels except the less than \$20,000. Those rejecting the layoff offer were clustered around the \$40,000 - \$60,000 range. In the group accepting the offer, there were three times more subjects earning over \$80,000 than in the group who rejected the offer. However, these results were not statistically significant.

Table 4.3

Yearly Income by Voluntary Layoff Offer (n=84)

Income	Accepting offer n=43	Rejecting Offer n=41
Less than \$20K	0	0
\$ 20,001 - 40,000	15	7
\$ 40,001 - 60,000	12	27
\$ 60,001 - 80,000	10	5
More than \$80K	6	2

Severance Pay as Percent of Yearly Salary

Severance pay as a percentage of yearly salary was reported by both groups. In the group rejecting the layoff offer, the group mean from the modified Likert scale was slightly more than the 50-75 percent of yearly salary or 3.15. The participants that accepted the voluntary layoff offer averaged 3.45, or slightly higher. The combined mean for both groups was 3.31, still within the same salary range.

Number of Positions in the Last Five Years

The number of positions held in the last five years related to the flexibility of the employee. In the group rejecting the layoff offer, the average was 2.31 positions. In the group accepting the offer and leaving the organization, the average was almost identical at 2.33.

Number of Organizations in the Last Five Years

When comparing the number of organizations subjects were employed at during the last five years, there was little difference. The group rejecting the layoff offer reported 1.32 organizations as the average while those that accepted the layoff offer and left the organization, reported 1.63 organizations within the same time frame.

Plans to Retire

When each group was asked if they planned to retire someday, 92.7 percent of those rejecting the layoff offer and 95.3 percent of those accepting the offer responded "yes." When queried as to how old they would be when they retired, the average of the group accepting the layoff offer was 4.56 or between the 56-60 years old and 61-65 years old choices. The other group, those staying with the organization predicted they would retire at about the same age with their group average 4.41.

Spouse and Family Demographics

None of the following demographic variables proved to be statistically significant.

Spouse

In both groups, about three quarters of the participants were married. Seventy-three percent of those rejecting the voluntary layoff and seventy percent of those accepting were married.

Spouse Working

Spouses were reported to be working in most cases. Ninety-three percent of the spouses of those accepting the offer worked while seventy-seven percent of the spouses were working among those who did not accept the layoff offer. This was not significant.

Spouse Can Provide Medical Benefits

Medical benefits were available through a working spouse in approximately 50 percent of the cases, regardless of layoff choice.

Number of Dependents at Home

The group staying with the organization had an average of two dependents at home including the spouse. Those accepting the layoff had approximately the same number.

Number of Dependents in School

Both groups reported an average of one dependent in school. This information is displayed in Table 4.4.

Conceptual Variables

Seven composite variables were created to explore conceptual themes from the voluntary turnover literature. The statistically significant relationships of these

Table 4.4

Spouse & Dependent Information by Voluntary Layoff Decision (n=84)

	Accepting offer n=43	Rejecting Offer n=41
Responses	<u>Yes</u>	<u>Yes</u>
<u>Married</u>	30	30
<u>Spouse Works</u>	28	23
<u>Spouse Medical Ins.</u>	19	21
<u>Dependents at Home</u>		
None	8	6
One	9	10
Two	8	7
Three	13	10
Four	5	5
More than 4	0	3

composite conceptual variables to the layoff offer decision denote which factors will predict who will stay and who will go. Statistical testing was accomplished by one-way analysis of variance (ANOVA).

Table 4.5 reports the results of one-way ANOVAs analyzing each of the conceptual variables. Four of these composite variables were significant: (a) Plans Prior to Layoff, (b) Supervisors and Coworkers, (c) Good Reasons to Leave, and (d) Employment Environment. The other

composites: (a) Organization Climate, (b) Job Attitudes and Beliefs, (c) Downsizing was Good, were not significant. Following the ANOVA table, the information on the ANOVA analysis of the individual questions making up each of the composite variables is presented.

Table 4.5

Composite Variable Results by Layoff Group Mean (n=84)

Variable	Accepted Layoff Offer Group Mean n=43	Rejected Layoff Offer Group Mean n=41	F Value
Plans Prior to Layoff	3.29	2.72	4.69 *
Supervisors & Coworkers	3.20	3.83	6.28 *
Organizational Policies and Climate	3.53	3.75	1.04
Job Attitudes and Beliefs	3.45	3.78	2.00
Good Reasons to Leave	4.26	3.17	25.96 ***
Downsizing Was Good	3.65	3.98	1.43
Employment Environment	3.64	3.2	4.35 *

p = * <.05 ** <.01 *** <.001

Plans Prior to Layoff

The conceptual variable, "Plans Prior to Layoff" was significant at the .05 level, which indicates the difference between the groups was not due solely to chance. Because the questions were couched in terms of making plans to leave, the higher mean value for the group accepting the layoff

offer indicates more agreement (less disagreement) with the questions displayed on Table 3.3. The group rejecting the voluntary layoff offer was more likely to disagree with the questions about prior plans to leave. The ANOVA summary for this variable "Plans Prior to Layoff" is depicted in Table 4.6 and a frequency graph in Figure 4.1.

Table 4.6

Analysis of Variance for "Plans Prior to Layoff" by Layoff

Source	D. F.	Sum of Squares	Mean Squares	F Ratio	F Probability
Between Groups	1	6.7337	6.7337	4.6915	.0332
Within Groups	82	117.6944	1.4353		
Total	83	124.4281			

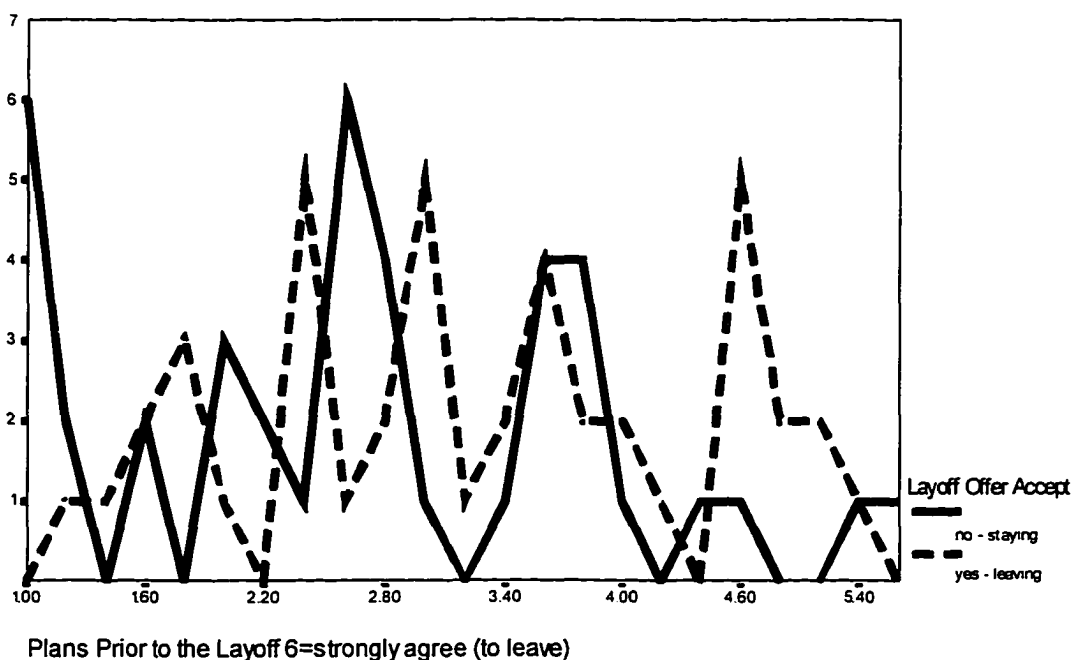


Figure 4.1 Frequency graph of "Plans Prior to the Layoff" by Layoff Offer Acceptance (agree = plans to leave)

Further analysis of the questions combined to form the "Plans Prior to Layoff" variable indicated only one of the questions was statistically significant. This question, "I planned to start or work in my own business was significant to the .02 level. The group rejecting the layoff offer had a mean of 2.43 or disagree. Those accepting the layoff had a mean of 3.25, indicating they responded more positively to this question, though as a group favored slightly disagree. The analysis of variance for this question is shown in Table 4.7.

Table 4.7

Analysis of Variance for "Plan to start (or work in) my own business" by Layoff

Source	D. F.	Sum of Squares	Mean Squares	F Ratio	F Probability
Between Groups	1	14.0021	14.0021	5.5125	.0213
Within Groups	82	208.2836	2.5400		
Total	83	222.2857			

Supervisors and Coworkers

The conceptual variable "Supervisors and Coworkers" was formulated from questions displayed in Table 3.4 and found to be significant to the .014 level. This indicates a measurable difference in the way the two groups answered the six questions which composed this variable. The lower mean

score for the group accepting the layoff offer and leaving the organization, indicates they rated these questions lower or agreed less with statements about their beliefs about supervisor competence, supervisor trust and satisfaction with supervisors. The individuals who declined the voluntary layoff, were more positive about their supervisors, indicating they had more satisfaction and trust in the supervisor as well as more confidence in supervisor competence. The ANOVA summary for this analysis is reported in Table 4.8 and the frequency graph of these results is depicted in Figure 4.2. The frequency graph displays the results of each case for the composite variable "Supervisors and Coworkers."

Further analysis of the six questions which were averaged to form this variable indicated that four of the questions were statistically significant. They included those about supervisor competence (Table 4.9), satisfaction with supervisors (Table 4.10), supervisors sharing information (Table 4.11), and trust in the supervisor (Table 4.12). Three of the questions were significant at the .05 level with those leaving answering more negatively on: (a) Supervisors were competent, (b) I was satisfied with supervision, and (c) management shared information. The question, I trusted my supervisor was significant to the

.005 level. Indicating those leaving had less trust in their supervisors.

Table 4.8

Analysis of Variance for "Supervisors and Coworkers " by Layoff

Source	D. F.	Sum of Squares	Mean Squares	F Ratio	F Probability
Between Groups	1	8.2749	8.2749	6.2898	.0141
Within Groups	82	107.8798	1.3156		
Total	83	116.1548			

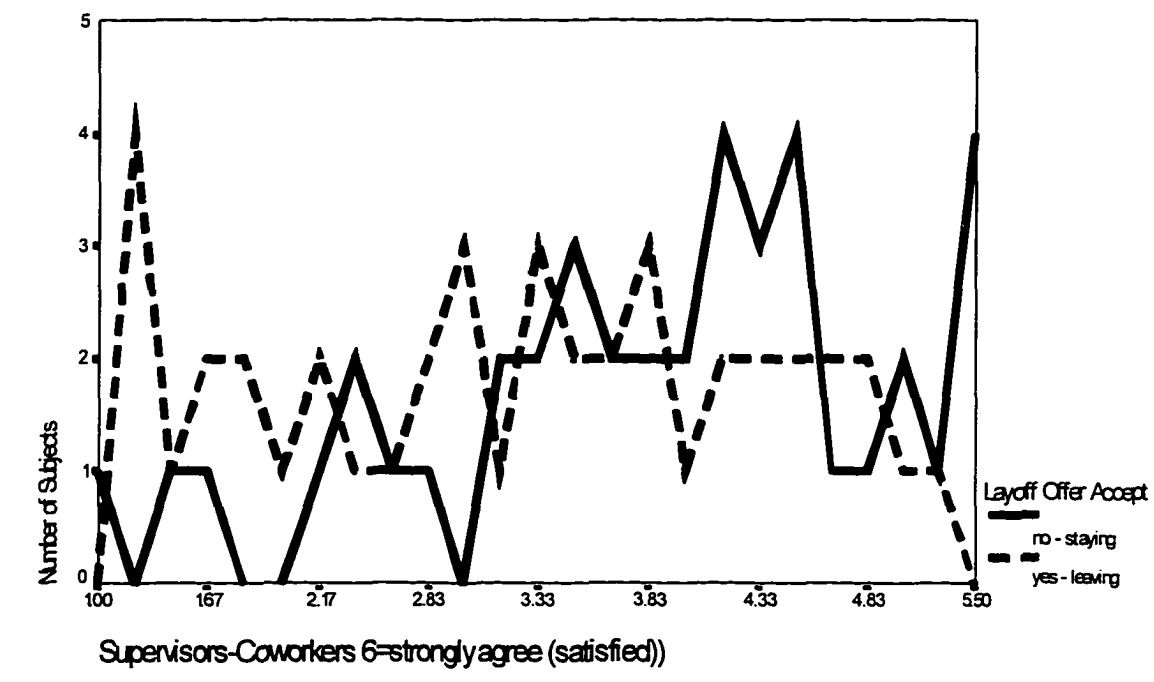


Figure 4.2 Frequency graph of "Supervisors and Coworkers" by Layoff Offer Acceptance

Table 4.9

Analysis of Variance for "My Supervisors were competent " by Layoff

Source	D. F.	Sum of Squares	Mean Squares	F Ratio	F Probability
Between Groups	1	13.0091	13.0091	6.5068	.0126
Within Groups	82	163.9433	1.9993		
Total	83	176.9524			

Table 4.10

Analysis of Variance for "I was satisfied with supervision" by Layoff

Source	D. F.	Sum of Squares	Mean Squares	F Ratio	F Probability
Between Groups	1	10.4666	10.4666	4.7195	.0327
Within Groups	82	181.8548	2.2177		
Total	83	192.3214			

Table 4.11

Analysis of Variance for "Management shared information with employees" by Layoff

Source	D. F.	Sum of Squares	Mean Squares	F Ratio	F Probability
Between Groups	1	8.9458	8.9458	4.5672	.0356
Within Groups	82	160.6737	1.9587		
Total	83	169.5595			

Table 4.12

Analysis of Variance for "I trusted my supervisor " by Layoff

Source	D. F.	Sum of Squares	Mean Squares	F Ratio	F Probability
Between Groups	1	22.2199	22.2199	8.4346	.0047
Within Groups	82	216.0182	2.6344		
Total	83	238.2381			

Good Reasons to Leave

The composite conceptual variable "Good Reasons to Leave" was statistically significant to the .001 level. This variable was formed from the questions displayed in Table 3.7. The higher mean score for the group accepting the layoff indicates they answered questions about plans to leave more positively or with more agreement. The group staying with the organization was less positive in their responses. The ANOVA summary for this analysis is displayed in Table 4.13 and Figure 4.3 displays the frequency distribution by voluntary layoff decision group.

Further analysis was conducted to determine if one or more questions making up this conceptual variable were significant. Four of the six questions involved in the calculation of this variable were statistically significant. The results are shown in ANOVA tables for the individual questions. This first question involved opportunities for advancement (Table 4.14) which those leaving answered more

negatively about. The second, firing or demotion (Table 4.15) indicated that those leaving felt they might be fired or demoted if they stayed. The two questions, leaving while buyout exists (4.16), and the incentives are so good, I'll take the money (4.17) indicated those leaving felt the severance incentives were more desirable than those who stayed with the company, rejecting the offer.

Table 4.13

Analysis of Variance for "Good Reasons to Leave" by Layoff

Source	D. F.	Sum of Squares	Mean Squares	F Ratio	F Probability
Between Groups	1	24.6942	24.6942	25.9676	.0000
Within Groups	82	77.9790	.9510		
Total	83	102.6733			

Table 4.14

Analysis of Variance for "Opportunities for advancement would diminish in the future" by Layoff

Source	D. F.	Sum of Squares	Mean Squares	F Ratio	F Probability
Between Groups	1	16.8998	16.8998	8.1151	.0055
Within Groups	82	170.7669	2.0825		
Total	83	187.6667			

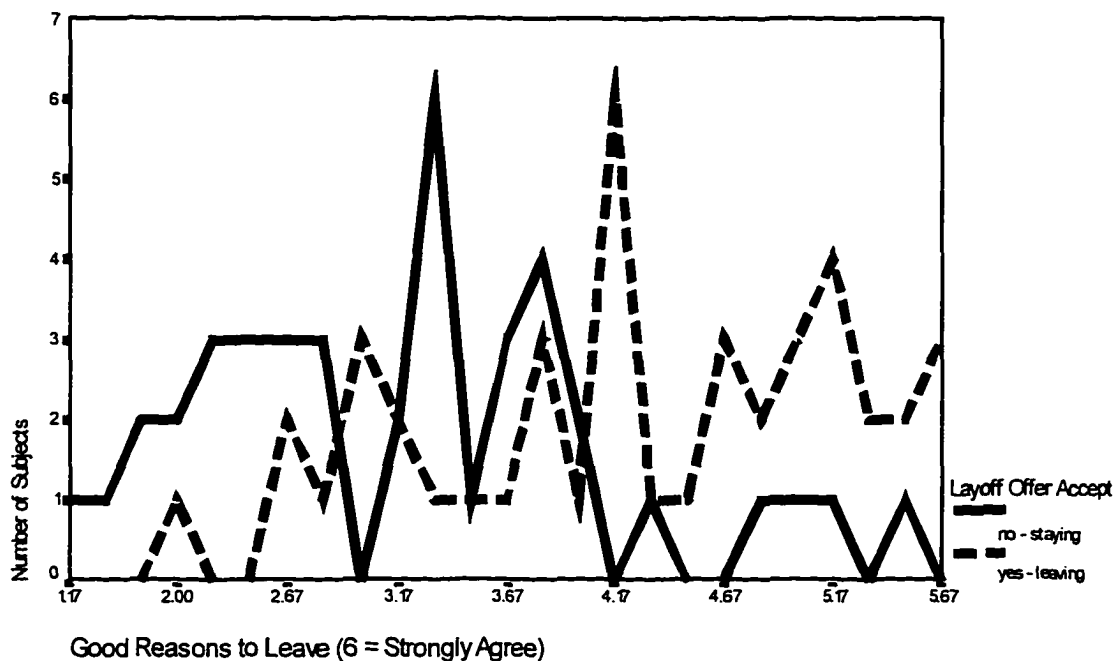


Figure 4.3 Frequency graph of "Good Reasons to Leave" by Layoff Offer Acceptance

Table 4.15

Analysis of Variance for "I might be fired or my job eliminated in the future " by Layoff

Source	D. F.	Sum of Squares	Mean Squares	F Ratio	F Probability
Between Groups	1	13.4820	13.4820	5.1941	.0253
Within Groups	82	212.8395	2.5956		
Total	83	226.3214			

Table 4.16

Analysis of Variance for "I had better leave while there were buyout packages" by Layoff

Source	D. F.	Sum of Squares	Mean Squares	F Ratio	F Probability
Between Groups	1	72.7354	72.7354	33.7278	.0000
Within Groups	82	176.8361	2.1565		
Total	83	249.5714			

Table 4.17

Analysis of Variance for "The incentives were so good, I should take the money and run" by Layoff

Source	D. F.	Sum of Squares	Mean Squares	F Ratio	F Probability
Between Groups	1	93.7463	93.7463	49.4228	.0000
Within Groups	82	155.5394	1.8968		
Total	83	249.2857			

Employment Environment

The conceptual variable "Employment Environment" was significant at the .05 level. (Table 4.18). This variable was created from averaging the responses to the questions displayed in Table 3.9. The higher mean score for the group accepting the layoff offer indicates a more positive perception about the employment environment and opportunities available. The lower score for the group

staying with the organization and rejecting the voluntary layoff offer shows they viewed the same external employment environment in metro Denver, less favorably. This is indicated on the frequency graph in Figure 4.4 which shows the dotted line of those staying way above the solid line of those leaving on the agree and strongly agree categories (i.e. 4 and 5).

Further analysis of the individual questions revealed two of the questions composing this variable were statistically significant. The analysis of variance for opinions about "employment conditions" and "many opportunities for finding a good job" are displayed in Tables 4.19 and 4.20. The question on the existence of good employment conditions was significant to the .05 level with the group leaving responding they slightly agreed the external employment provided good employment conditions. Those staying slightly disagreed with this question.

On the question about the external employment environment provided many opportunities to find a good job, those refusing the voluntary layoff offer answered slightly disagree and those accepting the offer answered slightly agree. This question was significant at the .05 level.

Table 4.18

Analysis of Variance for "External Employment Environment " by Layoff

Source	D. F.	Sum of Squares	Mean Squares	F Ratio	F Probability
Between Groups	1	4.0270	4.0270	4.3511	.0401
Within Groups	82	75.8919	.9255		
Total	83	79.9189			

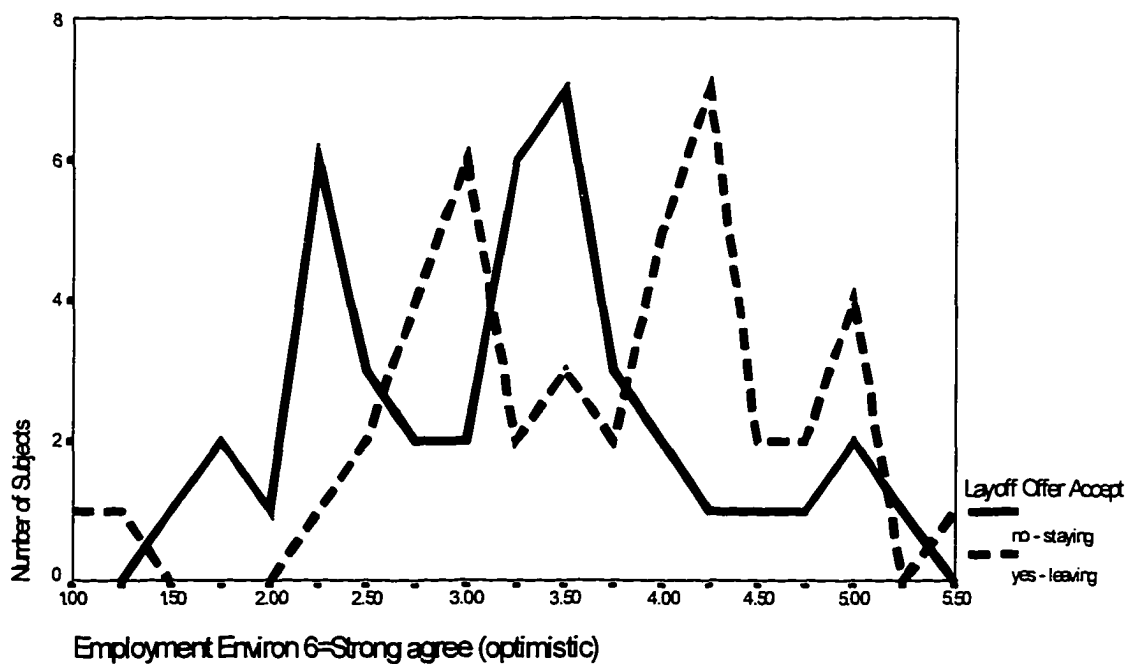


Figure 4.4 Frequency graph of "Employment Environment" by Layoff Offer Acceptance

Table 4.19

Analysis of Variance for "The external employment environment provided good employment conditions" by Layoff

Source	D. F.	Sum of Squares	Mean Squares	F Ratio	F Probability
Between Groups	1	6.4587	6.4587	4.6940	.0332
Within Groups	82	112.8270	1.3759		
Total	83	119.2857			

Table 4.20

Analysis of Variance for "The external employment environment provided many opportunities for finding a good job " by Layoff

Source	D. F.	Sum of Squares	Mean Squares	F Ratio	F Probability
Between Groups	1	8.9303	8.9303	5.5890	.0204
Within Groups	82	131.0221	1.5978		
Total	83	139.9524			

Correlation Coefficients

Because discriminant analysis, as well as other multivariate procedures, examines variables together, it is important that no strong inter-item correlations exist to confound the outcome (Norusis, 1994). Schmitt and McCune (1981) recommended that correlations around .50 be examined closely. A correlation matrix for all conceptual variables is presented in Table 4.21. The high inter-item correlations, in the .59 to .67 range, existed between "Job

Attitudes and Beliefs," "Organization Climate and Policies," and "Supervisors and Coworkers". This was not surprising as these variables were composed from the same question content

Table 4.21

Correlation Matrix for Conceptual Variables

Variable	1	2	3	4	5	6	7
1. Downsizing was good	1.00						
2. Employment environment	.1268	1.00					
3. Good reason to go	-.0276	-.1356	1.00				
4. Job Attitudes & Beliefs	.0217	-.0170	-.3186 **	1.00			
5. Organization climate-policy	-.0159	-.0987	-.3066**	.5958***	1.00		
6. Supervisors & Coworkers	.0179	-.1195	-.4254***	.6716***	.559***	1.00	
7. Prior Work Plans	-.0459	-.0404	.2687*	-.2630*	.5450***	-.1301	1.00

p= * <.05, ** <.01, *** <.001

area, items affecting job satisfaction. However, only "Supervisor and Coworkers" indicates a significant relationship with the grouping variable, layoff decision. To avoid any problems with multicollinearity in the discriminant analysis of these three variable, only the "Supervisor and Coworker" conceptual variable was entered

into the discriminant analysis. Eliminating "Organization Climate and Policies" from the discriminant analysis deleted any concern for the .54 inter-item correlation between this variable and "Prior Plans."

Discriminant Analysis

Discriminant analysis was performed using four of the original seven conceptual variables, with "Job Attitudes and Beliefs" and "Organization Climate and Policies" being eliminated due to a lack of significance and inter-item correlations with "Supervisor and Coworkers." "Downsizing was Good" was left out because it proved not to be a significant predictor of the layoff decision. The four remaining conceptual variables are presented in with the Wilke's Lambda, F statistic, and significance level in Table 4.22. These were analyzed and the combination of two were found to produce the best separation between those that stayed and those that left. The first variable to enter the step-wise analysis was "Good Reasons to Leave." This was followed by "Employment Environment" in the discriminant steps shown in Table 4.23. Together, these variables improved the ability to predict the voluntary layoff decision choices of the individuals to 76 percent by using the Voluntary Layoff Survey. The accuracy results of the discriminant analysis are shown in Table 4.24. Using the

variables singly would have resulted in a prediction accuracy of 72.6 percent for "Good Reasons to Leave," 63 percent for "Prior Plans," 60 percent for "Supervisor and Coworkers," 58 percent for "Employment Environment."

Table 4.22

Wilks' Lambda (U-statistic) and Univariate F-ratio with 1 and 82 Degrees of Freedom

Variable	Wilks' Lambda	F	Significance
Employment Environment	.94961	4.3511	.0401
Good Reasons to Leave	.75949	25.9676	.0000
Supervisor and Coworkers	.92876	6.2898	.0141
Prior Plans	.94588	4.915	.0332

Table 4.23

Discriminant Analysis Step Summary

Step Entered	Variable	Variable In	Wilks' Lambda	Significance
1	Good Reasons to Leave	1	.75949	.0000
2	Employment Environment	2	.67325	.0000

Each layoff group's individual cases were plotted separately (Figure 4.5) with the group rejecting the layoff offer, symbol 1, displayed on the top of Figure 4.5. The group accepting the layoff offer is on the lower half, represented by symbol 2. These were overlaid in Figure 4.6.

Symbols used in plots
 Symbol Group Layoff Offer

Symbol	Group	Layoff Offer
1	1	no
2	2	yes

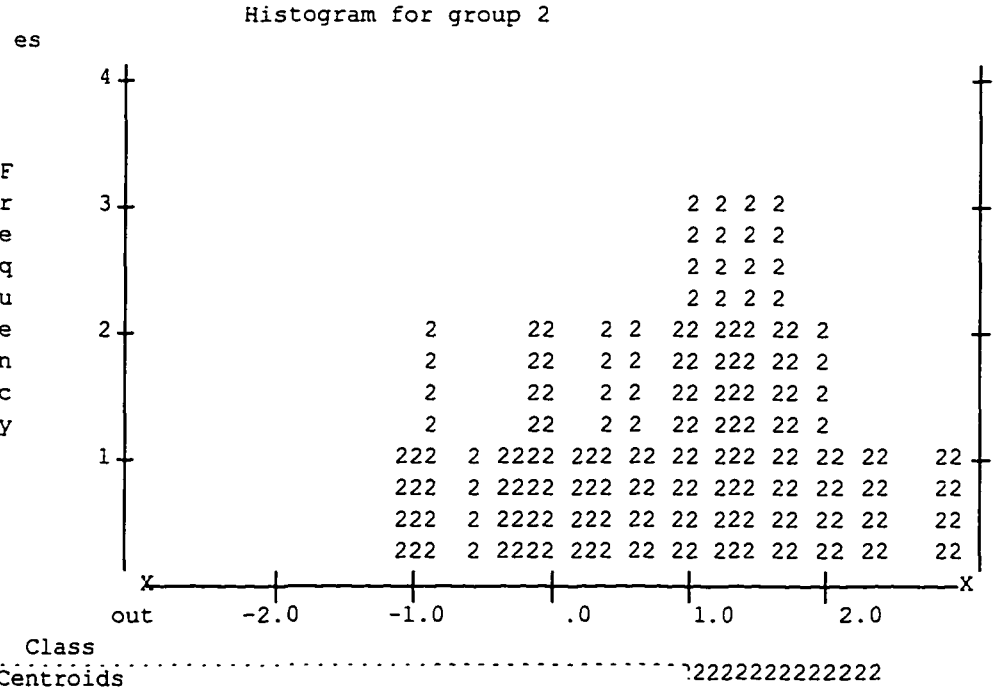
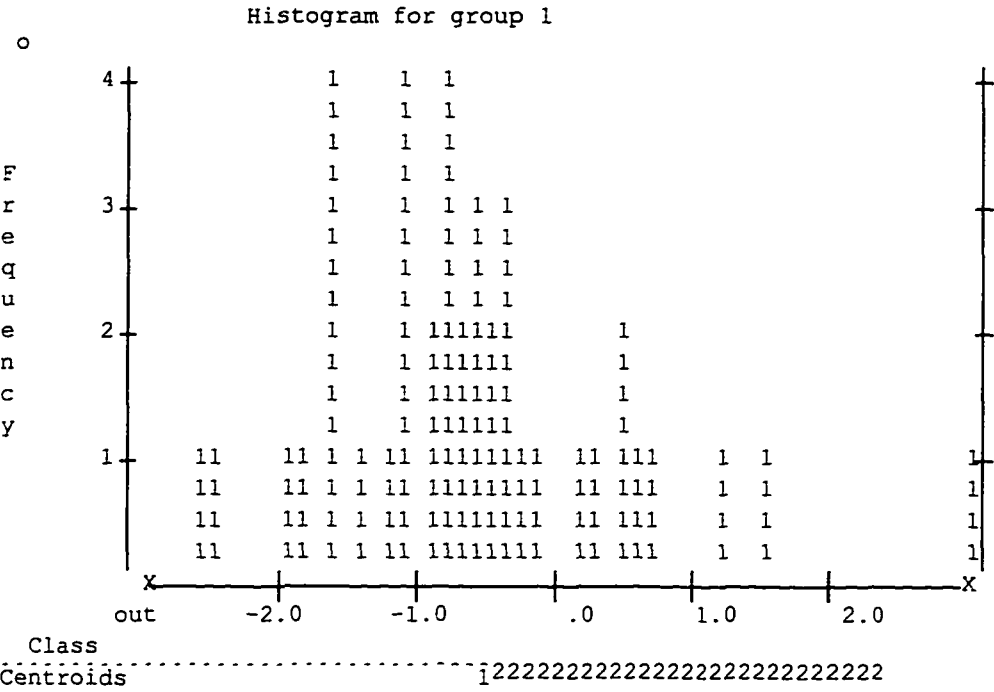


Figure 4.5 - Histograms of those rejecting (1) the layoff offer and those accepting the offer (2).

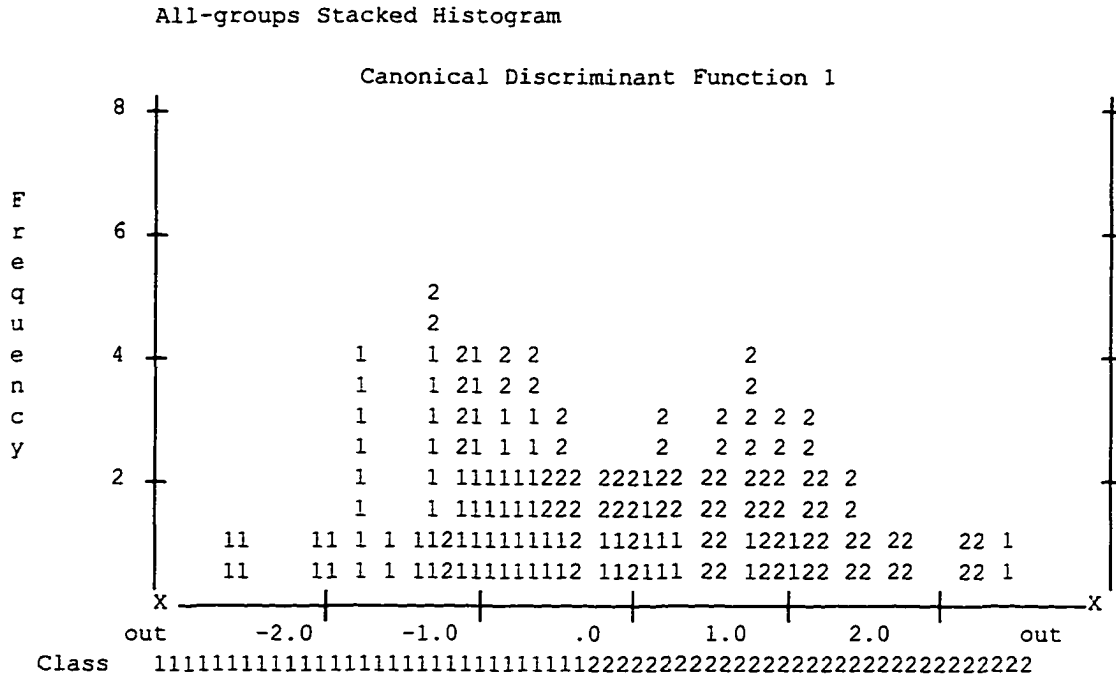


Figure 4.6 - Frequency histogram overlaying those that rejected the voluntary layoff offer (1) and those that accepted the voluntary layoff offer (2)

In the individual histograms for those accepting and rejecting the layoff offer (Figure 4.6), the distribution is close to normal, however, there are group overlaps. Also, each group has individuals inside the other group's domain. When combined, these are the cases that produce the checkerboard of numbers 1 and 2 intermingled cases which the discriminant model cannot accurately predict group membership. The classification results (Table 4.24) show a summary of the cases correctly identified by this two-variable discriminant analysis.

Table 4.24

Summary Table of Classification Results From Descriptive Discriminant Analysis

	Actual Group	Number of Cases	Predicted Group Membership	
			Group 1	Group 2
Rejected Layoff	Group 1	41	32 78.0%	9 22.0%
Accepted Layoff	Group 2	41	11 25.6%	32 74.4%

Percent of "grouped" cases correctly classified: 76.19% - 84 (Unweighted) Cases

Note in Table 4.24, the group rejecting the voluntary layoff (number 1) had a total of 41 cases. Of these, 32 or 78 percent are correctly predicted. Nine cases or 22 percent were incorrectly predicted to be individuals who accepted the voluntary layoff offer. Those taking the layoff offer were predicted with somewhat less accuracy. Seventy-four percent of these cases were correctly identified as group two. Eleven people (25.6 percent) taking the voluntary layoff were predicted to be in the other group. In Figure 4.6, the cases incorrectly predicted can be identified by estimating the boundaries of each group. This model of two composite variables "Good Reasons to Go" and "Employment Environment" resulted in a 76.19 percent accurate prediction of the choice non-retirement

eligible employees would make regarding a voluntary layoff offer.

Qualitative Data

The responses to the question "In a few words, how would you describe non-retirement age employees who accept a voluntary layoff offer and those who do not take a voluntary layoff offer?" were transcribed and coded for each group. The following is the report of this qualitative data.

The Group Rejecting The Layoff Offer

Thirty-nine of the forty-one participants in the group rejecting the layoff offer responded to this open-ended question asking about the differences between those who accept a voluntary layoff and those who reject a voluntary layoff.

Those Who Stayed Characterized The Other Group As

The group rejecting the layoff offer and staying with the organization answered with the following thoughts when describing those that accepted a voluntary layoff. Major themes mentioned describing those leaving were: Looking for change or opportunity, 28 percent; risk takers, 26 percent; financially secure, 21 percent; and in jeopardy of demotion or layoff, 18 percent. Moderately popular themes specify those leaving as: Not being happy, 13 percent; married with working spouse, 8 percent; having other jobs, 8 percent; and

confident, 8 percent. Finally, a list of adjectives, most only mentioned once, was developed. The descriptors were: Ambitious, secure, smart, competent, optimistic, flexible, entrepreneurial, brave, mobile, and marketable. The image painted is a flattering one of a brave, talented, financially secure, confident risk taker who is fed up with the existing situation and is looking for better opportunities. The only negative remark out of all the responses was "they don't know what they are doing." So, the stayers seem to complement the leavers for their talents and ability to take a risk.

Those Who Stayed Characterized Themselves As

The group who rejected the layoff offer also painted a picture of their group, those who stayed. The most common were themes about trusting, loyal employee, committed to the company's success, 26 percent. Another main theme involved being secure, happy and satisfied with the job or workplace, 23 percent. Moderately popular adjectives included: Don't have another job, 13 percent; have too many years here, 13 percent; unsure of ability or capability to find another job, 10 percent; can't leave the area, 8 percent; seeking stability or status quo, 8 percent; and not ready financially, 8 percent. Some other descriptions mentioned by two subjects or 5 percent were: Feel there is opportunity here, have young kids, want to finish degree, and willing to

change. The final list of adjectives mentioned included: Stuck, afraid, can't do any better, complacent, overworked, confident, identified with management title, concerned about survival, and "think I can make it until retirement." The image is much more divided with comments both positive and negative. However, more negatives are expressed. The stayers see themselves as loyal, committed but tied, stuck, uncertain about their abilities and too invested to leave.

The Group Accepting the Layoff Offer

Forty-two of the forty-three subjects who accepted the layoff offer completed the open-ended question asking for characteristics of each group.

Those Who Left Characterized The Other Group As

In responses elicited from those leaving the organization, forty-five percent stated those staying were afraid to risk or make a change. Three additional themes were commonly cited by the participants. They said the folks that stayed lacked skills and/or education to get good jobs, 26 percent; and had financial responsibilities that precluded them from leaving, 26 percent. However, they also said those staying were unconcerned about the layoff and were secure, content, happy in their jobs, 26 percent. Moderately popular themes describing those who stayed included: Concerned about their job and future layoffs, 12 percent; loyal to the company, 12 percent; hoping for the

best, 10 percent; too close to retirement, 10 percent; and stuck, 10 percent. Comments mentioned less frequently, 5 percent, included: "Not reading the writing on the wall," too much responsibility, worked nowhere else (e.g. no other employers), and dependent on position. Individual adjectives used included: "Resentful," "victims," "need structure" and "not in control." The portrait conveyed it that of a "company man" (Macoby, 1989) who is loyal, devoted to the firm, happy with the status quo and too dependent to take any risks.

Those Who Left Characterized Themselves As

When the group accepting the voluntary layoff described themselves, the most common response was about their marketable skills and ability to find good jobs, 38 percent. This was followed by their readiness to seize the opportunity and make a change or transition, 33 percent. They pictured themselves as secure and confident, 26 percent; risk-takers, 26 percent. Seventeen percent said they had lost faith with management and were not loyal. They indicated they were financially prepared, 12 percent; and thought it best to take the incentives now. 12 percent. Some less commonly noted themes were: Aware of industry problems, 7 percent; competent, 7 percent; taking control, 5 percent; smart, 5 percent; independent, 5 percent; having balanced lives, 5 percent; and optimistic, 5 percent.

Adjectives mentioned only once included: Creative, energized, empowered, flexible and fortunate. The leavers see themselves as talented, brave people who are financially prepared to take a risk and make an improvement in their lives. They see themselves as proactive.

The Layoff Package

Details of the Severance Incentives or Buyout Package

In Section 5 of the VLS, details of the severance incentives were solicited. Participants evaluated the importance of 11 items commonly included in severance packages and indicated if these had been included in their packages. Table 4.25 summarizes the results.

Additional Items Included In Severance Package

Two blank rows were included in Section 5 for additional items of the severance package that had not been listed. It is clear that the lump sum severance payment and outplacement counseling were highly valued. The participants were given an opportunity to include any additional items present in their buyouts. A majority of participants had nothing to add. However, several additional items were mentioned. These are included in Table 4.26.

What Could Have Been Added to Change Your Mind?

The final question asked in this section was directed to those who did not accept the voluntary layoff. This question asked "If you did not take the voluntary layoff

Table 4.25

Severance Package Details from the Voluntary Layoff Survey

Severance Package Items	% Yes (Included in package)	Relative Importance 1=Not Important, 6=Very Important
Lump Sum Severance Payment	97.6%	5.29
Outplacement Counseling	97.6	4.23
Career Counseling	91.6	4.15
Medical Coverage	88.0	4.88
Academic Tuition	55.4	4.42
Vocational Training	47.0	3.29
Return for Contract Work	44.4	3.59
Eligible for Rehire	43.8	3.73
Life Insurance	38.8	3.55
Unemployment Benefits	29.9	3.29
Periodic Severance Payments	17.1	2.9

offer, what could have been added to the package to change your mind?" Again, few responded. Of those that did, the most persuasive addition requested was more money. Other incentives mentioned were: "More time to think," aptitude testing, vocational training, "a job," more credit towards

Table 4.26

Additional Benefits Received in Severance Packages.

Severance Package Item	# Responding	Relative Importance 1=Not Important, 6=Very Important
Additional Vesting Credit	5	5.8
Relocation Expenses	4	3.0
Academic Grant-In-Aid for Living Expenses	3	5.3
Profit Sharing	1	5
Financial Planning	1	6
8 Weeks Additional Pay	1	6
Full Team Rewards	1	6
Leaving 401K Invested	1	5
Additional Years Toward Retirement	1	5

retirement, eligibility for rehire, better medical coverage and increased tuition benefits.

Interesting Information

In the course of studying the completed surveys and examining the statistical tabulations, several interesting details emerged. These are reported below.

Plans to Leave the Work Force

Two questions in Section 2 asked if prior to the layoff offer, participants had thought about or planned to "quit and staying home to pursue non-work interests" and "quit my job and work part-time." The question regarding part-time work was significant at the .05 level. The ANOVA for this is shown in Table 4.27. One individual answered slightly agree in the group rejecting the voluntary layoff. There were no other positive responses in this group. In the group accepting the layoff offer, five individuals slightly agree to working part-time. Again, there were no representatives in the agree or strongly agree group.

Table 4.27

Analysis of Variance for "Quit my job and work part-time" by Layoff

Source	D. F.	Sum of Squares	Mean Squares	F Ratio	F Probability
Between Groups	1	3.7882	3.7882	5.1235	.0262
Within Groups	82	60.6285	.7394		
Total	83	64.4167			

There were six overall positive answers from the leavers in response to the question on staying home to pursue non-work interests, while those rejecting the layoff had only two positives. However, these differences were not significant. Thus, of the 84 subjects in both groups, only

10 percent had considered leaving the work force completely. Age was not significantly related with staying home.

Company was Well-Managed

Though the composite variable "Organizational Climate and Policies" was not significant, one of the questions composing this cluster was significant. The question "The company was well managed" was significant to the .003 level. The analysis of variance is presented in Table 4.28. Both groups answered negatively about management with those rejecting the layoff offer having a mean of 3.15 or "slightly disagree." Those taking the offer and leaving responded "disagree" with a group mean of 2.33. This indicated overall dissatisfaction with management though those who take a buyout are more dissatisfied with management.

Table 4.28

Analysis of Variance for "The company was well managed" by Layoff

Source	D. F.	Sum of Squares	Mean Squares	F Ratio	F Probability
Between Groups	1	14.1386	14.1386		.0033
Within Groups	82	126.5638	1.5435		
Total	83	140.7024			

Life Changes

Approximately 25 percent of the people in the study anticipated a major life change. Because some of the choices such as birth, adoption, marriage did not require leaving the organization, this question was not included in any of the conceptual factors. Both groups were about equal in the responses to the planning a major life-change question. Of the 19 total positive responses, 8 were in the group that declined the offer and 11 in the group that accepted the offer.

Disposition

Previous studies have found the level of dissatisfaction was a moderator of job satisfaction (Judge, 1993; Mobley, 1977; Weitz, 1952). Dissatisfaction level was in part attributed to individual disposition. Kanter and Mirvis (1989) found that those with an innately negative disposition expect to be unhappy. These individuals can be completely dissatisfied with a job and will do nothing about it except complain. A "gripe index" was developed from two questions on the VLS. One asked about overall satisfaction with life and the other asked about the magnitude of griping. No correlation was found. The only significant relationship was between life satisfaction and layoff. The analysis of variance is given in Table 4.29. Those having higher satisfaction levels stayed with the organization. The

group mean for the stayers was 4.1 or in the slightly agree category. In fact, the only strongly agree responses to life satisfaction were in the group that rejected the layoff. The leavers group mean to life satisfaction was 3.4, or slightly disagree. The only strongly disagree responses to life satisfaction were in the group accepting the layoff.

Table 4.29

Analysis of Variance for "I was very satisfied with my life" by Layoff

Source	D. F.	Sum of Squares	Mean Squares	F Ratio	F Probability
Between Groups	1	9.6751	9.6751	7.9277	.0061
Within Groups	82	100.0749	1.2204		
Total	83	109.7500			

Downsizing A One-Time Event

The majority of the participants believed that the downsizing event at their organizations was not a one-time event. In fact, 38 responded with "strongly disagree." The count was divided with 20 in the group that did not accept the layoff offer and 18 that accepted the layoff offer. The difference between groups was not significant.

Promoted if I stay

Approximately 25 percent of both groups "slightly agreed" or "agreed" that they would be promoted if they stayed in the organization. Neither group had responses in the "strongly agree" category. Again, there were no statistically significant differences between groups.

Financial Trouble

The responses to the question "the company was in financial trouble," produced almost identical outcomes from the two groups. About half of each group agreed and the other half disagreed.

CHAPTER V

DISCUSSION

Chapter V explores the significant findings of this study, relating them to the review of the literature, previous research, and current theory. The applications for the findings and their contribution to the body of knowledge in Human Resource Development are reviewed. Finally, the discussion proposes new applications and makes recommendations for further research. However, the most significant outcome of this study is clearly understanding that voluntary layoff and voluntary turnover share the same variables. Those accepting a voluntary layoff are dissatisfied and displaying intentions. They are in the process of withdrawing from the organization. According to the research on voluntary turnover, these individual will quit at some future time. This major finding is substantiated in the research questions.

Significant Quantitative Findings

The significant quantitative findings are derived from inferential statistics of the study. They are presented in two groupings, those related to the research questions and those serendipitous findings.

Research Questions

There were 10 research hypotheses proposed to guide this study. Table 5.1 summarizes the results of these questions and indicates that six of the null hypotheses were rejected. The following discussion elaborates on each of the questions.

Table 5.1

Summary of Finding on Research Questions

Research Question	Subject Area	Status
	All hypothesis were stated in the null form. There are no difference between groups in:	
1	Demographics	Can't Reject
2	Prior to the layoff, Plans About Work	Reject
3	Opinions about Supervisor - Coworkers	Reject
4	Organizational Policies and Climate	Can 't Reject
5	Attitudes and Beliefs About Job	Can't Reject
6	Good Reasons to Leave	Reject
7	Downsizing Was Good	Can't Reject
8	Perceptions of Employment Environment	Reject
9	Combinations of Variables Predicts	Reject
10	Variables of Voluntary Turnover and Voluntary Layoff	Reject

Demographics - Hypothesis 1

The first research question proposes there were no demographic differences between those who accepted a voluntary layoff offer and those who rejected it. This study found no statistically significant demographic differences between the groups. Therefore, the groups are the same demographically and this hypothesis is rejected.

The literature on voluntary turnover indicates demographic differences have regularly been reported between the individuals who quit and individuals who don't quit. Significant differences being noted have typically been in the age, gender, tenure, marital status, education (Abelson, 1987; Arnold & Feldman, 1982; Huselid & Day, 1991; Lefkowitz, 1994; Newman, 1993; Spencer & Steers, 1981; Youngblood et al, 1983). However, these demographic trends were not consistent throughout all studies. Judge (1993) identified data on education, age, and tenure as inconclusive. Abelson (1987) found no significant differences between age, tenure, marital status, number of children, and voluntary turnover. Hom and Hulin (1981) noted gender, marital status and tenure were not correlated to turnover and Gerhart (1990) reported only tenure was significant.

Many studies did not report any demographic data related to turnover (Dunham et al, 1994; Jackofsky & Peters,

1983). Other research was conducted with cohort groups of nurses, marines, and college students who differed very little in regards to demographic information (Adler et al. 1985; Latham et al, 1994, Abelson, 1987).

Even in larger studies the demographic data are mixed. In this study, with the limited sample size, it is possible that some demographic differences are present, but are not measurable due to their small effect. Demographically, individuals accepting a layoff offer and those rejecting the offer appear to be the same. This minimizes the possibility of two distinctly different populations being selected for each group (e.g. women versus all men, young versus old, managers versus administrative). Because convenience sampling doesn't guarantee a random representation of the population, having no demographic differences between groups is a positive occurrence and lends credibility to the study.

A profile of the participants unfolds. Both groups are composed of men and women, college graduates who are almost 40 years old with about 12 years of service. Most of them are married to a working spouse, and counting the spouse, have two dependents. The income range for the subjects is between \$40,000 and \$60,000. The individuals in the study have held, on the average, 2.3 positions in the last five years.

Plans Prior to Layoff - Hypothesis 2

The second research question suggests there are no differences between the prior thoughts, beliefs and plans made by those who accept a layoff offer and those who refuse the offer. This hypothesis must be rejected because the composite variable "Plans Prior to Layoff" was significant at the .05 level. The group accepting the layoff offer had thought more about: (a) making a career change, (b) leaving the organization and taking a job elsewhere, and (c) beginning a job search outside the company and starting --or working in-- their own business. The group rejecting the layoff offer thought more about staying with the same company until retirement.

The research in organizational commitment reports planning to remain with the company is strongly and inversely correlated with turnover (Porter et al, 1974). Likewise, classic signs of the intention to quit are thinking about quitting, starting search behavior and beginning to withdraw (Mobley et al, 1979; Jaros et al 1993; Weiss et al, 1982). This corresponds to the responses of the group accepting the voluntary layoff offer.

Leavers have decided to participate in evaluating the balance between the job inputs and job outcomes, as well as examine the available employment alternatives (March & Simon, 1958). Mobley (1977) suggested this desire to

examine leaving was associated with a trigger event. The leavers trigger may have been the downsizing announcement. However, they are evaluating the job, and developing search intentions. Because the Voluntary Layoff Survey did not request details about a trigger event, it is possible there was no specific trigger as described by Lee and Mitchell's (1994) Decision Path #4. In this model, constant mental evaluation results in the search behavior.

The significant difference in "Prior Plans between the groups is critical to the study. The individuals who accept the voluntary layoff offer are behaving like people who will at some future time voluntarily quit the organization. Those who refuse a voluntary layoff offer are more similar to the stayers -- they will not quit. Because the leavers will exit, either through quitting or voluntary layoff, involuntary downsizing events do not produce a long-term work force. Some workers, not downsized will leave anyway. High performers can not be held hostage and unhappy ones are likely to quit. Voluntary turnover or quitting of these employees during downsizing had been reported by Newman (1993). In the long run, dissatisfied employees will leave (Joiner, 1987). Thus, a voluntary layoff does not produce any different consequences than those of normal turnover and can not be blamed for a brain-drain. Instead, it makes sense to allow people who will

eventually quit to depart using a voluntary layoff. This allows the organization to manage the transition.

Supervisor and Coworkers - Hypothesis 3

The third research question posits there are no differences between those accepting a voluntary layoff and those who refuse when comparing their opinions about supervisors and coworkers. This hypothesis must be rejected because the composite variable "Supervisors and Coworkers" was significant at the .05 level. The groups are different in their opinions about supervisors and coworkers, with those leaving the organization answering more negatively about supervisor competence, supervisor satisfaction, trusting the supervisor, sharing information, and having inputs to decisions.

The relationship between turnover and supervisor satisfaction has been reported to be inverse and significant (Cotton & Tuttle, 1986; Dreher & Dougherty, 1980; Farris, 1971). The findings of this study concur. Those who accepted the voluntary layoff offer were less satisfied with their supervisors. This indicates the importance of supervisor performance and the supervisor's relationships with employees.

It is important that supervisors become aware of the impact of their behavior in areas of employee satisfaction and turnover and make the adjustments necessary to produce a

stable work force. Using the variables associated with supervisor satisfaction as an ongoing assessment of supervisory performance would allow the organization to monitor and mitigate any problems developing in this area. Everyone in management must be concerned with employee satisfaction. People are the most important strategic tool to maintaining a competitive position (Pucik et al, 1992).

Trust is a fundamental principle of management (Joiner, 1987). Employees must trust their supervisors to facilitate an environment of mutual respect. Trusting a supervisor depends on competence (Butler, 1991; Mayer et al, 1995) and in this study, supervisor competence and trust were rated lower by those leaving the organization. Unfortunately, supervisors in a downsizing organization often find their own jobs at risk and at times being benevolent or willing to help others is beyond the capacity of someone concerned about job security.

Ability and competence, as key elements of trust require a supervisor have some control (Mayer et al, 1995). During downsizing, decisions and reduction plans are often made at very high levels of the organization without input from below. It is likely that supervisors have little input to these decisions and are perceived as incompetent regarding downsizing. If one can't get reliable information

from their supervisor about job security, there is little management credibility with other less critical information.

Integrity is based on displaying an important set of principles and values (Covey, 1989): Credibility, consistency, and fairness (Butler, 1991). However, in a downsizing organization, plans are frequently made in private without consulting the supervisor who may be totally unaware of the impending changes. When downsizing is announced, the supportive supervisor becomes the bearer of bad news and the executioner. This lack of consistency and fairness is likely to result in negative supervisor assessment.

Associated with supervisor satisfaction, Greller (1992), Harackiewicz and Larson (1986) reported the importance of supervisor feedback and sharing information. Many other studies have stated a significant and direct relationship between participation and satisfaction (Wagner, 1994) and participation and turnover (Fisher et al, 1990; Dunham et al, 1994; Jackson 1983). In this study, those staying with the organization felt management had shared information. Those who left felt information was not shared and they had less input into decisions. This is a supervisory behavior that can easily change. As organizations move to an environment of empowerment where employees are making more decisions, information sharing is

critical. Organizations undergoing downsizing must increase the information exchange to reduce uncertainty (Joiner, 1987).

To inform supervisors of their effect their effect on the workforce a 360 degree assessment of supervisors is recommended where feedback comes from bosses, peers and subordinates. This would provide insight needed for performance development of this key management position.

Coworker satisfaction was included in the conceptual variable "Supervisors and Coworkers." The groups did not vary on this question. Both rated the coworkers positively, though the coworkers were rated slightly higher by those staying with the organization. In conclusion, the relationships with coworkers are sound in a downsizing organization though the relationships with supervisors are not.

Organizational Policies and Climate - Hypothesis 4

The fourth research question states there are no differences between those staying and those leaving when compared on their beliefs about the organization and organizational policies. The cluster variable, "Organizational Policies and Climate" was not significant and this hypothesis can not be rejected.

The groups are similar in their beliefs about the company meeting all employee expectation and being a good

place to work. Though organizations are expected to meet their employees' needs (Porter et al, 1974; Porter & Steers, 1973; Dansereau et al, 1974) both groups indicated dissatisfaction with the workplace. Both groups answered negatively to the question about the company being well managed. The difference between the groups was statistically significant with those leaving answering "disagree" while those staying responded "slightly disagree." These negative attitudes are no surprise considering the literature on downsizing. Workers feel betrayed, confused and uncertain about the shift to the new business paradigm (Nirenburg, 1993).

Responses from both groups to the questions on feeling loyal and being a good place to work were situated at the midpoint, confirming that loyalty is fading as an overwhelming work value. Employees are clear that downsizing organizations are not loyal to the employees, so being loyal in return is not of major importance. This supports the literature on the new employment contract (Avishai, 1994; Downs, 1995; Ettorre, 1996; Noer, 1993). Employees aren't happy about this change but their loyalty is shifting from the organization to themselves.

This creates enlightened self-interest, or employees who are concerned primarily with their own safety and survival, lower level needs according to Maslow (Myers,

1990). In the new business paradigm, workers will be more empowered given more authority and autonomy to make decisions. Without some incentive or ownership, an environment that is lacking trust, information, and supervisor competence will provide little motivation for employees to use this new power in the company's best interest.

Pay as a broad organization policy was included in the conceptual variable "Organizational Climate and Policies." Because the groups answered slightly agree on both pay satisfaction and pay equity questions, there were no differences. This supports the work of Mobley et al (1979) where the relationship between pay and turnover was inconclusive. Most of the organizations involved in this study were large companies, well known for good paying jobs and benefits. Therefore, it is very understandable that everyone was satisfied with their pay.

Job Attitudes and Beliefs - Hypothesis 5

Research question five centers on the differences in job attitudes and beliefs between those that accept a voluntary layoff offer and those who reject an offer. The composite variable, "Job Attitudes and Beliefs" did not reveal a significant difference between groups and the hypothesis can not be rejected. The responses to job satisfaction and enjoyable work were "slightly agree" which

correspond with a nationwide study indicating that only 65 percent of Americans are satisfied with their jobs ("Satisfaction at". ., 1996). "Slightly disagree" was the common response to the questions about good promotion potential, high quality of work life, and the job being repetitive

Until an organization provides job security with a decent chance to promote, the organizational goals and employee goals are not congruent (Joiner, 1987). This leads to employees diverting their energies to "political maneuvering, resistance to changes, generation of outside interests and contacts that lead to opportunities outside the company, and eventually employees with key skills leaving for better opportunities elsewhere" (p. 77).

These responses are indicative of the changes occurring in the work place. As the business paradigm shifts from the industrial paradigm to the post-industrial paradigm (Nirenberg, 1993), there must be an corresponding modification of mental attitudes and behaviors. A transition of values is occurring as the organization moves from unconsciousness to acknowledging that something is wrong. This transition cycle, described by Buckley and Perkins (1984) follows the organization from unawareness to an awakening that results in a strategic action. What organizations must realize is, downsizing is not necessarily

a long-term strategic response. It is driving many employees to leave. Though people enjoy their jobs, they see a decline in their quality of work life and promotion potential as the organization re-engineers. This serves as a trigger event for all employees to assess their organizational commitment and job satisfaction. Many employees then exit.

Job satisfaction is strongly and inversely related to turnover (Carsten & Spector, 1987; Hackman & Oldham, 1975; Porter & Steers, 1973). The responses to the job satisfaction question indicate a level of dissatisfaction that will increase voluntary turnover or quitting, creating even more problems for the downsizing organization.

The most significant problems in any organization are situations in which cause and effect are subtle over time and not obvious (Hubiak & O'Donnell, in press; Senge, 1990). The growing dissatisfaction of a downsized work force leading to additional voluntary turnover is a substantial problem that most organizations have overlooked. Add this to the appearance of "survivor's syndrome" (Curtis, 1989; Heenan, 1990, Isabella, 1989; Xiaoge, 1991) and lowered morale ((Boroson & Burgess, 1992; Floyd & Wooldridge, 1996; Tombaugh & White, 1990b), and downsizing is having horrendous consequences.

Good Reasons to Leave - Hypothesis 6

This research question investigated if the perceptions of the future and what might happen varied between those that accepted the voluntary layoff and those that refused the layoff offer. The composite variable "Good Reasons To Leave" is significant at the .001 level. The hypothesis stating there are no differences between the groups must be rejected. Those that accepted the voluntary layoff saw a more negative picture of future job scenarios at the organization than those who stayed.

There were large differences between the two groups in this question area. Both groups agreed that opportunities for promotion would diminish in the future, with the stayers answering "slightly agree" and the leavers answering "agree." Though both groups did not think they would be demoted, those that took the package were less positive. Those that accepted the layoff "slightly agreed" that they would be fired while those that stayed "slightly disagreed." Neither group thought their position was secure and both groups answered "slightly disagree" to the questions stating "my position is secure." The biggest differences between the groups concerned individual's views on the severance incentives. Those leaving "agreed" the incentives were good and they should take the money and run. Those staying "slightly disagreed" with both questions.

Clearly, both groups have a rather negative perception of the organization's future, believing that nobody's job is secure and promotions will be limited. However, the group leaving was more negative and really felt the incentives were important. When compared to the turnover literature, Weiss et al (1982) and Lee and Mitchell (1994) noted search behavior occurs after a trigger event is experienced. It is likely that the announcement of the voluntary layoff awakened a need to assess the future and the lack of opportunities. The two subject groups were in different places in their thinking. Those accepting the voluntary layoff were more disenchanted with the imagined future scenarios and believed the money was important. Those that refused the layoff offer appeared to be caught in the side-bet theory where what they have invested in the company was perceived to have greater value than the incentives. Those leaving the organization foresaw a grim future and decided it was time to move. Again, the leavers were willing to take a risk to improve the situation. The group staying, though also seeing the future as dim, felt more comfortable rejecting the layoff offer.

Downsizing Was Good - Hypothesis 7

This research question focused on whether there was a difference of opinion about the necessity of the downsizing and if it was a good move for the company. The results were

inconclusive, thus this hypothesis can not be rejected. The groups aren't different in this area.

Both groups slightly agreed that the reduction was needed. "Downsizing as a good move for the company" received a more neutral rating. It is evident the employees give little support for downsizing, however, they do understand that a reduction in personnel is required in these competitive times. Because the study was done in organizations that had offered voluntary layoff, it is assumed the responses would be more negative if downsizing had been accomplished through involuntary layoff.

This lack of complete support for the downsizing indicates a lack of involvement and ownership in the process. Employees involved in restructuring the organization and designing the downsizing process achievement more alignment, understanding, and agreement with the purposes and needs of this action (Knowdell et al, 1994; Noer, 1993).

Perceptions of the Employment Environment - Hypothesis 8

This research question stated that the perceptions of the employment environment would be the same between those who took the voluntary layoff and those that refused. The composite variable "Employment Environment" was significant at the .05 level, indicating the groups were different in their responses to questions about: good employment

conditions, unemployment levels, opportunities for finding a good job and the chaos in the industry.

Clearly, this is one of the most documented areas of the research in turnover. Since the work of March and Simon (1958), the availability of other employment has been a major factor in the final turnover decision (Carsten & Specter 1987; Cotton & Tuttle 1986; Dansereau et al, 1974; Hom & Hulin, 1981; Mobley, 1982; Mobley et al 1979; Spencer & Steers, 1981). This difference between the groups was a surprising finding because the study was controlled geographically and chronologically, that is groups were operating in the same economic milieu.

Though the national labor market has an unemployment rate of 5.5 percent (Bernstein, 1996), the local economy is booming. Rundles (1996) reported that 1995 was an outstanding year for employment in Colorado with 83,000 jobs created and extremely low unemployment. In January, unemployment was 3.4 percent and February 3.7 percent. The job growth continues at 5 percent with the surge started in 1993. There are new jobs in manufacturing, transportation, communications, public utilities, and retail. In fact, there are 225,000 new jobs which is the largest gain since WWII.

However, even in this positive market, the stayers did not perceive there were opportunities. This difference in

perception is likely associated with the different dispositions of the employees. Some people are more comfortable with change, transition, and risk. Using temperament (Brownsword, 1987), traditionalists want to see facts and realities while stabilizing the situation. They are the maintainers of the traditions and pay attention to the rules. Traditionalists are not always responsive to the need for change and often exhibit excessive concern for a crisis that never happens. This temperament is likely to review the bad things could happen and decide that remaining with the organization is the least risky option.

The catalysts (Brownsword, 1987) are excited about learning new things and sensitive to the organizational climate. They are unlikely to overlook the grim realities. The visionaries are known for seeing to the heart of the problem and understanding the big picture. The last group, the troubleshooters are known for being impulsive. With these differences, the traditionalists are likely to brood and ponder, seeing the environment's negatives while the other temperaments could quit and move to another organization.

To counteract these innate tendencies, organizations wanting to reduce employees through turnover and voluntary layoff might implement employment counseling about the job-market, career skills and job search process. Thus,

employees who are dissatisfied can be enlightened about the possibilities of external employment by this training. Using Thibaut and Kelly's (cited in Hulin, 1991) model of comparison factors, unhappy employees will not leave until they believe other opportunities exist. Through training these opportunities would become tangible and the voluntary turnover would increase. For the organization, career training would help dissatisfied people leave.

Not everyone is downsizing and many organizations are finding it difficult to fill positions because workers don't have the skills (Levinson & King, 1996). In the fast-changing work environment, to have the necessary human capital, organizations need to be responsible for maintaining the skills of the work force (Ettorre, 1996). Employees also need to accept responsibility for life-long learning. However, some individuals are hesitant to re-skill. This attitude is related to disposition. Due to the lack of demographic variability in this study, this difference in perception about the external employment environment may be linked to optimism, self-confidence, or self-esteem. People with high self-esteem feel good about themselves and are likely to be more persistent. Those with low self-esteem feel insecure which would explain their perceptions about employment difficulty and lack of skills reported in the qualitative data.

Combination of Variables as Predictors - Hypothesis 9.

Hypothesis nine focused on the statistical methods of discriminant analysis and proposed that a combination of variables would not improve the prediction of those who would accept a layoff offer compared to a single variable. This hypothesis was rejected because discriminant analysis produced two variables, "Good Reasons to Leave" and "Employment Environment" to predict the layoff choice. With these two variables, the prediction accuracy was 76 percent. If any one of the statistically significant variables were used alone to predict the layoff choice, the prediction accuracy would have been reduced. Discriminant Analysis as a multivariate technique looks for the best combination of variables to differentiate between groups (Sliva & Stam, 1995).

Variables of Voluntary Turnover and Voluntary Layoff - Hypothesis 10

The last question is perhaps the most important to the field of Human Resource Development since it proposes the variables of voluntary turnover are not the same as the variables for voluntary layoff. This would be demonstrated by the failure of the variables of voluntary turnover to separate voluntary layoff groups. However, as the discriminant analysis results reveal, the voluntary layoff groups can be predicted with 76% accuracy using voluntary

turnover variables. These two voluntary exit phenomena can be assumed to share the same theoretical base and hypothesis can be rejected. Understanding voluntary turnover and voluntary layoff as similar phenomena allows organizations and researchers to tap into almost two generations of work on why people leave the organization.

With an understanding that the variables are the same, several critical facts pertaining to downsizing organizations become clear. Voluntary turnover increases during periods downsizing (Bycio et al, 1990; Downs, 1994; Newman, 1993; Tombaugh & White, 1990a) due to dissatisfaction. Very often the best people leave even though the organization may want these high performers to stay. Using the variables of turnover in an instrument like the VLS, organizations can predict why people leave. Offering a voluntary layoff prior to any downsizing activity merely allows those with quitting intentions to act upon them within a specific time frame. This allows the organization to resolve who will stay or who will go before rebuilding the firm.

One concern with these variables is how long the values which sustain them will endure. There appears to be a generation of workers who have no loyalty and already operate in a new paradigm. Quality-of-life surveys indicate a decline in job satisfaction due to value shifts (Burke,

1982). Baby busters are those who were born after 1964, following the baby boom and they have very different values. Contrary to boomers, who were raised in the shadow of WWII, by parents of the Great Depression, these young people have grown up in prosperity and US dominance (Altany, 1991). Their values reflect: (a) less acceptance of authority, (b) reduced confidence in institutions, (c) greater balance between work and other life interests, (d) less satisfaction with financial rewards and (e) increasing demands to be included in decision-making. Busters don't innately respect authority, don't have long-term trust and expect to have input into decisions that impact them. The baby busters are socialized to expect more from work. This generation lives the values of the new employment contract and has no problem leaving organizations that don't comply.

As Kuhn (cited in Hubiak & O'Donnell, 1996) discussed, each epoch has a dominant paradigm where certain methods of inquiry, ways of seeing, values, ideas, beliefs and attitudes form a characteristic paradigm. Individuals see the world selectively, through this filter. Thus, CEO's lead organizations using their paradigm of expectations, assumptions, and mental models of business. But the paradigm for the industrial society is fading. Paradigms don't quickly change from one to another. The new paradigm emerges inside the old, creating a new order with no rules

(Nicoll, 1984). It is imperative for organizations to recognize the change and create new organizing principles. These principles must value people, satisfy their needs, empower workers and give them challenging, meaningful work. Downsizing is an old paradigm solution to a new paradigm problem.

Additional Findings

Several additional items were noted in the VLS survey results that were not hypothesized in the research questions.

Disposition

Disposition was tested by two questions composed from the work of Judge (1993) and Gerhart (1987). The question about griping or complaining was answered similarly by both groups, while the overall satisfaction with life question produced significantly different results. Those staying were more satisfied. This supports the work of Porter et al (1974) who found that more positive individuals tend to stay with the organization. However, there was no relationship between griping (as a measure of disposition) and layoff, as expected from the work of Judge (1993) and Gerhart (1987). It is likely that distilling the 44 questions of Weitz (1952) into one question about griping minimized the ability to detect this effect.

Down Shifting

The current literature suggests that Americans are trying to downsize their lives by working part-time or quitting their jobs. This was substantiated by a significant difference regarding part-time work. Those leaving were significantly different from those staying in their opinions about part-time work. The importance of this difference is minimal as only six participants had positive thoughts about part-time work. Thus, the concept of down shifting, described by Brant (1996) and Brophy (1996) is a reality for some of those accepting the layoff offer.

However, most of the participants in both groups intend to work full time until retirement. This might be expected from the work of Feldman (1994) who indicated those employed at large companies in industries undergoing are unlikely to leave unless taking an early retirement. This describes the companies in this study. Their benefits afford a comfortable retirement and part-time work is usually not necessary. The stayers have an expectation to make it to retirement. This fits with the qualitative data stating employees have much invested leave the organization.

Major Life Changes

There was a significant and inverse correlation between life change and age amongst our subjects. This corresponds to the work by Weiss et al (1982) who found that as

employees get older, not only do they experience less job tension but they are less likely to make changes. The theories of organizational commitment explain why those with larger investments into the system stay with an organization.

Qualitative Findings

The qualitative findings provide descriptives which agree with the quantitative data and lend some explanation.

Those Rejecting The Voluntary Layoff

Those rejecting the voluntary layoff are described by themselves and the other group as more loyal and committed to the organization, characteristics of organizational commitment. Stayers also comment on being stuck, having too much invested to leave and being uncertain about getting another job.

These behaviors are in accordance with Maccoby's (1989) description of corporate social characters. The Company Man values cooperation, harmony and identification with the organization. During the industrial paradigm, Company Men flourished in organizations. They liked the paternal and fraternal demands of the organization.

At worst, their drive for consensus and fear of conflict drags the organization to mediocrity and their drive for status makes them into turf-oriented bureaucrats. As corporations struggle to become lean and competitive, the negative side of the Company Men is fueled by fear of the future and by confusion about their roles (Maccoby, 1989, p. 122).

Those rejecting the voluntary layoff appear to be happy and content with the old employment contract where job security is given in exchange for long-term employment (Noer, 1993). This may mean that the Company Men who stay with the organization are the "new deadwood." The shifting values and new definitions of loyalty in the new employment contract make the Company Man a relic.

Those Accepting The Voluntary Layoff

Those who accepted the voluntary layoff saw the other group as fearful and less talented. However, this bravado may be merely the self-talk and positive affirmation needed to avoid cognitive dissonance. This group appears similar to the Jungle Fighters "Bold and entrepreneurial, they value survival skills and power" (Maccoby, 1989, p. 122). Jungle Fighters operate more aligned with the new employment contract where loyalty is focused on the work and employees are contractors (Bridges, 1994b; Noer, 1993).

Those that left the organization indicated a loss of faith in management, as represented in the significant quantitative questions about whether the company was well managed and could the supervisor be trusted. Those who left were much less trusting. The descriptors of taking control, energized, empowered, flexible, and fortunate suggest that members of this group have inherent personality differences from those that stayed. As personality testing was not

included in the VLS, there is no way to know if the groups are separated by some innate optimism quotient or risk-taking characteristic. This might be a valuable addition to the existing predictor variables.

Applications

Given the findings of the study, there are several new applications suggested. These surround the use of the VLS and understanding the variables of quitting apply to voluntary layoff.

Using of the VLS

The VLS has produced the necessary results to demonstrate construct validity. This instrument can differentiate with good accuracy those that will take a voluntary layoff and those that will refuse such an offer. It also has several other possible uses as described previously.

Understanding The Dynamics Of Voluntary Layoff

This instrument can be used to measure the turnover behaviors within an organization as they develop. The VLS could also be used as an indicator of overall job satisfaction. Additional uses would include the VLS as a supervisory assessment and development tool and as an organizational climate measure. Results would identify areas for corrective action.

Predicting and Manipulating Voluntary Layoff Numbers

Given the reliability of the instrument, it could be administered as part of pre-planning a downsizing event. The details of the severance package could left open, until the results of the survey are obtained. From the survey results, estimates would be made regarding the number of people who might accept the voluntary layoff offer. If too many people want to leave, the severance package can be made very lean to save money and encourage only the employees most advanced in organizational withdrawal to leave. Likewise, if the predicted number of volunteers isn't high enough, the incentives can be enriched to produce more volunteers.

Strategic Planning Tool

The VLS could be used as a strategic planning tool to anticipate general turnover as well as job satisfaction and attitude changes. The VLS could be used to benchmark and establish a level of best practices amongst industries and organizations. As a strategic planning tool, the VLS could assess whether employee perceptions of the employment environment are valid. If turnover is desirable, employment market information and job training could be undertaken as discussed previously.

This instrument could perform as an environmental scanning device to evaluate human capital stability and

assess future organizational needs. The VLS could be completed on an ongoing basis to reduce employee suspicion and track the results. Using an action research approach, employees could be involved in interpreting the data and formulating corrective actions.

Improving the VLS

Based on the current findings, some questions should be eliminated from the VLS. Questions not statistically correlated to the voluntary layoff decision should be minimized. Examples would include eliminating one of the two pay questions and possibly the question about griping. Other questions should be added checking for typical job search behaviors. The predictive power of the VLS could be improved by adding information on performance and personality. Many models and studies relate these to turnover.

Continue Voluntary Turnover Research

There is much work yet to be done with voluntary turnover and the VLS. Additional studies are necessary to further explore the boundaries of this instrument. Larger studies with diverse employers, dissimilar industries, and a variety of vocations are needed. Additionally, longitudinal work is suggested to assess the impact of changing work values and any generational impact on the VLS. This is only the beginning.

Conclusion

There is little doubt that excessive personnel exist at all levels of American organizations. However, there is a significant difference between pruning the organizational tree and severing its roots. Nadler et al (1995) proposed the keys to long-term viability in the modern destabilizing business environment include: motivating effective member contributions and finding true competitive advantages. Deming (1986) recognized that driving the fear out of an organization is essential to unleash the human potential. Downsizing achieves the exact opposite. According to Senge (1990), significant improvements most often come from small well-focused actions that strengthen a system's ability to shoulder its burdens. One such intervention to ensure an organization's long-term viability is generating policies where downsizing is not the first solution to all problems. If downsizing is truly necessary, organizations must recognize that voluntary layoff is a more humane and more predictable method for manpower reduction. Using the VLS, the organization can predict turnover activities while leaving employees in charge of their destiny.

REFERENCES

- Abelson, M. A. (1987). Examination of avoidable and unavoidable turnover. Journal of Applied Psychology, 72, 382-386.
- Adler, S., Skow, R. B. & Salvemini, N. J. (1985). Job characteristics and job satisfaction: When cause becomes consequence. Organizational behavior and Human Decision Processes, 35, 266-278.
- Algeo, D. (1996a, March 20). Life after layoff means self-reliance. Denver Post, pp. 8A-9A.
- Algeo, D. (1996b, March 20). Is Loyalty Dead? Denver Post, pp. 1, 8A-9A.
- Altany, D. (1991). The influence of affluence. Industry Week, 240, pp. 21, 59-67.
- American Management Association (1992). 1992 AMA survey on downsizing and assistance to displaced workers. New York: Author.
- Arnold, H. J. & Feldman, D. J. (1982). A multivariate analysis of the determinants of job turnover. Journal of Applied Psychology, 67, 350-360.
- Atchinson, T. J. (1991). The employment relationship: Untied or re-tied. Academy of Management Executive, 5(4), 52-62.
- Autry, J. (1991). Love, profit, the art of caring leadership. New York: Avon.
- Avishai, B. (1994, January - February). What is a business' social compact? Harvard Business Review, pp. 38-48.
- Babbie, E. (1990). Survey research methods. Belmont, CA: Wadsworth.
- Bandura, A. (1989). Human agency in social cognitive theory. American Psychologist, 44, 1175-1184.

- Bandura, A. (1986). Social foundations of thought and action: A social cognitive theory. Englewood Cliffs, NJ: Prentise Hall.
- Bandura, A. (1977). Social learning theory. Englewood Cliffs, NJ: Prentise Hall.
- Barbee, G. E. (1987). Downsizing with dignity: Easing the pain of employee layoffs. Business & Society Review, 61, pp. 31-34.
- Barbee, G. E. (1989, October). How and when to tell employees they don't have a job for life. Pension World, 25(10), p. 33.
- Barefield, R. E. & Morgan, J. (1969). Early retirement, the decision and the experience. Ann Arbor, MI: University of Michigan, Institute for Social Research.
- Bardwick, J. M. (1991). Danger in the comfort zone. New York: AMACOM.
- Bartlett, D. L. & Steele, J. B. (1996a, September 22). Figures don't tell the story: Good-paying jobs sucked out of U.S. Denver Post, p. 38A
- Bartlett, D. L. & Steele, J. B. (1996b, September 22). American dream turns into a nightmare for many. Denver Post, p. 31A.
- Beach, L. R. & Mitchell, T. R. (1987). Image theory: Principles, goals and plans in decision making. Acta Psychologica, 66, 201-220.
- Bennis, W. (1989). Why leaders can't lead: The unconscious conspiracy continues. San Francisco: Jossey-Bass.
- Bennis, W. & Nanus, B. (1985). Leaders: The strategies for taking charge. New York: Harper Perennial.
- Bernstein, A. (1996, June 24). This job market still has plenty of slack. Business Week, p. 36.
- Blackman, S. R. (1992). The impact of communication of layoffs upon organizational effectiveness: An initial conceptual model of downsizing. (Doctoral dissertation, California School of Professional Psychology, 1992). Dissertation Abstracts International B 53/07 p. 3818. AAC 9233715.

- Blau, G. J. & Boal, K. B. (1987). Conceptualizing how job involvement and organizational commitment affect turnover and absenteeism. Academy of Management Review, 12, 288-300.
- Block, P. (1988). The empowered manager. San Francisco: Jossey Bass.
- Borchard, D. (1995, January - February). Planning for career and life: Job surfing on the tidal waves of change. The Futurist, pp. 8-12.
- Borosan, W. & Burgess, L. (1992, November). Survivors' syndrome. Across the Board, 29(11), pp. 41-45.
- Boroughs, D. L. & Fischer, D. (1995, September, 11). Big! U.S. News & World Report, pp. 46-48.
- Brant, J. (1995, September). Down shifters. Worth, pp. 98-108.
- Bridges, W. (1991). Managing transitions: Making the most of change. Reading, MA: Addison Wesley.
- Bridges, W. (1994a, September 19). The end of the job. Fortune, 130(6), 62-74.
- Bridges, W. (1994b). Job shift: How to prosper in a workplace without jobs. Reading, MA: Addison-Wesley.
- Brophy, B. (1995, December 11). Stressless and simple in Seattle. U.S. News & World Report, pp. 96-97.
- Brownsword, A. W. (1987) It takes all types. San Anselmo, CA: Baytree.
- Buckley, K. W. & Perkins, D. (1984). Managing the complexity of organizational transformation. In J. D. Adams (Ed.). Transforming work (pp.55-68). Alexandria, VA: Miles River.
- Burke, W. W. (1982). Organizational development. Glenview, IL: Scott, Foresman.
- Bush, K. & Aldridge, J. (1991). O.D. under conditions of organizational decline. Organization Development Journal, 9, 1-5.

- Butler, J. K. (1991). Towards understanding and measuring conditions of trust: Evolution of a conditions of trust inventory. Journal of Management, 17, 643-663.
- Bycio, P., Hackett, R., & Alvares, K. M. (1990) . Job performance and turnover: A review and meta-analysis. Applied Psychology: An International Review, 39, 47-76.
- Cameron, K. S., Freeman, S. J. & Mishra, A. K. (1991). Best practices in white-collar downsizing: Managing contradictions. Academy of Management Executive, 5(3), 57-73.
- Carsten, J. M. & Spector, P. E. (1987). Unemployment, job satisfaction, and employee turnover: a meta-analytic test of the Muchinsky model. Journal of Applied Psychology, 72, 374 - 381.
- Cashman, J. & Graen, G. (1974). Expectancy as a moderator of the relationship between job attitudes and turnover. Journal of Applied Psychology, 59, 228-229.
- Caudron, S. (1996). Teaching downsizing survivors how to thrive. Personnel Journal, 75(1), 38-41, 44-48.
- Chafin, C. G. (1992). Transactions between individuals and family and work environments: A qualitative analysis of workers' adaptations to organizational restructuring. Unpublished doctoral dissertation, Virginia Polytechnic Institute and State University, Blacksburg.
- Cheney, K. Coyle, J. S. & Vongs, P. (1995, October). How to quit young and enjoy the rest of your life. Money, 78-87.
- Cohen, A. (1993). Organizational commitment and turnover: A meta-analysis. Academy of Management Journal, 36, 1140-1157.
- Cook W. J. & Hetter, K. (1996, January 15). Hanging up on workers. U.S. New & World Report, p. 50
- "Corporate Downsizing," (1996, January 24). The Denver Post, p. 1H.
- Costa-Clarke, R. J. (1994, August). Protect severance packages against the ADEA. HRFocus, 78(1), 18.
- Cotton, J. L. & Tuttle, J. M. (1986). Employee Turnover: A meta-analysis and review with implications for research. Academy of Management Review, 11, 55-70.

- Covey, S. (1989). Seven habits of highly successful people. New York: Simon & Schuster.
- Covin, T. J. (1993). Managing workforce reductions; A survey of employee reactions and implications for management consultants. Organization Development Journal, 11(1), 67-76.
- Cummings, T. G. & Worley, C. G. (1993). Organization development and change (5th ed.). St. Paul, MN: West.
- Curtis, R. L., Jr. (1989). Cutbacks, management and human relations: Meanings for organizational theory and research. Human Relations, 42, 671-690.
- Dalton, D. R., Krackhardt, D. M. & Porter, L. W. (1981). Functional turnover, An empirical assessment. Journal of Applied Psychology, 66, 716-721.
- Dansereau, Jr., F., Cashman, J. & Graen, G. (1974). Expectancy as a moderator of the relationship between job attitudes and turnover. Journal of Applied Psychology, 59, 228-229.
- Deming, W.D (1986) Out of the crisis. Cambridge, MA: Massachusetts Institute of Technology.
- Dentzer, S. (1996, March 18). Survival skills for a scary economy. U.S. News & World Report, p. 71.
- Dillman, D. A. (1978). Mail and telephone surveys: The total design method. New York: Wiley-Interscience.
- Downs, A. (1994, March 15). Tale of a reformed corporate executioner. The Christian Science Monitor. p. 8.
- Downs, A. (1995). Corporate Executions: The ugly truth about layoffs - - how corporate greed is shattering lives, companies and communities. New York: AMACOM.
- Dreher, G. F. & Dougherty, T. W. (1980). Turnover and competition for expected job openings: An exploratory analysis. Academy of Management Review, 23, 766-772.
- Dunham, R. B., Grube, J. A. & Castaneda, M. B. (1994). Organizational commitment: The Utility of an integrative definition. Journal of Applied Psychology, 79, 370-380.

- EG&G Rocky Flats. (1994, May 23). Rocky Flats site work force restructuring plan. Golden, CO: Author.
- Eisenbeis, R. A. (1972). Discriminant analysis and classification procedures. Lexington, MA: Lexington Books.
- Elgin, P. R. (1992, February). Cutting workforce calls for treasury role in planning. Corporate Cashflow, 13(2), pp. 14, 19.
- Emshoff, J. R. (1994, March/April). How to increase employee loyalty while you downsize. Business Horizons, 37(2), pp. 49-57.
- Ettorre, B. (1996, July). Empty promises. Management Review, pp. 16-23.
- Fagiano, D. (1992, April). The downside of downsizing. Management Review, p. 4.
- Farris, G.F. (1971). A predictive study of turnover, Personnel Psychology, 24, 311-328.
- Feldman, D. C. (1994). The decision to retire early: A review and conceptualization. Academy of Management Review, 19(2), 285-311.
- Ferratt, T. W., Dunham, R. B. & Pierce, J. L. (1981). Self-reported measures of job characteristics and affective responses: An examination of Discriminant Validity. Academy of Management Journal, 24(4), 780-794.
- Filipczak, B. (1994, April). It's just a job: Generation X at work. Training, 31(4), pp. 21-27.
- Fisher, A. B. (1991, November 18). Morale crisis. Fortune, pp. 70-80.
- Fisher, C. D., Schoenfeldt, L.F. & Shaw, J. B. (1990). Human resource management. Dallas, TX: Houghton Mifflin.
- Flaxman, H. R. & Myers, J. E. (1992). Downsizing: A checklist for Handling benefits and compensation issues. Journal of Compensation & Benefits, 7(5), pp. 45-46.

- Fleishman, E. A. & Harris, E. F. (1995). Patterns of leadership behavior related to employee grievances and turnover. In J. L. Pierce & J. W. Newstrom (Eds.). Leaders and the leadership process.(pp. 78-83) Burr Ridge, IL: Irwin.
- Floyd, S. W. & Wooldridge, B. (1996). The strategic middle manager. San Francisco: Jossey-Bass.
- Fordyce, J. K. & Weil, R. (1989). Questionnaires and instruments. In R. McLennan (Ed.). Managing organizational change. (pp. 263-264). Englewood Cliffs, NJ: Prentise Hall.
- Fordyce, J. K. & Weil, R. (1994). Methods for finding out what's going on. In W. L. French, C. H. Bell, Jr., & R. A. Zawacki (Eds.). Organization development and transformation. (pp. 189-199). Burr Ridge, IL: Irwin.
- Fowler, F. J. (1993). Survey Research Methods (2nd ed.). Newbury Park, CA: Sage.
- Fraenkel, J. R. & Wallen, N. E. (1993). How to design and evaluate research in education. New York: McGraw-Hill.
- Gerhart, B. (1987). How important are dispositional factors as determinants of job satisfaction? Implication for job design and other personnel programs. Journal of Applied Psychology, 72(3), 366 -373.
- Gerhart, B. (1990). Voluntary turnover and alternative job opportunities. Journal of Applied Psychology, 75(5), 467-476.
- Gergen, D. (1996, January 22). Squeezing American Workers, U.S. News & World Report, p. 68.
- Gliner, J. A. & Morgan G. A. (1995). Research design and data analysis for applied settings. Fort Collins, CO: Colorado State University.
- Golden, C. (1996, January 24). Workers in the '90s need to think like consultants. Denver Post, p.6H.
- Greengard, S. (1994, November). Don't rush downsizing: Plan, plan, plan. Personnel Journal, 72(11), 64-76.
- Greller, M. M. (1992). Feedback on job performance and expected career advancement. Perceptual & Motor Skills, 73(3), 1323-1329.

- Grusec, J. E. (1992). Social learning theory and developmental psychology: The legacies of Robert Sears and Albert Bandura. Developmental Psychology, 28, 776-786.
- Hackett, R. D., Bycio, P., & Hausdorf, P. A. (1994) Further assessments of Meyer and Allen's (1991) three component model of organizational commitment. Journal of Applied Psychology, 79, 15-23.
- Hackman, J. R. & Oldham, G. R. (1975). Development of the job diagnostic survey. Journal of Applied Psychology, 60, 159-170.
- Hammar, M. & Champy, J. (1993). Reengineering the corporation: A manifesto for business revolution. New York: Harper-Collins
- Hammonds, K. H., Garland, S. B. & McNamee, M. (1996, May 13). Soul-searching time in the corner office. Business Week pp. 42-43.
- Hammonds, K. H., Zellner, W. & Melcher, R. (1996, March 11). Writing a new social contract. Business Week, pp. 60-61.
- Harackiewicz, J. M. & Larson, Jr., J. R. (1986). Managing motivation: The impact of supervisor feedback on subordinate task interest. Journal of Personality and Social Psychology, 51, 547-556.
- Heenan, D. A. (1990). The downside of downsizing: Negative aspects of corporate downsizing. Across the Board, 27, 17-20.
- Henerson, M., Morris, L. L. & Fitz-Gibbons, C. T. (1987). How to measure attitudes. Newbury Park, CA: Sage.
- Hinkel, D. E., Wiersma, W. & Jurs, S. G. (1994). Applied Statistics for the behavioral Sciences. Geneva, IL: Houghton Mifflin.
- Hirst, M. K. (1988). Intrinsic motivation as influenced by task interdependence and goal setting. Journal of Applied Psychology, 73(1), 96-101.
- Hom, P. W. & Hulin, C. L. (1981). A competitive test of the prediction of reenlistment by several models. Journal of Applied Psychology, 66, 23-29.

- Houston, P. (1992, August). Surviving the survivors syndrome. Working Woman, 17(8), p. 56-60.
- "HR paints a bleak portrait of downsizing survivors" (1993, May) HR Focus, 70(5), p. 24
- Hubiak, W. A. & O'Donnell, S. J. (1996, Summer). Do Americans have their minds set against TQM? The National Productivity Review, pp. 19-32.
- Hubiak, W. A. & O'Donnell, S. J. (in press). The Downside of downsizing. The National Productivity Review.
- Huck, S. W., Cormier, W. H., & Bounds, W. G. Jr. (1974). Reading statistics and research. New York: Harper Collins.
- Hulin, C. L. (1966). Job satisfaction and turnover in a female clerical population. Journal of Applied Psychology, 50, 280-285.
- Hulin, C. L. (1968). Effects of changes in job satisfaction levels on employee turnover, Journal of Applied Psychology, 52, 122-126.
- Hulin, C. L. (1991). Adaptation, persistence, and commitment in organizations. In M. D. Dunnette & L. M. Hough (Eds.). Handbook of industrial and organizational psychology (2nd ed.). Volume 2, (pp. 445-505). Palo Alto, CA: Consulting Psychologists Press.
- Huselid, M. A. & Day, N. E. (1991) Organizational commitment, job involvement, and turnover: A substantive and methodological analysis. Journal of Applied Psychology, 76, 380-391.
- Isabella, L. A. (1989). Downsizing: Survivors' assessments. Business Horizons, 32(3), pp. 35-41.
- Jackofsky, E. F. & Peters, L. H. (1983). Job turnover versus company turnover: Reassessment of the March and Simon participation hypothesis. Journal of Applied Psychology, 68, 490-495.
- Jackson, S. E. (1983). Participation in decision making as a strategy for reducing job-related strain. Journal of Applied Psychology, 68, 3-19.

- Jacobs, D. (1989). Downsizing without distress. Management World, 18, pp. 27-29.
- Jaros, S. J., Jermier, J. M., Koehler, J. W., & Sincich, T. (1993). Effects of continuance, affective and moral commitment on the withdrawal process: An evaluation of eight structural equation models. Academy of Management Journal, 36, 951-995.
- Joiner, C. W. Jr. (1987). Leadership for change. Cambridge, MA: Ballinger.
- Judge, T. A. (1993). Does affective disposition moderate the relationship between job satisfaction and voluntary turnover? Journal of Applied Psychology, 78, 395 - 401.
- Katz, R. (1990). Time and work: Toward an integrative perspective. In B. M. Staw & L. L. Cummings (Eds.). Research in Organizational Behavior (Vol 2). Greenwich, CT: JAI Press.
- Katz, D. & Kahn, R.L. (1978). The social psychology of organizations (2nd ed.). New York: Wiley.
- Katzenback, J. R. & Smith, D. K. (1993). The Wisdom of Teams. Boston, MA: Harvard Business School
- Keating, S. (1995, November 17). Colorado layoffs by AT&T probable. The Denver Post, pp. 1C, 8C.
- Kerr, M. (1993, July 5). Cutback deja vu for IBM. Computing Canada, 19(14), pp. 1,4.
- Kinnear, P. R. & Gray, C. D. (1994). SPSS for windows made simple. East Sussex, UK: Lawrence Erlbaum Associates.
- Kleiman, C. (1994, November 13). Workforce cutbacks don't always pay off for companies. Denver Post, p. 1J.
- Knowdell, R. L, Branstead, E. & Moravec, M. (1994). From downsizing to recovery: Strategic transition options for organizations and individuals. Palo Alto, CA: CPP.
- Kouzes, J. M. & Posner, B. Z. (1987). The leadership challenge. San Francisco: Jossey Bass.
- Krzanowski, W. J. & Marriott, F. H. C. (1994). Multivariate analysis part 1: Distributions, ordination and inference. New York: Halsted Press.

- Kubler-Ross, E. (1969). On death and dying. New York: MacMillan.
- Lalli, F (1996, March). Why you should invest in companies that invest in their workers. Money, p. 11.
- Latham, G. P., Winters, D. C. & Locke, E. A. (1994). Cognitive and motivational participation: A mediator study. Journal of Organizational behavior, 15, 49-63.
- Lawler, III, E. E. (1992). The ultimate advantage. San Francisco: Jossey-Bass.
- Lawless, J. (1996, January 14). Early retirement a thorny decision. The Denver Post, p. 7H.
- Lee, T. W. & Mitchell, T. R. (1994). An alternative approach: The unfolding model of voluntary employee turnover. Academy of Management Review, 19, 51-85.
- Lee, T. W., Mitchell, T. R., Wise, L., & Fireman, S. (1996). An unfolding model of voluntary employee turnover. Academy of Management Journal, 39, 5-36.
- Leedy, P. D. (1993). Practical research: Planning and design. New York: Macmillan.
- Lefkowitz, J. (1994). Sex-related differences in job attitudes and dispositional variables: Now you see them... Academy of Management Journal, 37, 323-349.
- Levinson, M. & King, P. (1996, March 18). Not everyone is downsizing. Newsweek, pp. 42-44.
- Maccoby, M. (1989). Social character and organizational change. In A. M. Mohrman, Jr., S. A. Mohrman, G. E. Ledford, Jr., & T. G. Cummings, E. E. Lawler, III (Eds.). Large Scale Organizational Change. San Francisco: Jossey- Bass.
- March, J.G. & Simon, H. A. (1958). Organizations. New York: Wiley.
- Markles, A. & Murray, M. (1996a, May 14). Call it dumbsizing: Why some companies regret cost-cutting. Wall Street Journal. pp. 1, 6.
- Markles, A. & Murray, M. (1996b, May 19). Layoffs a mistake for some. Wall Street Journal. p. 1, 7.

- Marks, J. (1995, December 11). Time out. U.S. News & World Report. pp. 85-96.
- Marks, M. L. (1994). From Turmoil to Triumph. New York: Lexington Books.
- Marks, M. L. (1993). Restructuring and downsizing. In P. H. Mirvis (Ed.). Building the competitive workforce: Investing in human capital for corporate success. (pp. 60-94). New York: Wiley.
- Marks, M. L. & D Aprix, R. (1993, Autumn). Regrouping after downsizing. Compensation and Benefits Management, 9(4), pp. 7-10.
- Mayer, R. C., Davis, J. H. & Schoorman, F. D. (1995). An integrative model of organizational trust. Academy of Management Review, 20, 709-734.
- Medoff, J. (1995, January) Bloomberg Personal: An interview with James Medoff. Denver Post, p. 22-23.
- Merriam, S. B. & Caffarella, R. S. (1991). Learning in adulthood: A comprehensive guide. San Francisco: Jossey-Bass.
- Miller, R. L. (1992). Managing before a reorganization. Training & Development, 46(7), pp. 57-60.
- Mirvis, P. H. (1993). A competitive workforce: The issues and the study. In P. H. Mirvis (Ed.). Building the competitive workforce: Investing in human capital for corporate success. (pp. 1-31). New York: Wiley.
- Mobley, W. H. (1977). Intermediate linkages in the relationship between job satisfaction and employee turnover. Journal of Applied Psychology, 62, 237-240.
- Mobley, W. H. (1982). Employee turnover: Causes, consequences, and control. Reading MA: Addison-Wesley.
- Mobley, W. H., Griffeth, R. W., Hand, H.H., & Meglino, B.M. (1979). Conceptual and empirical analysis of military recruit training attrition. Journal of Applied Psychology, 64, 10-18.
- Mondy, R. W., & Noe, III., R. W. (1993). Human Resource Management. (5th edition). Boston, MA: Allyn and Bacon.

- Morrison, D. F. (1976). Multivariate statistical methods (2nd ed.). New York: McGraw-Hill.
- Myers, D. G. (1990). Exploring psychology. New York: Worth.
- Nadler, D. A., Shaw, R. B., & Walton, A. E. (1995), Discontinuous Change: Leading organizational transformation. San Francisco: Jossey-Bass.
- Nanus, B. (1992). Visionary leadership. San Francisco: Jossey Bass.
- Narvaes, E. (1996, September 18). IBM set to offer buyouts, transfers to thousands. Denver Post, p. 2C.
- Newman, J. E. (1974). Predicting absenteeism and turnover: A field comparison of Fishbein's Model and traditional job attitude measures. Journal of Applied Psychology, 59, 610-615.
- Newman, R. W. (1993). Organizational characteristics at different stages of the rightsizing process: An analysis of age, ethnic diversity and performance level of voluntary turnover. (Doctoral dissertation, California School of Professional Psychology, 1993). Dissertation Abstracts International A-54(4) (AAC 9324351).
- Nicoll, D. (1984). Grace beyond the rules. In J. D. Adams (Ed.). Transforming Work (1-16). Alexandria, VA: Miles River
- Nirenberg, J. (1993). The living organization. Burr Ridge: IL: Pfeiffer.
- Noer, D. M. (1993). Healing the wounds: Overcoming the trauma of layoffs and revitalizing downsized organizations. San Francisco: Jossey Bass.
- Norusis, M. J. (1993). SPSS for Windows: Base system user's guide: Release 6.0. Chicago, IL: SPSS Inc.
- Norusis, M. J. (1994). SPSS Professional Statistics. Chicago, IL: SPSS Inc.
- O'Boyle, T. (1990, June 4). From pyramid to pancake. The Wall Street Journal, pp. 37-38.

- Overqualified generation Xers being forced to start at the bottom. (1994, November 27). Rocky Mountain News, p. 2C.
- Patton, M. Q. (1990). Qualitative research methods. Newbury Park, CA: Sage.
- Peach, L. (1992). Parting by mutual agreement: IBM's Transition to manpower cuts. Personnel Management, 24(3), p. 40-43.
- Peak, M. H. (1996, July). All pain, no gain. Management Review, p. 1.
- Pearce, J. L. (1993). Toward an organizational behavior of contract laborers: Their psychological involvement and effects on employee coworkers. Academy of Management Journal, 36, 1082 - 1096.
- Peters, T. (1987). Thriving on chaos. New York: Harper & Row.
- Porter, L. W. & Steers, R.M (1973). Organizational work and personal factors in employee turnover and absenteeism. Psychological Bulletin 80, 151-176.
- Porter, L. W., Steers, R. M., Mowday, R. T. & Boulian, P. V. (1974). Organizational commitment, job satisfaction and turnover among psychiatric technicians. Journal of Applied Psychology, 59, 603-609.
- Price, J. L. & Mueller, C. W. (1981). A causal model of turnover for nurses. Academy of Management Journal, 24, 543-545.
- Pucik, V., Tichy, N. M., & Barnett, C. K. (Eds.). (1992). Globalizing management: Creating and leading the competitive organization. New York: John Wiley & Sons.
- Rayner, S. R. (1993). Recreating the workplace: The pathway to high performance work systems. Essex Junction, VT: Oliver Wight.
- Reichheld, F. F. & Teal, T. (1995). The Loyalty Effect: The hidden force behind growth, profits and lasting value. Boston, MA: Harvard Business School Press.
- Reischl, D. & Koca, G. (1995, December). Life after Government, Government Executive, pp. 15-17.

- Robinson, J.S. (1996, January 24) Career & Training Resource. Denver Post, pp. 1H-2H.
- Rotter, J. B. (1982). Development and application of social learning theory: Selected papers. New York: Praeger.
- Rudestam, K. E. & Newton, R. R. (1992). Surviving your dissertation: a comprehensive guide to content and process. Newbury Park, CA: Sage.
- Rundles, J. (1996, April 28). Job growth sets a surprising pace. Denver Post, p. 21D.
- Sakamoto, Y. (1991). Categorical data analysis by AIC. Norwell, MA: Kluwer.
- Samuelson, R. J. (1996, January 8) Great Expectations. Newsweek, p. 24-33.
- Sashkin, M. (1989). Designing and conducting organizational surveys. In R. McLennan, Managing Organizational Change (pp. 268-272). Englewood Cliffs, NJ: Prentice-Hall.
- Satisfaction at Work: It depends on your country. (1996, June 24). Business Week, p. 28.
- Schmitt, N. & McCune, J.T. (1981). Relationship between job attitudes and the decision to retire. Academy of Management Journal, 24, 795-802.
- Senge, P. M. (1990). The fifth discipline: The art and practice of the learning organization. New York: Doubleday.
- Sichel, B. A. (1989, Summer). Classical interpretations of social-learning theory: Protagoras and Socrates. Educational Theory, 39(3). pp. 42-48.
- Silva, A. P. D. & Stam, A. (1995). Discriminate analysis. In L.G. Grimm & P. R. Yarnold (Eds.). Reading and understanding multivariate statistics. (pp. 277-318). Washington D.C.: American Psychological Association.
- Silverthorne, C. P. (1987). Planning for a smaller organization. Personnel Journal, 64(3), 60-66
- Sims, D., Fineman, S., & Gabriel, Y. (1993). Organizing and organizations. Newbury Park, CA: Sage.

- Sloan, A. (1996a, January 15). For whom bell tolls Newsweek, pp. 44-45.
- Sloan, A. (1996b, May 6). Their numbers game. Business Week, p. 48.
- Spears, D. (1996, February). Layoff Ethics. Business Ethics, pp. 62-65.
- Spencer, D. G. & Steers, R. M. (1981). Performance as a moderator of the job satisfaction-turnover relationship. Journal of Applied Psychology, 66, 511-514.
- Stamps, D. (1994, April). Reinventing retraining. Training, 31(4), 43-50.
- Staw, B. M., Bell, N. E. & Clausen, J. A. (1986). The dispositional approach to job attitudes: A life-time longitudinal test. Administrative Science Quarterly, 31, 56-77.
- Steers, R. M. & Mowday, R. T. (1981). Employee turnover and post decision justification. In L.L. Cummings & B. M. Staw (Eds.). Research in organizational behavior, Vol 3 (pp. 235-282). Greenwich, CT: JAI Press.
- Stephenson, S. (1994, November 17) Emphasis shifting to FY95 work force restructuring. Horizon, 5, p. 42.
- Stumph, S. A. & Hartman, K. (1984). Individual exploration to organizational commitment or withdrawal. Academy of Management Journal, 27, 308-329.
- "Survivor Guilt" (1993, June). Small Business Reports, 18(6) p. 28.
- Swoboda, F. (1996, April 7). Technology needn't lead to layoffs, authors argue. Denver Post, p. 4G.
- Thompson, C. (1992). Reorientation eases the pain and loss of downsizing. HR Focus, 69(1), p. 11.
- Thornburg, L. (1992, May). Practical ways to cope with suicide. HR Magazine, 37(5), pp. 62-66.
- Tomasko, R. M. (1992, April). Restructuring: Getting it right. Management Review, pp. 10-13.

- Tombaugh, J. R. & White, L. P. (1990a). Downsizing: Reshaping the corporations for the future. New York: AMACOM.
- Tombaugh, J. R. & White, L. P. (1990b). Downsizing: An empirical assessment of survivors' perceptions in a post-layoff environment. Organizational Development Journal, 8, 32-43.
- 2 laid off PSC workers awarded \$900,000. (1994, November 26). Denver Post. p. C2.
- Uchitelle, L. & Kleinfield, N. R. (1996, March 10) Lost jobs, lost dreams. Boulder Sunday Camera, pp. F1.
- Underwood, A., McCormick, J. & Branscombe, D. (1996, February 26). The hit men. Newsweek, pp. 44-48.
- Vantage Human Resources Services, Inc. (1996, April 23). Federal employees and career transitions, 1996 and beyond: Making it work. (Seminar materials). Arlington, VA: Author.
- Wagner, III, J. A. (1994). Participation's effects on performance and satisfaction: A reconsideration of research evidence. Academy of Management Review, 19, 312-330.
- Wagner, III, J. A. & Hollenbeck, J. R. (1992). Management of Organizational behavior. Englewood Cliffs, NJ: Prentice-Hall.
- Walton, D. & Patterson, J. (1992). Downsizing options: Letting employees go the easy way. Journal of Property Management, 57, pp. 24-28.
- Weiss, H. M., Ilgen, D. R. & Sharbaugh, M. E. (1982). Effects of life and job stress on information search behaviors of organizational members. Journal of Applied Psychology, 67, 60-66.
- Weitz, J. (1952). A neglected concept in the study of job satisfaction. Personnel Psychology, 5, 201-205.
- Wellins, R. S., Byham, W. C. & Wilson, J. M. (1991). Empowered teams: Creating self-directed work groups that improve quality, productivity and participation. San Francisco: Jossey Bass.

- Williams, C. R. & Livingstone, L. P. (1994). Another look at the relationship between performance and voluntary turnover. Academy of Management Journal, 37(2), 269-298.
- Xiaoge, X. (1991). How to minimize the trauma of downsizing: The electronics industry reduces the number of employees. Electronic Business, 17, 51-54.
- Yates, R. E. (1996, January 1). Reviving loyalty in workplace is hidden route to bottom line. Chicago Tribune, pp. 4-3.
- Youngblood S. A., Mobley, W. H. & Meglino, B. M. (1983). A longitudinal analysis of the turnover process. Journal of Applied Psychology, 68, 56 - 83.
- Zuckerman, M. B. (1995, July 31). Where have the good jobs gone? U.S. News & World Report, p. 68.
- Zuckerman, M. B. (1996, July 1). Creators of the 21st Century. U.S. News & World Report, p. 64.

APPENDIX A

The Voluntary Layoff Survey
with Cover Letter



School of Education
Fort Collins, Colorado 80523

Dear Survey Participant:

Thank you for volunteering to complete this survey about Downsizing through Voluntary Layoff. You are contributing valuable information to a Colorado State University research project and your input is appreciated.

The research project, *Downsizing Through Voluntary Layoff: Predicting the Choices of Non-Retirement Eligible Employees*, seeks to understand more about the decision to take a voluntary layoff offer; why people stay and why they leave organizations when offered a voluntary layoff. This is an experiment which compares the survey results of these two groups. The total number of participants is expected to be around 100.

Please complete the enclosed survey as soon as possible by answering **all** of the questions. This should take between 10-20 minutes. As you will note, the survey is anonymous and all individual responses will remain confidential. I understand that it is not possible to identify all potential risks in an experimental procedure, but believe that all reasonable safeguards have been taken to minimize any known, unknown, or potential risks.

Upon completion, please return the survey by mail, in the stamped envelop provided. If you have any questions, contact Sue O'Donnell (co-investigator) at (303) 279-5986 or Dr. Gary Geroy (principal investigator) at (970) 491-5097.

Again, thank you for your participation.

Prior to the layoff offer, I thought about or planned to . . . (continued)

Disagree ----- Agree

- 5. make a career change 1 2 3 4 5 6
- 6. leave the organization and take a job elsewhere 1 2 3 4 5 6
- 7. quit my job and work part-time 1 2 3 4 5 6
- 8. begin a job search outside of the company. 1 2 3 4 5 6
- 9. quit and stay home to pursue non-work interests 1 2 3 4 5 6
- 10. start (or work in) my own business 1 2 3 4 5 6
- 11. make a major life change such as marriage, birth (or adoption), school, care of sick relative, etc. 1 2 3 4 5 6

Prior to the layoff offer, I perceived or believed that . . .

Disagree ----- Agree

- 12. my supervisors were competent 1 2 3 4 5 6
- 13. my job was satisfying 1 2 3 4 5 6
- 14. the company was well managed 1 2 3 4 5 6
- 15. my pay was satisfactory 1 2 3 4 5 6
- 16. my job was repetitive 1 2 3 4 5 6
- 17. my work was enjoyable 1 2 3 4 5 6
- 18. there was good promotion potential for me 1 2 3 4 5 6
- 19. I was paid fairly compared to coworkers. 1 2 3 4 5 6
- 20. I was satisfied with supervision 1 2 3 4 5 6
- 21. management shared information with employees 1 2 3 4 5 6
- 22. I was satisfied with my coworkers 1 2 3 4 5 6
- 23. the organization met all of my expectations 1 2 3 4 5 6
- 24. I felt loyal to the company 1 2 3 4 5 6
- 25. I trusted my supervisor 1 2 3 4 5 6
- 26. this was a good place to work 1 2 3 4 5 6
- 27. there was a high quality of work life. 1 2 3 4 5 6
- 28. I had input to decisions that affected my job 1 2 3 4 5 6
- 29. I tended to complain or gripe about things 1 2 3 4 5 6
- 30. I was very satisfied with my life 1 2 3 4 5 6

Section 3 - Perceptions about the future

At the time of the layoff offer, what were your perceptions, feelings and beliefs about the organization and your job future (Remember: answer according to your thoughts when the offer was announced). Place an "X" on the answer that best describes your agreement or disagreement.
 1= strongly disagree, 2= disagree, 3= slightly disagree, 4= slightly agree, 5= agree, 6= strongly agree.

- At the time of the layoff offer (before I made my decision), I perceived that ... Disagree ----- Agree
- 31. this would be a one time downsizing activity 1 2 3 4 5 6
 - 32. I would be promoted if I stayed 1 2 3 4 5 6
 - 33. the company was in financial trouble 1 2 3 4 5 6
 - 34. I would have to relocate to keep my job 1 2 3 4 5 6
 - 35. opportunities for advancement would diminish in the future 1 2 3 4 5 6
 - 36. I might be demoted as a result of the downsizing 1 2 3 4 5 6
 - 37. I might be fired, or my job eliminated in the near future 1 2 3 4 5 6
 - 38. downsizing was a good move for the company 1 2 3 4 5 6
 - 39. the company needed to reduce people 1 2 3 4 5 6
 - 40. my position was secure 1 2 3 4 5 6
 - 41. I had better leave while there were buyout packages (severance incentives) 1 2 3 4 5 6
 - 42. the incentives were so good, I should take the money and "run" 1 2 3 4 5 6

Section 4 - Perceptions of the external environment

At the time of the layoff, what did you believe to be the employment conditions in the metropolitan area. Think about your beliefs at that time and answer the following questions by placing an "X" on the answer that best describes your agreement or disagreement with the following statements.
 1= strongly disagree, 2= disagree, 3= slightly disagree, 4= slightly agree, 5= agree, 6= strongly agree.

- At the time of the layoff, the external employment environment provided ... Disagree ----- Agree
- 43. low unemployment 1 2 3 4 5 6
 - 44. good employment conditions 1 2 3 4 5 6
 - 45. many opportunities for finding a good job 1 2 3 4 5 6
 - 46. total chaos in the industry 1 2 3 4 5 6

In a few words, how would you describe non-retirement age employees who accept a voluntary layoff offer and those who do not take a voluntary layoff offer?

Those who take a voluntary layoff offer are:	Those who do not take a voluntary layoff offer are:

Section 5 - The Package

The following section asks for details on the severance incentives offered (buyout package). There are two parts. The first asks if the item was included in the offer, the second question asks for the importance of the item. Place an "X" in the most appropriate response.

Severance Package (Buyout) Items	In Your Package?	IMPORTANCE						Very Important
		1= no importance	2= not very important	3= slightly unimportant	4= slightly important	5= important	6= very important	
A. Lump Sum Severance Payment	<input type="checkbox"/> Yes <input type="checkbox"/> No	1	2	3	4	5	6	
B. Periodic Severance Payments	<input type="checkbox"/> Yes <input type="checkbox"/> No	1	2	3	4	5	6	
C. Outplacement Counseling	<input type="checkbox"/> Yes <input type="checkbox"/> No	1	2	3	4	5	6	
D. Career Counseling	<input type="checkbox"/> Yes <input type="checkbox"/> No	1	2	3	4	5	6	
E. Medical Coverage	<input type="checkbox"/> Yes <input type="checkbox"/> No	1	2	3	4	5	6	
F. Vocational Training	<input type="checkbox"/> Yes <input type="checkbox"/> No	1	2	3	4	5	6	
G. Academic Tuition	<input type="checkbox"/> Yes <input type="checkbox"/> No	1	2	3	4	5	6	
H. Eligible for Rehire	<input type="checkbox"/> Yes <input type="checkbox"/> No	1	2	3	4	5	6	
I. Unemployment Benefits	<input type="checkbox"/> Yes <input type="checkbox"/> No	1	2	3	4	5	6	
J. Life Insurance	<input type="checkbox"/> Yes <input type="checkbox"/> No	1	2	3	4	5	6	
K. Eligible to return for contract work	<input type="checkbox"/> Yes <input type="checkbox"/> No	1	2	3	4	5	6	

Additional Items in Your Package (fill in the blanks)

L. _____	No importance	1	2	3	4	5	6	Very Important
M. _____		1	2	3	4	5	6	

If you did not take the voluntary layoff offer, what could have been added to the package to change your mind?

Section 6 - Demographics at the time of layoff offer

Please answer the following by filling in the blank or placing an "X" on the appropriate response.

ON LAYOFF OFFER DATE: _____	YOUR AGE: _____ (Years old)	My position was: <input type="checkbox"/> Managerial <input type="checkbox"/> Administrative
YEARS OF SERVICE at company? _____ (Years)		<input type="checkbox"/> Clerical <input type="checkbox"/> Technical <input type="checkbox"/> Professional
How many positions have you held in the last 5 years? <input type="checkbox"/> One <input type="checkbox"/> Two <input type="checkbox"/> Three <input type="checkbox"/> Four <input type="checkbox"/> Five <input type="checkbox"/> more than 5	Employed at how many organizations (full or part time) in the last 5 years? <input type="checkbox"/> One <input type="checkbox"/> Two <input type="checkbox"/> Three <input type="checkbox"/> Four <input type="checkbox"/> Five <input type="checkbox"/> more than 5	
Number of Dependents in your home (include spouse)? <input type="checkbox"/> None <input type="checkbox"/> One <input type="checkbox"/> Two <input type="checkbox"/> Three <input type="checkbox"/> Four <input type="checkbox"/> more than 4	Your Education <input type="checkbox"/> less than HS <input type="checkbox"/> HS Grad or GED <input type="checkbox"/> Some college <input type="checkbox"/> Vocational School <input type="checkbox"/> College Grad <input type="checkbox"/> Graduate School	
Spouse <input type="checkbox"/> No <input type="checkbox"/> Yes Spouse Working? <input type="checkbox"/> Yes <input type="checkbox"/> No Spouse can provide Medical Benefits? <input type="checkbox"/> Yes <input type="checkbox"/> No	Do you plan to retire some day? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, how old will you be? <input type="checkbox"/> < 45 <input type="checkbox"/> 45-50 <input type="checkbox"/> 51-55 <input type="checkbox"/> 56-60 <input type="checkbox"/> 61-65 <input type="checkbox"/> over 65	
Dependents in School (K-12, College, Trade School, Etc)? <input type="checkbox"/> None <input type="checkbox"/> One <input type="checkbox"/> Two <input type="checkbox"/> Three <input type="checkbox"/> Four <input type="checkbox"/> more than 4	Yearly Income by Category <input type="checkbox"/> < \$20,000 <input type="checkbox"/> \$20,001-40,000 <input type="checkbox"/> \$40,001-60,000 <input type="checkbox"/> \$60,001-80,000 <input type="checkbox"/> More than \$80,000	
Severance Pay was/would have been what percent of yearly salary? <input type="checkbox"/> <25% <input type="checkbox"/> 25-50% <input type="checkbox"/> 51-75% <input type="checkbox"/> 76-100% <input type="checkbox"/> > 100% (1 year)	Gender Male <input type="checkbox"/> Female <input type="checkbox"/> Please state your ETHNIC ORIGIN _____	

Thank you for your participation. Please return the completed survey in the stamped envelope provided.

APPENDIX B

Human Subjects Committee Approval

MEMORANDUM

TO: Gary Geroy
School of Education

FROM: Celia S. Walker, Administrator *Celia Walker*
Human Research Committee

SUBJECT: PROJECT APPROVAL
Title: Downsizing Through Voluntary Layoff: Predicting the Choices of Non-Retirement Eligible Employees
Protocol No.: 96-044H
Funding Agency: N/A
Funding Agency Deadline: N/A

DATE: February 23, 1996

The above-referenced project was approved by the Human Research Committee on February 23, 1996 for the period February 23, 1996 through February 23, 1997. Because of the nature of this research, it will not be necessary to obtain a signed consent form. However, all subjects must receive a copy of the approved cover letter printed on department letterhead.

A status report of this project will be required within a 12-month period from the date of approval. The necessary form (H-101) will be mailed to you prior to that date.

It is the responsibility of the investigator to immediately inform the Committee of any serious complications, unexpected risks or injuries resulting from this research.

It is also the investigator's responsibility to notify the Committee of any changes in experimental design or consent procedures (file Form H-101).

Any questions about the Committee's action on this project should be directed to me.

Attachment

xc: Susan O'Donnell w/attachment ✓

APPENDIX C
Additional Survey Data

Colorado State University
Downsizing Research Study
*Downsizing Through Voluntary Layoff: Predicting the Choices
of Non-Retirement Eligible Employees*

Colorado State University is conducting research in the area of downsizing, particularly the practice of voluntary layoff where *non-retirement eligible* employees are given severance incentives (buyouts) to leave the organization. This research project examines why non-retirement eligible employees take or do not take a voluntary layoff offer.

Thank you for volunteering to participate in this anonymous survey. You are extremely important to this research project because of your experience with a voluntary layoff offer. We urge you to share your experience, perceptions, feelings, and beliefs at the time of the voluntary layoff offer. Your assistance in completing the survey is critical to gaining an understanding of who will take or not take a voluntary layoff offer. Thank you for your participation.

If you have any further questions regarding this survey, please feel free to contact: Sue O'Donnell (303) 279-5986. Dr. Gary Geroy at Colorado State University (970) 491-5097.

The survey questions ask for a short answer or the selection of a provided answer that best fits your feelings. Fill in the blank or select the best answer by placing an "X" on the box provided.

Examples:	1.	A voluntary layoff package was offered at my organization on ____/____.
		<small>month year</small>
	2.	Age on layoff offer date <input type="checkbox"/> less than 30 <input type="checkbox"/> 31-35 <input type="checkbox"/> 36-40 <input type="checkbox"/> 41-45 <input type="checkbox"/> 46-50
	<input checked="" type="checkbox"/>	51-55

After reviewing this example, proceed with the survey. Please answer all of the questions for statistical purposes.

Section 1 - Eligibility

1. A voluntary layoff package was offered at your organization on ____/____. (If several offers were made, please indicate the date of the last offer.
month year
2. At that time, were you eligible for retirement or did the offer make you eligible for retirement?
Yes Eligible for retirement - Thank you, PLEASE GO TO SECTION 6
No Not eligible for immediate retirement, please continue.
3. Did you accept the voluntary layoff package?
No 41 Yes 43

DATA SUMMARY

1= strongly disagree, 2= disagree, 3= slightly disagree, 4= slightly agree, 5= agree, 6= strongly agree.

No = 1 Yes = 2

		ACCEPT LEAVERS		LAYOFF OFFER		REJECT STAYERS	
		Mean	S.D.	Mean	S.D.	Mean	S.D.
Prior to the layoff offer, I thought about or planned to . . .							
4.	stay with the same company until retirement.	3.96	1.71	4.27	1.7		
5.	make a career change	3.56	1.5	3.02	1.52		
6.	leave the organization and take a job elsewhere	3.12	1.37	2.68	1.59		
7.	quit my job and work part-time	1.79	1.04	1.37	0.62		
8.	begin a job search outside of the company.	3.19	1.48	2.73	1.69		
9.	quit and stay home to pursue non-work interests	1.84	1.40	1.41	0.87		
10.	start (or work in) my own business	3.26	1.63	2.44	1.55		
11.	make a major life change such as marriage, birth (or adoption),	2.28	1.68	2.05	1.58		
Prior to the layoff offer, I perceived or believed that . . .							
12.	my supervisors were competent	3.14	1.41	3.93	1.42		
13.	my job was satisfying	3.49	1.30	4.05	1.43		
14.	the company was well managed	2.33	1.02	3.15	1.44		
15.	my pay was satisfactory	4.53	1.14	4.40	1.06		
16.	my job was repetitive	3.09	1.60	2.98	1.44		
17.	my work was enjoyable	3.95	1.09	4.00	1.43		
18.	there was good promotion potential for me	2.74	1.40	3.27	1.45		
19.	I was paid fairly compared to coworkers.	4.23	1.69	3.95	1.34		
20.	I was satisfied with supervision	2.98	1.52	3.68	1.46		
21.	management shared information with employees	2.88	1.37	3.54	1.43		
22.	I was satisfied with my coworkers	3.93	1.24	4.15	1.15		
23.	the organization met all of my expectations	2.86	1.34	3.10	1.02		
25.	I trusted my supervisor	3.09	1.74	4.12	1.79		
26.	this was a good place to work	3.37	1.54	3.78	1.27		
27.	there was a high quality of work life.	3.16	1.31	3.56	1.40		
28.	I had input to decisions that affected my job	3.21	1.47	3.59	1.50		
29.	I tended to complain or gripe about things	2.74	1.05	2.88	1.33		
30.	I was very satisfied with my	3.42	1.12	4.10	1.09		

Section 3 - Perceptions about the future

		ACCEPT Leavers	LAYOFF	REJECT Stayers	
31.	this would be a one time downsizing activity	2.07	1.33	2.24	1.59
32.	I would be promoted if I stayed	2.26	1.40	2.37	1.37
33.	the company was in financial trouble	3.44	1.69	3.39	1.45
34.	I would have to relocate to keep my job	3.19	1.48	2.73	1.69
35.	opportunities for advancement would diminish in the future	4.60	1.37	3.71	1.52
36.	I might be demoted as a result of the downsizing	3.21	1.68	2.66	1.44
37.	I might be fired, or my job eliminated in the near future	4.07	1.56	3.27	1.66
38.	downsizing was a good move for the company	3.37	1.54	3.78	1.27
39.	the company needed to reduce people	3.93	1.45	4.20	1.36
40.	my position was secure	2.81	1.53	3.10	1.28
41.	I had better leave while there were buyout packages (severance	4.84	1.29	2.98	1.64
42.	the incentives were so good, I should take the money and "run" . . .	4.67	1.32	2.56	1.43
43.	low unemployment	3.40	1.22	3.20	1.23
44.	good employment conditions	3.63	1.11	3.07	1.23
45.	many opportunities for finding a good job	3.63	1.36	2.98	1.15

Section 5 - The Package

			ACCEPT Leavers		LAYOFF	REJECT Stayers	
			Mean	SD		Mean	SD
No = 1 Yes = 2							
A.	Lump Sum Severance Payment	<input type="checkbox"/> Yes <input type="checkbox"/> No	2.00	.00		1.95	0.22
B.	Periodic Severance Payments	<input type="checkbox"/> Yes <input type="checkbox"/> No	1.02	0.15		1.33	0.47
C.	Outplacement Counseling	<input type="checkbox"/> Yes <input type="checkbox"/> No	1.95	.021		2.00	.00
D.	Career Counseling	<input type="checkbox"/> Yes <input type="checkbox"/> No	1.91	0.29		1.93	0.27
E.	Medical Coverage	<input type="checkbox"/> Yes <input type="checkbox"/> No	1.93	0.26		1.82	0.38
F.	Vocational Training	<input type="checkbox"/> Yes <input type="checkbox"/> No	1.40	0.49		1.55	.50
G.	Academic Tuition	<input type="checkbox"/> Yes <input type="checkbox"/> No	1.42	0.50		1.70	0.46
H.	Eligible for Rehire	<input type="checkbox"/> Yes <input type="checkbox"/> No	1.46	0.50		1.41	0.50
I.	Unemployment Benefits	<input type="checkbox"/> Yes <input type="checkbox"/> No	1.27	0.45		1.33	0.48
J.	Life Insurance	<input type="checkbox"/> Yes <input type="checkbox"/> No	1.45	0.86		1.45	0.50
K.	Eligible to return for contract work	<input type="checkbox"/> Yes <input type="checkbox"/> No	1.48	0.74		1.51	0.51

IMPORTANCE OF ITEMS

1= NOT IMPORTANT 6 = VERY IMPORTANT

A	Lump Sum Severance Payment	5.42	0.91	5.15	1.33
B	Periodic Severance Payments	2.65	1.80	3.17	1.83
C	Outplacement Counseling	3.77	1.69	4.74	1.50
D	Career Counseling	3.79	1.64	4.54	1.47
E	Medical Coverage	4.58	1.78	5.21	1.36
F	Vocational Training	3.10	1.80	3.49	1.75
G	Academic Tuition	4.18	1.82	4.67	1.51
H	Eligible for Rehire	3.23	1.66	4.24	1.38
I	Unemployment Benefits	2.92	1.85	3.71	1.58
J	Life Insurance	3.08	1.61	4.05	1.52
K	Eligible to return for contract work	3.45	1.72	3.74	1.45

Section 6 - Demographics at the time of layoff offer
 Please answer the following by filling in the blank or placing an "X" on the appropriate response.

	Accept Leavers		Layoff	Reject Stayers	
	Mean	SD		Mean	SD
ON LAYOFF OFFER DATE: YOUR AGE: _____ (Years old)	39.53	7.32		39.59	5.89
YEARS OF SERVICE w/ company? _____(Years)	13.08	6.91		11.88	6.52
How many positions have you held in the last 5 years? <input type="checkbox"/> One <input type="checkbox"/> Two <input type="checkbox"/> Three <input type="checkbox"/> Four <input type="checkbox"/> Five <input type="checkbox"/> more than 5	2.33	.78		2.32	0.99
Number of Dependents in your home (include spouse)? <input type="checkbox"/> None <input type="checkbox"/> One <input type="checkbox"/> Two <input type="checkbox"/> Three <input type="checkbox"/> Four <input type="checkbox"/> more than 4	2.95	1.33		3.17	1.50
Spouse <input type="checkbox"/> No <input type="checkbox"/> Yes	1.70	0.46		1.73	0.45
Spouse Working? <input type="checkbox"/> Yes <input type="checkbox"/> No	1.65	.48		1.56	0.50
Spouse can provide Medical Benefits? <input type="checkbox"/> Yes <input type="checkbox"/> No	1.44	0.50		1.51	0.51
Dependents in School (K-12, College, Trade School, Etc)? <input type="checkbox"/> None <input type="checkbox"/> One <input type="checkbox"/> Two <input type="checkbox"/> Three <input type="checkbox"/> Four <input type="checkbox"/> more than 4	1.93	1.01		2.00	1.16
Severance Pay was/would have been what percent of yearly salary? <input type="checkbox"/> <25% <input type="checkbox"/> 25-50% <input type="checkbox"/> 51-75% <input type="checkbox"/> 76-100% <input type="checkbox"/> > 100% (1 year)	3.47	1.59		3.15	1.28
My position was: <input type="checkbox"/> Managerial <input type="checkbox"/> Administrative <input type="checkbox"/> Clerical <input type="checkbox"/> Technical <input type="checkbox"/> Professional	3.30	1.71		2.54	1.70
Employed at how many organizations (full or part time) in the last 5 years? <input type="checkbox"/> One <input type="checkbox"/> Two <input type="checkbox"/> Three <input type="checkbox"/> Four <input type="checkbox"/> Five <input type="checkbox"/> more than 5	1.63	0.72		1.32	0.69
Your Education <input type="checkbox"/> less than HS <input type="checkbox"/> HS Grad or GED <input type="checkbox"/> Some college <input type="checkbox"/> Vocational School <input type="checkbox"/> College Grad <input type="checkbox"/> Graduate School	5.09	1.15		4.93	1.06
Do you plan to retire some day? <input type="checkbox"/> Yes <input type="checkbox"/> No	1.95	0.21		1.93	0.26
If yes, how old will you be? <input type="checkbox"/> < 45 <input type="checkbox"/> 45-50 <input type="checkbox"/> 51-55 <input type="checkbox"/> 56-60 <input type="checkbox"/> 61-65 <input type="checkbox"/> over 65	4.56	1.37		4.41	1.09
Yearly Income by Category <input type="checkbox"/> < \$20,000 <input type="checkbox"/> \$20,001- 40,000 <input type="checkbox"/> \$40,001-60,000 <input type="checkbox"/> \$60,001-80,000 <input type="checkbox"/> More than \$80,000	3.19	1.12		3.05	0.71
Gender Male <input type="checkbox"/> Female <input type="checkbox"/>	men 18	women 25		men 19	women 22
Please state your ETHNIC ORIGIN:					