

**The Impact of Downsizing on Survivors:
From Organizational Commitment and Job Insecurity Point of
View
(The Case of Ethio Telecom, Addis Ababa)**

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and Economics in Partial Fulfillment of the Requirement for the
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Statement of Declaration

I understand declare that this research report is my original work and has not been presented for a degree in any other university, and all the materials used for this study have been duly acknowledged.

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This Research report has been submitted for examination with our approval as a university advisor.

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Jimma University
College of Business and Economics
School of Graduate Studies

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Approved by Board of Examiners

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Abstract

Given the face of globalization, most organizations involved in the implementation of downsizing as one of the management strategies. However, the way being exercised has a profound impact on survivors from layoff and on objective of downsizing. The objective of this study is to determine how the perceptions of downsizing in relation to procedural and distributive justice affect the level of organizational commitment and job insecurity of survivors. To achieve the objective of the study data were collected from employees of Ethio Telecom, who survive from downsizing, using questionnaire and unstructured interview. A total of 252 survivors from two zones were included using simple random sampling technique. Both descriptive and binary logistic regression methods were employed as a tool for the empirical analysis using statistical package for social sciences (SPSS 16.0). The study reveals that perception of organizational injustice in both procedural and distributive justices have an impact on survivor's commitment and feeling job insecurity. Procedural justice has found a strong predictor for the outcome variables. While distributive justice has become the second predictor that has an influence on components of organizational commitment. However, this study did not found any relationship between distributive justice and feeling of job insecurity with p-value of 0.532. In general, this study concludes that perception of survivors towards downsizing implementation affects level of commitment and job security. Based on these, it is recommended that Ethio Telecom better to practice an organizational justice while making decisions and also advisable to adopt the involvement of employees in the process to get a positive work related behavioral outcomes.

Keywords: *Downsizing, Survivors, Layoffs, Procedural justice, Distributive Justice, Job Insecurity, Organizational Commitment*

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List of Acronyms

ETC – Ethiopia Telecommunication Corporation

SAAZ – Southern Addis Ababa Zone

NAAZ – Northern Addis Ababa Zone

EAAZ – Eastern Addis Ababa Zone

WAAZ – Western Addis Ababa Zone

SWAAZ –South West Addis Ababa Zone

CAAZ – Central Addis Ababa Zone

COR – Crude Odds Ratio

AOR – Adjusted Odds Ratio

CHAPTER ONE

INTRODUCTION

1.1. Background of the Study and the Company

1.1.1. Background of the study

Many private companies and state and local governments are going through the downsizing process in the world. Over the past decade, downsizing has been in full swing and reductions-in work force have become an unpleasant fact in the world of business. Downs(1995) noted that organizations downsize their work force since the business climate of these days has become enormously competitive and global markets have contributed new competitors that can offer better quality products at low cost.

Given the face of globalization, which is characterized by mobile and flexible market, organizations need to be aware of these issues and repercussions that organizational changes possess not only to their bottom line but also the employees affected by such changes. As a highly emotive issue, the manner in which organizations recreate their workforce can have immense implications for terminated and surviving employees alike (Chipunza and Berry, 2010:604-613).

Many companies in the world have been spent much time and effort to adopt downsizing or work force reduction as one of management strategies. However, they are not effective because of ignoring the effect of changes on those staffs that remain with the organization. According to Noer (1993), an estimated 75% of Fortune 500 companies have been affected by this phenomenon. Similar studies by Clark and Koonce (1995) reported that nearly 68% of all downsizing, restructuring and reengineering efforts are not very successful. To get the most from the survivors, downsizing companies must pay attention to what is going on inside the employees mind following downsizing. An empirical study conducted in private and public sectors in South Africa found out that downsizing affects the survivors negatively

and the effect is more prevalent in public than the private sectors (Vermeulen and Wiesner, 2000:387-402).

Worrall et al (2000: 460-422) revealed that downsizing has been brought a great impact on existing employees in terms of loss morale, lowered organizational commitment, withdrawal behavior such as absenteeism and increased staff turnover, loss of motivation, uncertainty and insecurity jobs. Downsizing is not always perfect. A survey of 1000 companies in America that have conducted the downsizing shows that only 50% of these companies actually cut costs and just 22% increased productivity (<http://WWW.3creek.com>). This indicated that the consequence of the raise in survivor syndrome on productivity is often ignored by organizations. Survivors of downsizings experience a range of behavioral reactions: self –preservations, guilt, anger and hatred. The remaining employees begin to struggle with why they were selected to stay and the well-respected colleague was asked to move on.

A company that endures a layoff mercilessly bleeds critical personnel. It staggers from the loss of talent knowledge, commitment and morale for months; even years after the layoff process and become more sever if the practice lacks fairness and objectivity. Hence, the loss of productivity after a layoff is profound (Downs, 1995).

Traditionally, organizations hold the view that people who survived from downsizing would be grateful and happy to have jobs and would therefore be more productive on their work (Clark and Koonce, 1995). However, some findings revealed that existing employees perceived the decision process and decision outcomes used to select for dismissal of employees in the form of permanent layoff and exit from the company lacks organizational justices this in turn affects their trust and attachment with the organization adversely(Cohen and Spector, 2001:78).

Recently, with the vision of “world class telecom operator with world class work force which is highly capable, committed, responsible, knowledgeable, and change oriented” the former Ethiopian Telecommunication Corporation (ETC) management outsourced to France Telecom along with its name changed to Ethio Telecom. Thereby in order to realize this

vision the profound strategy used by the new management was reducing the work force at large(<http://newbusinessethiopia.com>,retrieved, April 13, 2013).

Hence, this study intends to assess the perception of survivors towards downsizing implementation with respect. to procedural and distributive fairness while dismissing the layoffs and its impact on their organizational commitment and job security..

1.1.2. Overview of Ethio Telecom

The introduction of telecommunication service in Ethiopia was started during the reign of Minilk; in 1894. Its service was provided under the Ministry of Postal and Communications. In 1952 telecommunication services were separated from the postal administration and structured under the Ministry of Transport and Communications. In 1981, Ethiopian telecommunication service reorganized and named Ethiopian Telecommunication Authority (ETA).

In 1996 with the regulation number 10/1996 of the Council of Ministers, ETA changed in to Ethiopian Telecommunication Corporation (ETC) to which all rights and obligations of the ETA transferred to the corporation. It is a public telecom operator and wholly owned by the government, which provides fixed line telephony, mobile telephone and internet and multimedia services for government organizations, private and commercial companies, international institutions and individuals. It is the sole provider of telecom services in Ethiopia (http://en.wikipedia.org/wiki/Ethiopian_Telecommunications_Corporation).

Furthermore, by recognizing the role of ETC as a key lever to the development of Ethiopia the Ethiopian government has decided to transform the telecommunication infrastructure and services to world-class standard in 2010. Thus ETC management decided to be outsourced to France Telecom Company. Thereby the new ETC recreated with the name of Ethio Telecom. This change was implemented with the ambition to bring a paradigm shift in the development of the telecom sector that support the steady growth of Ethiopia and to tap the fast growing demand of telecom service especially around the horn of Africa (New Business Ethiopia, December 2, 2010.Retrieved ,April 11, 2013).

The new Ethio Telecom was born with the view of delivering high quality service, work process efficient and cost efficient by making the hierarchical organizational structure lean and trim, tearing down barriers between departments, eliminating repeated work and empowering employees with the vision of being world best telecom service provider.

The major reason that was initiated the company for restructuring is that the former ETC was full of bureaucratic type of leadership with many hierarchical hurdles, ineffective management system, unable to tap the existing technology and lacks customer-focused strategy. Thus, the main strategy that was followed to alleviate this and other related problems was downsizing or job shedding. The overall existing employees of ETC were 12000. As part of the restructuring effort, around 5000 employees were laid off (<http://newbusinessethiopia.com>, Retrieved, April 13, 2013). As the management bodies stated that initially restructuring program was targeted many more employees to be laid off meanwhile some of the departments found not to be outsourced like garage. Moreover, the problem associated with human resource document handling system were not allowed to implement the job shedding as intended. That is why the number of laid was not as initially planned of cutting 8000 job positions.

1.2. Statement of the Problem

Many studies done on the relationship between perception of justice and work related attitudes. However, specifically to a downsizing context, Brockner and his colleagues on their studies revealed that perceptions of justice have a strong influence on survivors attachment to the organization and job security following downsizing (Brockner et al, 1990; Brockner et al, 1992 and Brockner et al, 1995). Similarly, Campbell and Finch (2004:178-180) have shown that the perception of survivors about fairness of downsizing strategy associated within the layoffs determines their attitude and work related behavior in the new organization subsequent to the action.

The survivors' perception that organizations have treated their colleagues unfairly lead them to have a negative attitudes and behaviors towards the organization. Both distributive and

procedural fairness are important to survivors because of its implications for their own futures (Chipunza and Berry, 2010:604-613).

Thus, the problem may arise as to how to manage this process of change so that fairness is reflected in all implications. In the same vein, problems may also emanate from the management of the outcome of such decision to guarantee employees perception of fairness in the process as well as the outcome of downsizing exercise. Consequently, they may experience a change in their work related attitude to the organization.

Organizational health depends on the continued commitment of those employees remaining with the organization after downsizing has occurred (Kaye, 1998:32-36). If this group of workers have negative attitude to the organization like being less committed and feeling of job insecurity, it may spell doom for such organization. A worker in the state owned organizations like Ethio Telecom often feels secured, believing that his or her job is tied to retirement and is pensionable. However two years ago, Ethio Telecom implemented an involuntary work force reduction to make the structure lean, competitive and to provide worldwide standardized telecom services. Thus, unfavorable work related behavior alteration on employee's commitment and feeling of job insecurity might result along with its implementation.

An empirical evidence of the recent study conducted on assessment of the practice Ethio Telecom implementation change in relation to human resource management reveals that the selection and reduction of layoffs was made based on sheer estimation and the way employees dismissed was not clear and objective. In addition, the study found that the organization did not treat the layoffs fairly. As a result, the change at Ethio Telecom has kept majority of the existing employees in dark (Gultenesh, 2011).

Given the above ground of both theoretical and empirical evidences, the main problem of this research emanates from procedural and distributive fairness during downsizing implementation thereby affects or influences the survivors (employees that remain after downsizing exercise) organizational commitment and job security which carried out at Ethio Telecom as of December/2010 G.C.

Besides, many organizations in the world have been involved in the implementation of downsizing as one means of management strategies to achieve their organizational objectives. However, the consequences or aftermath effect of downsizing especially on survivors work related behaviors have a tendency to forget or do not due much consideration. Thus, this study aims to attract the attention of organizations to this oversight and deal with its long-term effect on employees and subsequently to the organization.

Hypotheses

In this study, the following hypotheses were tested.

Hypothesis 1. Procedural justice is positively related to affective commitment.

Hypothesis 2. Distributive justice is positively related to affective commitment.

Hypothesis 3. Procedural justice is positively related to normative commitment.

Hypothesis 4. Distributive justice is positively related to normative commitment.

Hypothesis 5. Procedural justice is positively related to continuous commitment.

Hypothesis 6. Distributive justice is positively related to continuous commitment.

Hypothesis 7. Procedural justice is negatively related to job insecurity.

Hypothesis 8. Distributive justice is negatively related to job insecurity.

1.3. Objectives of the Study

1.3.1. General Objective of the Study

The study generally aims to assess the perceptions of survivors towards downsizing with the key dimension of procedural and distributive justice and its impact on their organizational commitment and job insecurity of employees at Ethio Telecom.

1.3.2. Specific objectives of the study

- To assess the perception of survivors' towards the fairness of downsizing implementation.
- To determine the survivors' commitment level and feeling of job insecurity after downsizing.
- To investigate the relationship between perceptions towards downsizing with organizational commitment and job insecurity of survivors.

1.4. Significance of the study

The study of employee work related attitude is important because organizations are required to maintain a core and committed individuals who will sustain life in organizations after a reduction of the work force. In todays, getting survivors aligned behind organizational goals and objectives is a key determinant of long-term competitive advantage and a leading benchmark of organizational effectiveness (Ngutor, 2011:11). It helps organizations that practiced downsizing to realize that improved business performance is not only based on technology, improved process and product but also equally as much on the behavior of remaining employees towards the new work environment (Applebaum et al, 2003:22-35). It will also support Ethio Telecom by giving the opportunity of understanding the level of commitment and feeling of job insecurity of employees that are left aftermath of downsizing, which is in turn helpful for successful coping and better adjustment to an event like downsizing exercise. In addition, this study will help those organizations which are at

the helm of affairs in these establishments to have knowledge about the impacts of downsizing on survivors ahead. Finally, this study helps as a reference for those who have an interest to study on this area.

1.5. Scope of the Study

This research focuses on employees who remain employed at the organization subsequent to downsizing because they can either facilitate or impede the outcomes of downsizing (Davy et al, 1991: 302-306). The conceptual scope of the study is therefore limited to what extent downsizing fairness affects survivor's organizational commitment and job security. Although, there are other factors that determine the employee's organizational commitment and feeling of job insecurity, this study is limited to the basic components of organizational justice, which encompasses distributive and procedural justice. Besides, it is delimited to Ethio Telecom, Addis Ababa, since to the knowledge of the researcher Ethio Telecom is the only organization that have practiced mass layoff in Ethiopia. Addis Ababa is selected based on its convenience for the researcher.

1.6. Limitations of the study

The major constraints of the study that the researcher faced were unwillingness of management to disclose some information in the name of confidentiality. Besides, some respondents considered the questionnaire like an assessment that had been sent from the government and became reluctant to fill. The other limitation was few of the participants were unable to return the questionnaire on time.

1.7. Operational definition of key terms

Downsizing: an involuntary, deliberate, permanent work force reduction or the planned elimination jobs designed to improve productivity and competitiveness.

Survivors: are employees who left after the occurrence of downsizing.

Layoffs / Victims: refers to employees who lost their job due to downsizing.

Procedural Justice: perceived fairness in relation to processes or methods under taken to determine who would be laid off.

Distributive Justice: refers to the perceived fairness of the amounts of compensation or benefit packages that the layoffs received.

Affective Commitment: is an emotional attachment, which binds employees with the organization and make them to recognize the goals, values, norms and ethical standards of organization.

Normative Commitment: is a commitment to the organization because of the ethical standards or social norms.

Continuous Commitment: a calculative commitment related to some benefits or investments made in the organization.

Job Insecurity: It is the feeling of threats to one's job or total job.

1.8. Organization of the paper

This study is organized in to five chapters as follows. The first chapter deals with introduction, background of the study, statement of the problem, objectives, significance, scope, limitations of the study and operational definition of key terms. The second chapter deals with the review of related literature. Chapter three comprises the methodology part and chapter four covered presentation of analyses and interpretation of the data. Finally, major findings, conclusion and recommendation part of the study were included under chapter five respectively.

CHAPTER TWO

LITERATURE REVIEW

This chapter attempts to review different literatures done by researchers that deals with issues related to downsizing practice, organizational justice while implementing downsizing and the impact of laid offs on remaining employees.

2.1. Concept and Definitions

Given the fact that when times get tough for the business, firms always strive to look various strategies to be competent enough and to get large proportion of market share. Hence, shrinking the size of the company by eliminating workforce or job positions become one of the commonest strategies that has currently seen in the world. Downsizing first started in the private sector in the early 1980's in the response to the poor competitive position of many US companies in relation to their global competitors. It is a particular organizational strategy used with the intention of improving organizational efficiency and performance. It can be proactive approach when organizations are growing or can be reactive when implemented at times of declining. Some researchers defined downsizing as follows:

'A set of activities undertake on the part of management and design to improve organizational efficiency, productivity and/or competitiveness. It represents a strategy implemented by managers that affects the size of workforce, its cost and work process' (Cameron, 1994:94).

According to Chipunza and Berry (2010:604), different names also used to describe downsizing which include building down, compressing, consolidating, contracting, dismantling, re-deploying, resizing, reengineering, rightsizing, dehiring, downshifting, reorganizing, restructuring, slimming down, reduction-in-work force and rebuilding. Similarly, Gandolfi (2009) defines a reduction in work force with the aim of cutting cost, immediate financial relief, improve profitability, increase productivity and enhance competitiveness. Noer (2001) also suggested that a deliberate action with the purpose of

doing things right the first time, improve quality, eliminating repeated work, spending less time on bureaucratic rules and procedures by doing away with them, eliminating down barriers between departments, empowering employees and teams, substituting information technologies for paper handling and etc. Similarly, another researcher defines the concept of downsizing as one of the strategies implemented by the organization that touches the size of workforce, cost and work processes (Chu, 2002:158-166).

Recently due to the pressure of globalization, minimization of trade barriers among nations and the emergence of new technologies make many companies to practice downsizing as a preferred business strategy to handle the effect of dynamic change in business environment. As a trend, most organizations are engaging in its implementation and become their legitimate option. Downsizing is an intentional decision regarding workforce that undertaken by management with the view of lean is better and to increase organizational performance. It is an important management venture and requires large assistance from the human resource management team. Organizations involved in this decision with the intention to have small number of employees who are the critical component in guaranteeing increased productivity, long-term growth and productivity of the newly restructured organization (Chipunza and Samuel,2011: 243-247).

Along with an empirical study, reveals that in comparison to non-downsized firms those that involve in implementing workforce reduction in order to achieve their organizational goal have not been able to gain improved levels of efficiency, effectiveness, productivity and profitability (Gandolfi, 2009).

Reasons of Downsizing

There are various reasons that lead companies to downsize their work force or human capital. Among this, the following are the major ones.

Mergers and Acquisitions: Merger is a corporate strategy occurs at times when a certain firm combines its operations with another firm and operates as a single entity. Whereas, acquisitions related with when one company takes over another and clearly established itself

as the new owner. Both strategies employed by organizations to survive, increase the market reach and to take the competitive advantage. Thus with this intention while implementing firms face certain redundant positions. Thereby the companies usually involve in the reduction of workforce or job cuts. Subsequently shrink of the number of line employees, shift managers; plant directors etc. will follow (www.buzzle.com/articles/reasons-for-downsizing.html).

Technological Advancements and Computerization: While information technology becoming streamlined the business process, it creates job redundancies so that downsizing and outsourcing will follow. In other words, this raises the elimination of lower and middle level jobs, causing more people to become layoff. In turn, due to computerization service efficient workflow increases, organization work process is extremely fast and easily meets the requirements of the market; this may also initiate the firms to downsize some of their workforce. Similarly, if a machine can do manual work in a much better and cost-efficient way, it also results in the reduction in the number of employees (Datta et al, 2010: 281-348).

Change in Management: This triggered at the time when the existing organizational structure and management system unable to comply the organizational objective. Thus, the change in management can also result in downsizing. Operational methods and procedures vary with the management. Therefore, a significant change in the management roles may considerably affect the employee size to fit with the ultimate goal of the organization. The Lean-and-Mean theory describes that with the prevalence of globalization, competitiveness among firms around the world have become tough. Hence, to be strong player the organization structure should remain lean and trim costs through elimination of jobs that does not have additional values (Rabin, 1999:39-43).

Outsourcing: Outsourcing simply means having a job done by someone who is not a regular employee, and is usually done by contracting with another company to provide the service. These days' companies are becoming outsourcing jobs to outsiders to make the work efficient and to take the advantage of cutting cost that emanates from regular salary and benefit payments. This indicates that certain jobs could be done more effectively and

viable economically. Hence, as more jobs of the firm become outsourced or subcontracted to externalities the fate of existing employees become layoff.

Strategies of Downsizing

According to Cameron (1994:94), there are three ways for the implementation of downsizing. These are:

Workforce Reduction: It is the first strategy for those organizations that have a tendency to exercise downsizing. A short-term strategy mainly focuses on the elimination of employees across all levels of the organization without discrimination with the view of reducing the workforce quickly. However, firms continue to accrue financial problems as they continue to announce layoffs besides firms that engage in this type of strategy may suffer due to loss of critical employees or their sources of competitive advantage (Downs, 1995).

Work Redesign: A medium term strategy mainly targets work rather than focusing human capital. This type of strategy involves in elimination of work, functions, reducing work hours, closing of products, redesigning tasks and merging units. Unlike workforce reduction, it minimizes the dismissal of massive workers by shifting work from those who have workload to others. It is difficult to implement quickly especially in the case of merging of business units and functions. It helps to assure on work process, organizational arrangements and enables the organization to improve efficiency by simplifying the work (Cameron, 1994:94)

Systematic Reduction: It is not one time program rather it is a long term perspective strategy that involves in assessing and simplifying the overall activities of the organization and other external elements that have a potential to influence the operation of the organization such as suppliers, distributors, design work process, functional units and the like. Systematic strategy enables to change the organizational culture and attitude through long term. Mainly it targets hidden activities that have a potential to increase the cost of the organization. This strategy makes all employees responsible and accountable so that participate them highly needed for its accomplishment. Hence, in order to achieve

organizational objective effectively, organizations should give due considerations for the following strategic issues (Casico, 2010; Li-Ping and Robert, 1995:25).

State the reason behind downsizing: Careful consideration should be placed on the reasons behind the need to downsize. The way it was reported may lead others to believe that the only necessary consideration when downsizing is the number of jobs to cut. There are circumstances that reinforce the firm to cut the number of workforce quickly in a case the firm may attain its objective. However, in any other circumstances a downsizing should be considered a measure of last resort, once all other alternatives have been exhausted, and never as a quick fix (Gandolfi, 2009).

Participative Management: Workers' participation in management and decision-making processes has a good impact including improving the working conditions. So that before the implementation of downsizing the organization should make its concerns known to employees and seek their input. Participation of workers in management is inevitable in the process of decision making for higher productivity and for the smooth functioning of the whole process. In addition, it helps to develop sense of belongingness among survivors that have a merit on the future success for downsizers (Burgio et al, 2013:37-40).

Selection process: The manner in which excess positions and employees (redundancies) are identified should be consistent and uniform across the organization. The criteria can be determined in terms of the score of performance appraisal, seniority and functions of the department. The key is that the decision be made in a consistent manner so that the process will be perceived as fair and effective. In addition, the layoff should be undertaken with sensitive and dignity manner. Regarding procedural justice, human resource management practices should lead towards the desirable organizational outcomes. Hence, the procedure to select who is going to be terminated should not be based on favoritism or other unfair consideration. Rather it should be linked with objectivity or job related criteria like considering past job performance score(from formal organizational performance appraisal system perspective), seniority and avoiding age related criteria are the important (Campion et al, 2011).

Communication: Open and accurate information should be delivered for both survivors and terminated employees, while the organization made the downsizing for the first time information should provide explicitly. Those who survive from layoff should know how the employees dismissed, the steps undertaken to make the final decision and how the layoffs treated after the separation. Managers and supervisors should be well trained what to say and the way of their saying that is should be in more sincere and honest manner. Information should deliver frequently via a number of different means of channel timely. Hence, all stakeholders have clear idea towards the implementation and in turn, it minimizes the negative effect of downsizing (Gandolfi, 2009).

Evaluation: Carefully examine the impact of employment downsizing on all HR systems and survivors. Recognize that downsizing is just one tool in a portfolio of strategies to improve firm performance. That portfolio includes workforce planning, staffing, compensation, performance management, training, job safety and employee relations.

Alternatives of Downsizing

According to Sandringham (2000:7-12), workforce reduction is one of the management strategies that used in downsizing exercise. A workforce reduction alternative employs tactics such as early retirement, transfers and out-placement, buy-out packages, lay-offs and firings (Makawatsakul and Kleiner, 2003:52-62). It can be seen as voluntary (pull strategy) and involuntary (Push strategy).The former strategy involves in an initiating employees by offering incentives to leave the organization voluntarily that is by providing incentives in the form of optional severance pay, buyouts and early retirement. This strategy enables firms to better target jobs and units in that it recognizes employees for their service and helps to retain the remaining employees. At the same time, exit incentives can be costly and can create an entitlement mentality for the remaining workforce in the future (Franco, 2008).

Voluntary workforce reduction usually helps the downsizer to be looked by the survivors and the public positively. Thus, it reduces negative impacts on employees like stigma of job loss. While the second strategy that comprises layoffs and firing conducted against the will of employees sometimes regarded as the harshest way of improving organizational

efficiency because of its adverse impact on both the victims and survivors (Cascio, 2010:425-436). Here under are the descriptions of alternatives to workforce reduction:

Early Retirement: It is a way to reduce a workforce that involves in offering early retirement to staff members who are approaching retirement age. This offer helps both parties; employees will receive their retirement pay in advance at the same time the employer can eliminate the layoff salary from payroll. It will be most feasible when a company has a significant number of employees who are old enough to consider taking an early retirement (Cascio, 2010:425-436).

Attrition/Hiring Freeze: Do not fill most positions when they become vacant; delay new hires, gradually it reduces the number of employees and saves cost. Attrition related to the loss of employees due to reasons other than firing and other employer-initiated events. It might be related to retirement, prolonged illness etc. However, employers have no direct control over how many personnel's are lost due to employee attrition. Hence, it makes in advance workforce planning difficult (Ayinde and Akanni, 2012: 29-46).

Buyouts: A lump sum amount of money offered as an incentive for those employees who applied to voluntary separation or resignation from the organization. Instead of pushing employees to leave such kind of benefit helps the organization as an alternative to reduce the workforce smoothly and enables the employees to leave their own interest and in a safe manner in exchange it reduces survivor reactions. However, it may also encourage high performer or many employees to quite(Cascio, 2010:425-436)..

Outplacement and Transfer: refers to the efforts made by a downsizing company to support employees that reduced through the transition to new jobs and help them re-orient to the job market. The downsizing company will often use the services of external outplacement experts, which is achieved through practical advice and psychological support. Thus, it can be lessen the impact of downsizing on the remaining workforce since they could know how the displaced workers are being taken care of by the organization. This will preserve a positive outlook with the remaining staff (Littler,2003:34).

2.2. Consequences of Downsizing

Downsizing could create severe economic problems for employees who exposed to layoff (Guiniven, 2001:53-71). Leftover employees after downsizing are known as layoff survivors (Virick et al, 2007:463). Downsizing is perceived to be an effective strategy for a company renewal and growth, but some researchers question its long-term success. Evidences indicated that downsizing is guaranteed to accomplish only one thing it makes organizations smaller(Omoruyi et al, 2011:344). Regardless of the reason, downsizing has profound impact on everyone in the organization (Luthans and Sommer, 1999:46-71). Thereby the reactions of those employees who survive from downsizing determine the future success of the organization (Brockner et al, 1995:59-68).

In general, aftermath of downsizing survivors often feel guilty and depressed; organizational commitment, job satisfaction, job involvement, morale, loyalty and feeling of job security declines along with voluntary turn over become increased(Casio, 2010:425).

According to Li-Ping and Robert (1995:25), the deterioration of organizational performance after downsizing is prevalent. He also suggested the following strategy in order to minimize the negative consequence. This are: fair in implementing layoffs, permit employees to leave with respect and try to make them to leave of their own voluntarily, assist the layoffs to find outplacement jobs, avoid belittling laid-off employees, keep employees informed about the purpose of downsizing and use various mechanisms like ceremonies to convince its rationalities.

2.3. Organizational Justice

Justice is an application of decision criteria's and procedures fairly and objectively so that there is an equitable distribution of outcomes and inputs (Johan et al, 2013:148-166). Organizational justice refers to an extent to which employees perceive workplace procedures, interactions and outcomes to be fair. In other words, it is an individuals' assessment or employee perception of whether their organization treats its members fairly or unfairly (Korraevee and Phaprueke, 2008). An impartial decision criteria that enforces rules to be practice fairly so that there is fair allocation of benefits and costs. Hence, employees who

perceive that they are being treated fairly by their organization, they tend to be more likely to reciprocate by holding positive attitudes towards their work and their supervisor (Wat and Shaffer, 2005:406-422). Justice is a key issue for understanding the attitudes and behaviors of employees in relation to work (Caykoylu et al, 2007: 191-197).

Based on equity theory described by Karim and Rehman (2012:92), an employee analyzes his /her perceived ratio of input to outcome. If the given ratio is similar to that of perceived ratio of his/her own input to outcome then equity exists. On the contrary, inequity exists if there is the difference in input to outcome proportion between given and individual perception. Thus, the feeling of unfairness prevails that experienced by both parties. Organizational justice theory aligned to describe role of justice at the work place, which focus on whether decisions implemented in an impartial manner and how the decision affects the employees' work related behavior.

According Omoruyi et al (2011:344), survivors from organizational downsizing would always consider the procedures that the organization used when eliminating their fellow colleagues. Survivors react negatively if they regard the procedures as unfair. The survivors' perceptions of inequity create tension and this will make them to reduce input in proportion to the unfairness they perceived. The findings of this study further noted that a significant reduction of survivors' willingness to engage in extra-role activities because of the injustice they perceived on the procedures employed during downsizing and at times of distributing outcomes afterwards.

There are many conceptualizations of organizational justice. However, the two supported with most empirical research in organizational downsizing are procedural justice and distributive justice. Organizational justice is a combination of procedural justice and distributive justice (Johan et al, 2013:148-166). Most organizational literature tends to focus on two specific forms of justice perception, which are distributive justice and procedural justice (Korravee and Phapruke, 2008).

2.3.1. Procedural Justice: Cohen and Spector (2001:278) have stated the extent to which the employees perceive their organization to be fair. In the context of downsizing, procedural justice is related with decision processes or systems that undertaken to determine who is laid off and the amount of advance notice that provided to employees (Brockner et al, 1994). He further explained that when the layoff decision is based on individual performance indicators, where low performing are the first to be let go and the highest performers retained or some other objective reasons, survivors are more likely to perceive downsizing as predictable and less threatening. On the contrary, if the decision seen as politically driven or at random the procedure and the outcome is less likely to be perceived as fair and survivors are more likely to react negatively. In other words, there is direct relationship between survivor's justice perceptions with organizational commitment and indirectly related with their turnover intention and feeling of job insecurity (Brockner, 1990). McFarlin and Sweeny (1992:66) argued that procedural justice is an important predictor of organizational commitment.

Heslin and Vande (2009) suggested that perceptions of procedural unfairness can undesirably affect employee's organizational commitment, job satisfaction, trust in management and performance. Moreover, it creates a stress on employees because of unable to predict about their job or face uncertainty. However, if employees perceive a fair treatment in the organization, they become encouraged to exert their effort to the best of the organization and all the negative effects become alleviated.

2.3.2. Distributive Justice: refers to the perceived fairness of the amount of compensation that the layoffs received or survivor's perception towards fairness of outcomes for dismissals (Greenberg and Colquitt, 2005). Prior study on distributive justice has been focused on how survivors perceive the outcomes provided to victims like adequacy of outplacement assistance, generous benefit and severance pay (Sobieralski and Nordstrom, 2012). When employees believe the outcome of a decision is unfair, they may engage in counter productive work behavior. In other words, at times employees perceive distributive injustice, they hurt the organization to make the outcome/input ratio less negative from their perspective (Cohen and Spector, 2001: 278). The better the dismissed employees are treated,

the more likely it is survivors will perceive the distributions as fair and they value the downsizing as less threatening effect on feeling of job insecurity(Greenberg and Colquitt, 2005).

Spreitzer and Mishra (2002) also suggested that distributive justice matters for attachment of the remaining employees with the organization since they are more concerned how victims/layoffs treated. As desired outcomes become less available, attachment will thus decrease precipitously. It facilitates high threatening appraisals about the availability of desired outcomes. In other words, when survivors' feel more threatened, their attachment become weaker and the individual's identification with the organization suffers. However, survivors become highly likely to have a feeling of attachments with the organization at times when they anticipate they will receive similar generous benefits in case of losing their own job in the future.

Another element in distributive justice is that the extent in which the downsizing touches all levels across the organization. For example, at the time of downsizing if those, who are at the top position receives different benefits and bonus while the layoffs receive less severance pay. This creates a high threatening effect on survivors since executives are enjoying at the expense of lower level employees on the contrary to this sharing of burdens has a positive impact on survivor's attachment with the organization and increase their togetherness (Chipunza and Samuel, 2011:243-247).

2.4. Organizational Commitment

The concept of organizational commitment is associated with the extent of employees' attachment and dedication to work in order to achieve the organizational goal (Gondifi, 2011). Henkin and Marchiori (2003:275-281) also described that organizational commitment is a feeling of employees, which force them to be the part of their organization and recognize the goals, values, norms and ethical standards of an organization. According to Tella et al (2007:1-16), organizational commitment is the strongest motivator that has an influence on employee's intention to perform well and improvement of his/her efficiency

and skills. It is also one of the foremost goals considering the efforts of organization regarding maintenance of its existence (Karim and Rehman, 2012:92).

Organizational commitment is important for organizations because it is a good predictor of organizational objective achievement, performance of workers, productivity, absenteeism and turnover. Thereby it provides a positive outcome for the organization (Caykoylu, 2007:191-197).

In today's dynamic environment to be competitive and stay in the market, companies need to work much in order to get the commitment of employees in ways that lead to extraordinary effort. Employees who are engaged in their work and committed to their organizations give companies to have core competencies and become source of competitive advantage through maximizing employee's productivity and lowering employee turnover (Vance, 2006:23-29).

According to Shahsavani et al (2012), the relationship between organizational commitment and job satisfaction found to be positive and have strong association. Besides, this study concludes that those employees who are more satisfied with their job and organizations are more eager to remain in the organization, more efficient, offer higher quality services, are more committed to the results of organizational performance and make the customers more satisfied. Findings of recent study conducted in Federal Government establishments of Nigeria revealed a significant positive relationship between survivor's perception towards downsizing exercise and their commitment to work (Ayinde and Akanni, 2012:29-46).

Shaw (2003) suggested three dimensions of organizational commitment: affective commitment, continuance commitment and normative commitment. The three-component model of commitment is important since all three forms of commitment have different implications towards the likelihood of employees leaving an organization, performance and other work related behaviors. There are also different antecedents and consequences that associated with each form of commitment.

2.4.1. Affective Commitment: refers to a positive, sincere and utmost involvement of employee within the organization. An employee who has affective commitment is very loyal, sees the goals of the organization like his/her own. It also described as an employee's emotional attachment to and identification with the organization that forces employees to remain in an occupation because they want to (The Pennsylvania State University,2011). Since employees perceive or feel they are treated fairly and get organizational support, concern and care. Similarly, regarding the development of affective commitment, the importance of organizations being supportive of employees, valuing employee contributions, providing fair treatment and work experiences that employees find rewarding lead to an affective commitment. Thus, employees show their loyalty and commitment by exerting their maximum effort for achievement of foremost goal (Ayinde and Akanni, 2012:29-46).

If survivors in an organization score high on affective commitment, it means that even after a major downsizing they remain loyal to the organization and are emotionally attached to it. It is probably a good environment for those employees to build career resilience in the face of less than optimal career conditions like events of restructuring employees would become creat a strong bond with the organization, get a good sense of their strength and weaknesses and make the career of central importance in their lives. In relation to downsizing, perceived fairness of layoffs is a logical predictor of affective commitment (Kevin and Fowk, 1998).

As indicated above, three forms of organizational commitment are identified. These bases of commitment have different causes and implications. Among them affective commitment is more significant to predict attitude and employee's behavior at work place like absenteeism, turn over, organizational citizenship and job performance. It is strongly correlated with justice perceptions compared to other components of organizational commitment (VanDierendonck and Jacobs, 2012:96-101). This study also concluded that the more the organization unfair in implementation of downsizing, the lower become employee's affective commitment to the organization. Thus, downsizing has an impact on employees' affective commitment to the organization through several of their daily work experiences. Even if the indirect impact of downsizing is more prevalent, it also affects the organization directly (Lee and Corbett, 2006:176-178).

2.4.2. Normative Commitment: employees can develop a sense of obligation to their organization for reasons other than socialization, including the receipt of benefits that raise a need for reciprocity, like for training and skill development that the organization offers (Meyer et al, 2002). Employees with strong normative commitment because they feel they ought to do so to employer in relation to ethical standards or social norms. If the process or the system is perceived as fair, employees show greater loyalty and more willingness to react towards the attainment of organizational objectives. Fair procedures let employees perceive they will get a reasonable treatment from the organization thereby they develop sense of indebted and perform well in future (Jamaludin, 2009:49-61).

2.4.3. Continuance Commitment: It is a commitment to continue because of some specific benefits like pension, insurance, medical, bonuses' further education and the like. Employee develop this kind of feeling and prefer to stay in the organization for the reason that the cost of leaving is high. It is sometimes called calculative commitment. According to Jamaludin (2009:49-61.), employees become more committed when they perceived the benefits of their organization is better than others and leaving the organization would mean a loss of some type of investment like time, money and effort. The existence of all this investments or side bits within the organization diminishes the attractiveness external employment of the alternatives.

Regarding organizational justice, Hopkins and Welathington (2006:477-498) revealed that an affirmative relationship exists between continuance commitment and procedural justice. They justified this relationship by suggesting that if employees perceive as having more investments like retirement benefits in the organization and are therefore less likely to involve in unfavorable behavioral actions like withdrawal behaviors and absenteeism. In turn, this will be effective at the time when they perceive decision processes and outcomes were undertaken with equitable manner. The level of one's continuance commitment can vary depending on one's experiences and involvement in the downsizing. Continuance commitment related to a sense of calculative investment individuals have about leaving an

occupation, thereby drive them to remain in the occupation because they need to (Shaw, 2003).

The nature of the above organizational commitment components might differ but one way or the other they have an influence on employees' decision to continue or discontinue their employment with the organization and performance as well (Caykoğlu et al, 2007:191-197).

Furthermore, findings of the study carried on Pakistan polices have shown that affective commitment has strongest significant impact on employee performance with followed by normative commitment and continuous commitment (Qaisar, 2012). Based on the statistical result of this study, components of organizational commitment have significant and positive relationship with employee performance. It also concluded that all the components of organizational commitment contribute positively and significantly towards improving performance of employees.

Similarly, Janeiro (2012: 268-286) argued that employees with affective commitment are less likely to abandon their job, lower level of absenteeism and score higher performance than to those with normative commitment and continuous commitment. Another study on commitment concluded that affective and normative commitments are positively related and continuance commitment is negatively correlated with employees' performance. Furthermore, this study found that affective commitment positively correlated with employees' organizational citizenship behavior, while continuance commitment associated negatively (Bakhshi et al, 2011).

In general, the above arguments imply that the desire of employees to contribute towards the realization of organizational objective is influenced by the nature of the commitment or physiological attachment that linked them to the organization. It is more likely that individuals undertake major efforts to perform well when they want to stay in the organization than they feel obliged or need to stay. Both affective and normative commitments are related in their antecedents and consequences but the magnitude of relationship with their outcome variables are different.

2.5. Job Insecurity

One of the major job-related concerns of the survivors related to downsizing is feeling of insecurity about their jobs. According to Chipunza and Samuel (2011:243-247), job insecurity is a subjective phenomenon that depends on the individual's perceptions and interpretations of the immediate work environment. Job insecurity associated with the expectation of a stressful event in such a way that the nature and continued existence of one's job are perceived to be at risk.

Sahdev (2004:58-62) revealed that organizational changes that undertaken through downsizing or restructuring cause feeling of job insecurity among employees. It is the feeling of threats to one's total job. This comprises moving into a lower position within the organization, be moved to another job at the same level within the organization or be laid-off temporarily. At the other extreme, the job loss may be permanent; one may be fired or be forced into early retirement. The organizational change also make the future of an entire division or a department uncertain in which case job losses may be imminent. Together with employees who separated from the company unjustly or unfairly make survivors to feel insecure about their job. Moreover, this study have pointed out that those who remain in employment tend to lose the belief that their contribution to the business will always be rewarded in the future. As a result, survivors of downsizing unduly risk averse, makes them short sighted and feel less secure.

Along with the issue of fair treatment, job security has become a major concern for employees in selecting their jobs because today's jobs trend of most organization are perceived by employees to be insecure. According to Maslow's needs hierarchy theory, job security is classified as a basic need to guarantee an employee's safety (Maslow, 1943:370-396).

2.6. Organizational Commitment and Job Insecurity

Generally, employees expect to be treated fairly and violations of such a psychological contract result in reduced emotional attachment and job security. Leung and Chang (2002) argued that negative reactions of the downsizing process take the form of lower commitment

to the organization and survivors tend to feel insecure thereby increased propensity to leave the organization would follow. On the other hand, if the organization is perceived as fair to the dismissed employees in the lay-off process, survivors will react positively and the propensity to feel insecure about their job will be reduced.

According to Chipunza and Samueal (2009:243-247), justice perceptions had a direct relationship with job security due to change associated with downsizing. In other words, more employees perceived the organization to have been unfair in carrying out the downsizing exercise, the more insecure they felt. Similarly, Spreitzer and Mishra (2002) noted that survivors of downsizing who saw their top management operating with procedural and distributive injustice during the implementation of downsizing has been experienced less job security than those who did not. Thus, the overall work related behavior become adversely affected.

The decreased perceptions of organizational justice can adversely affect an employee's level of commitment and satisfaction with the organization (Cohen and Spector, 2001:78). The accumulation of these negative perceptions and feelings may lead to an increase in turnover among survivors and feeling of job insecurity (Aryee et al, 2002: 267-285). With any combination of these negative reactions, the savings or improvements organization hoped to gain from downsizing could be undermined (Brockner et al, 1993: 241-261). Moreover, the fear of job loss will make the survivors less committed to their work. This causes lower productivity and more resistance to change (Omoruyi et al, 2011:344). As such in line with the this context of the study attempts to examine the existence of relationship between perceived organizational justice with commitment and job insecurity.

2.7. Review of Empirical Studies

Given the face of globalization, many companies in the world are becoming involved in downsizing exercise. Even if at times of competitive era workforce reduction is normal element that both leavers and survivors have learned and no longer see as violating the implicit reciprocal obligation of the psychological contract but the manner in which layoff

conducted and the support provided for their premature permanent job termination affects survivor's work related behavior.

Different researchers have been conducted a study on issues related to downsizing. These studies generally reveal that the existence of relationship between organizational justice, survivor's commitment and feeling job insecurity. Here under are summarized findings of different empirical researches.

Table 2.1 Summary of Empirical Findings

No.	Author/s	Findings	Bottom-line
1	Sobieralski and Nordstrom, 2012	The provision of severance package leads to more positive distributive justice perceptions and minimizes adverse behavioral reactions such as decrease productivity, absenteeism, lateness, resistance to change and favors the organization in getting employees foremost commitment. Results of this study further indicated that when a senior employee was laid off, procedural justice violated.	Justice has a positive impact on work related behavior's
2	Jawad et al , 2012:39-45	A research done in Pakistan shows that a positive and strong correlation among perceived fairness in distributive, procedural and interactional justice's leads towards high level of commitment. Positive work attitudes are taken as highly effective towards the organizational commitment	Positive impact on commitments
3	Vermeulen et al, 2009	An empirical study conducted about the effect of workforce reduction on survivors of the public and private sectors in South Africa, indicated that downsizing affected the survivors negatively. Employee morale, staff commitment and motivation plummeted, while job dissatisfaction and concern about job security increased conspicuously. In addition, the depth of cutting and the frequency does not have a significant impact on intensity of survivor's behavior.	Negative Effect were more series in public than private sectors

4	Kurebwa, 2011:264- 269	The other research conducted in Reserve Bank of Zimbabwe (RBZ) on the impact of downsizing on survivors and leavers found that the most frequently expressed attitude by survivors is job insecurity. Since there was no objective and clear criteria used during its implementation to eliminate the dismissals from the organization and most leavers treated unfairly so that survivors feel more insecure	Higher level of job insecurity
5	Chipunza and Samueal ,2011:243- 247	A research conducted in Zimbabwe private and public sectors of lay off survivors reveals that there was a significant inverse relationship between justice perception and job insecurity in the current environment. There was also a significant direct relationship between justice perceptions and job insecurity due to change. Besides, a significant but inverse relationship between justice perceptions and job insecurity during and post downsizing era were found.	Job insecurity affected adversely
6	Lee et al,2009	This study concluded that that perceived fairness has an impact on both organizational commitment and job insecurity, this study reveals that organizational justice has a negative impact on job insecurity while a positive impact on employees commitment.	Positive impact
7	Mun-Ho and Yong-Soon ,2008:195- 203	The findings of this study indicated that higher in procedural and distributive justice during restructuring the higher become the organizational commitment, organizational citizenship behavior and feeling of job security.	Positive organizational commitment
8	Ertürk,2007: 232-245	Since employees put more emphasis on what they see and how fairly the lay-off decisions were, when the layoff decisions are allocated fairly among all employees, survivor have found feeling of less threatened to their job and more committed.	More committed and job insecurity

			decreases
9	Loi-Raymond et al, 2006:101-120	Regarding the perceived organizational support significant positive relationship between Procedural and distributive justice to organizational commitment.	Positive organizational commitment
10	Clay and Paul, 2005:89-102	A study on Procedural Justice, Distributive Justice: How Experiences with Downsizing Condition Their Impact on Organizational Commitment worked on justice and organizational commitment, found that both procedural and distributive justice as significant predictors towards the organizational commitment.	Both are a strong determinants
11	Clay-Warner, 2005	Regarding the extent of effect procedural justice is the strong predictor for survivors of downsizing or unaffected workers work related behavior whereas, distributive justice is more important for victims.	Only procedural justice is a strong predictor
12	Bosman et al, 2005:32-40	Affective commitment and normative commitment of large effect between job insecurity this denotes that higher levels of job insecurity is related with lower levels of affective and normative commitment to the organization. Besides the study found absence of significant relationship between job insecurity and continuance commitment.	Lower level of job security and organizational commitment
13	Marertz et al, 2003:34-44	A study conducted on companies, which experienced downsizing in a representative sample of 13,683 U.S. employees, found that survivors of layoffs have lower organizational performance, job security, affective attachment, calculative attachment and had higher turnover intentions related to injustice of the procedures and outcome decisions.	Lower organizational performance

14	Grunberg et al,2000:7-11	Previous researchers found that though downsizing reduce affective organizational commitment and increase job insecurity. It also increases continuance organizational commitment since survivors become happier by keeping their job.	Only reduces affective commitment
15	Campbell et al,2000	The study conducted on UK power company's revealed that the survivors' react negatively because of they perceived that the inequity related to mistreatment of leavers. The survivors faced feeling of worry and insecurity of job because the injustice in the process of selection layoffs.	Procedural justice is more prevalent
16	Leung and Chang,1999	A research done on Hong Kong companies, which underwent on downsizing and its effect of perceived justice on two forms of commitment and job security, concludes that the perceived justice of the lay-off process was found to be positively related to the change in affective commitment and job security but negatively related to the change in continuance commitment.	Adverse effect on continuance commitment

2.8. Conceptual Framework of the Study

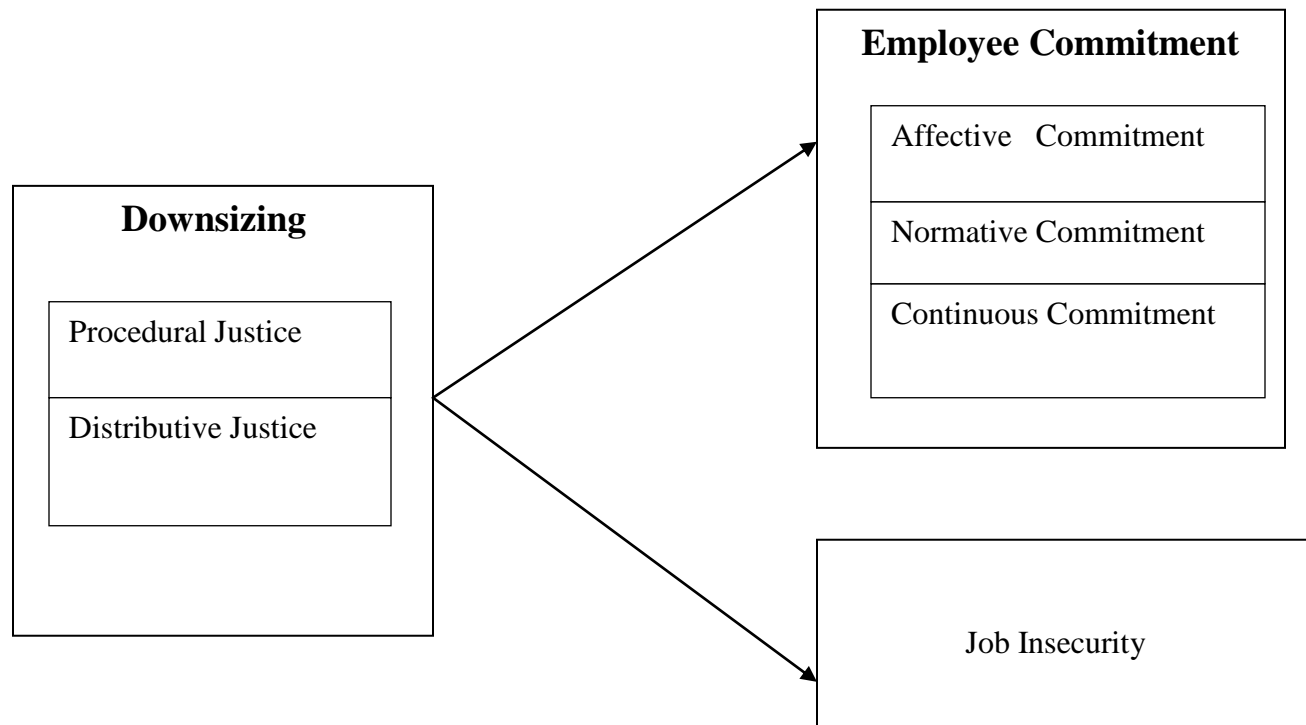


Figure 2.1. Conceptual Framework of the Study

Source: Jamaludin (2009); Naeem and Rehaman (2012) and researchers own processing based on theoretical and empirical literature reviewed.

The above theoretical conceptual framework shows that the relationship between both procedural and distributive justice with the three components of organizational commitment and as the same time with job insecurity

As can be understand from the above review of theoretical and empirical literatures, perception of survivors towards downsizing has a profound impact on their organizational commitment and job insecurity. However, most studies have been considered the effect on victims or layoffs only. Survivor's work related behavior in relation to procedural and distributive justice still needs further research. Besides, to the knowledge of the researcher there is no similar study related to downsizing in the context of Ethiopia.

CHAPTER THREE

RESEARCH METHODOLOGY

This chapter covers about the way that the research carried out. It includes research design, target population, sample determination, sampling technique, source of data, procedures of data collection, analysis and interpretation and reliability and validity test are presented respectively.

3.1. Research Design

The researcher chooses quantitative research for this study. Hence, in line with the interest of the study, the quantitative method proposes to measure and analyze causal relationships between variables within a framework. Moreover, its findings are mainly the products of the statistical summary and analysis (Dennis, 2003:278-295). One of the advantages of quantitative research design is that the findings are generalizable and the data's are objective (Blanche et al, 2006). The researcher used a quantitative research design and survey method for the study in which the participant's answer the questions administered through questionnaire and unstructured interviews was conducted with managers to ascertain the survivors' response.

3.2. Target Population

All employees of Ethio Telecom found at SAAZ and NAAZ who left from work force reduction or survivors were target populations of the study. Therefore, the focus of the study was on survivors of the southern and northern zones of Addis Ababa that have 615 employees.

3.3. Sample Size Determination

As mentioned above, the target group is survivors who left from downsizing exercise of Ethio Telecom located at Southern Addis Ababa Zone and Northern Addis Ababa Zone.

Therefore, based on the formula of sample size that was developed by Baridam (2001: 93) the sample size is computed as follows:

$$n = \frac{N}{1 + \delta^2 N}$$

Where,

n = The required number of sample size

N = Number of total population

δ = Level of significance

N = 615

δ = 0.05

$$n = \frac{615}{1 + (0.05)^2 615} = 243$$

A 10% of the total sample was added in order to take in to account the non-response.

$$= 243 + 10\% (243)$$

$$= 267$$

The reason that the researcher added 10% to the sample size is to compensate the non-response rate and to have the response rate (Dennis, 2003: 278-295). Non-response rate may arise in case the researcher is unable to contact the respondents. Therefore, the total number of observations was 267. Accordingly, 141 and 126 survivors were taken from NAAZ and SAAZ with proportion respectively.

3.4. Sampling Technique

The sample respondents were selected using simple random sampling from the population of Ethio-Telecom survivor's located at Addis Ababa. Random sampling is advantageous in that each member has an equal probability of being included in the sample (Lombard, 2010). The sample respondents were selected from the list of survivals given by the Ethio Telecom. Since it is not possible to comprise all geographically dispersed employees, the researcher used zonal division of Ethio Telecom and a two-stage cluster sampling method was employed in selecting the two zones among (CAAZ, NAAZ, EAAZ, SAAZ, SWAAZ and WAAZ). Furthermore, the head quarter was purposely included to get the necessary data. Along with the study of variables, the researcher believes that there would not be population characteristic or response variation among zones. Since the procedure and implementation of downsizing were centralized and the same manner in all zones irrespective of their geographical setting, the researcher left other zones and selected NAAZ and SAAZ.

3.5. Source of Data

Primary and secondary data were used for this study. The researcher collected information using the survey research method since this method has many advantageous like economical in terms of researcher time, effort and cost. Moreover, it is an excellent vehicle for measuring a wide variety of unobservable data, such as people's attitude, belief and behavior (Bhattacharje, 2012). Survey research was conducted through administering structured questionnaire to sample of respondents that had been selected from a population (Kothari, 2004) and unstructured interview with heads also employed. In addition to gathering primary data through questionnaires and unstructured interviews, secondary data was also collected from books, journal articles, manuals, reports and websites.

3.6. Measuring Instrument

The researcher measured procedural fairness and distributive fairness using a five and six - item scale (Niehoff and Moorman,1993:527-556). Organizational commitment measured on three sub dimensions which is affective, normative and continuous commitment using six for affective and four item scales for normative and continuous each developed by Meyer et

al (1993:538); Allen and Meyer (1996: 252-276) respectively. The responses ranged from 1 (strongly disagree) to 5 (strongly agree) and the reliability test of this items i.e. the Cronbach's alpha for affective commitment scale (0.87), for normative commitment (0.84) and for continuous commitment (0.73).

Finally, job insecurity was measured by a 7-item scale that adopted from the measurements developed by (Ugboro,2003:239-245; Ashford et al, 1989:803-829). As the above variables mentioned in this study a five-point likert scale to assess the feeling of job insecurity of participant's aftermath of downsizing.

3.7. Data Collection Procedure

After obtaining permission for the study from reporting and coordination manager human resource division of the organization, the researcher distributed a self-administered questionnaire that had been translated to Amharic with the intention of alleviating the language barrier. As mentioned earlier respondents were survivors found at SAAZ and NAAZ zonal division of Ethio Telecom thus the compiled questionnaire was distributed with the help of human resources persons and supervisors who had received an order from head quarter to assist the researcher at each site. Selected respondents especially those who are at the front line were informed to fill the questionnaire on their lunchtime and tea break to avoid disrupting the normal flow of work.

The data collection was lasted a period of two weeks with regular follow up. The purpose of questionnaires is to investigate the impact of the perception of downsizing with the dimensions of procedural and distributive justice on organizational commitment and job insecurity of survivor's aftermath of downsizing. This questionnaires were developed initially by five point likert scale from strongly disagree to strongly agree. However, in order to fit the data with the binary logistic model each of the items were categorized in to two response values Yes and No. Unstructured interviews with heads employed to be more ascertain about the matter. Secondary sources of information were gathered from division of human resource management found at head quarter and used accordingly. In these procedure the researcher have been collected the data together with the intended variables which

includes procedural justice, distributive justice, level of commitment and feeling job insecurity by considering the first two variables as independent and the remaining dependent variables.

3.8. Data Analysis and Interpretation

In order to analyze the data both descriptive and econometric analysis were used. The descriptive statistics includes presentation of results using frequencies and means displayed on tables. Besides, the binary logistic regression model employed in order to support the results obtained by using the descriptive statistics. A binary logistic regression analysis was performed to determine the relationship between the independent variables that comprises procedural justice and distributive justice with the outcome variables, which is a dichotomous variable constructed from the components of organizational commitment and job insecurity. Binary logistic regression is important for those variables that have dichotomous nature(Field,2005). In applying the mean procedure to the research hypothesis along with binary logistic regression impact is considered a major one if the observed or calculated mean score is greater than or equals to or less than the expected value of 3.00 on a 5-point likert scale (Ethel, 2012). The collected data is analyzed using the Statistical Package for Social Sciences (SPSS version 16.0). This is the most widely employed software package for statistics analysis and it is among the best ones available (Field, 2005). The qualitative information that had collected through unstructured interview is analyzed thematically.

3.9. Reliability Test and Validity Test

Reliability Test: It is commonly used as a measure of the internal consistency or reliability of a psychometric test score for a sample of examinees. It is associated with the degree to which an individual's responses or their score on a survey would stay the same over time. Cronbach's alpha is a coefficient of reliability. Hence, according to Lombard (2010), Coefficients of .90 or greater are nearly always acceptable, .80 or greater is acceptable in most situations and .70 may be appropriate. Thus, the researcher tested the reliability of the items that were developed for respondents. Therefore, as shown on table 2 below the

reliability of the whole items is .875, which ensures that the whole items in the questionnaire are reliable and appear to produce internally consistent results.

Table 3.1. Reliability Test of the Items

Cronbach's Alpha	No. of Items
.875	32

Validity Test: is associated with the extent in which a test measures what it claims or intended to measure. Regarding the measurements used for this study, as mentioned in measurement section besides used by previous researchers in related studies, the validity of the items were evaluated by Ethio Telecom management experts while submitting the proposal and other professionals from Addis Ababa University.

3.10. Ethical Considerations

Everyone who participated in this study was entitled to the right of privacy and dignity of treatment. Moreover, there is no any tendency of affecting them negatively related to their involvement in this study. The response provided also kept confidential and employed solely for accomplishment of the study. In addition, all sources drawn for the study were properly acknowledged.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS OF FINDINGS

In this chapter, results of the empirical analyses of the study are presented. The discussion focuses on perception of downsizing and its impact on outcome variables that comprise organizational commitment and job insecurity with the context of Ethio Telecom. The collected data is analyzed using frequency, percentages, mean value and binary logistic regression model. Out of the total 267 distributed questionnaires, 252 were properly filled and collected which accounts the response rate of 94.4% and no questionnaires were discarded in relation to missing data.

4.1. Demographic Profile

This section presents the descriptive analysis of sample respondents included in the study, which is concerned about sex of the respondent, age and marital status. In addition, educational status and tenure of the respondents are analyzed accordingly.

Table 4. 1 Demographic Profile of Respondents

Items		Respondents	
		No.	%
1. Sex	Male	181	71.8
	Female	71	28.2
	Total	252	100
2. Age	18-25	3	1.2
	26-35	142	56.3
	36-45	97	38.5
	>45	10	4
	Total	252	100
3. Martial Status	Married	150	59.5
	Single	102	40.5
	Total	252	100
4. Education	12 ⁺	97	38.5
	Degree	103	40.9
	Masters	21	8.3
	PHD.	1	0.4
	Others(≤10 th grade)	30	11.9
	Total	252	100
5. Tenure	2-5yrs	57	22.6
	6-10yrs	126	50
	>10yrs	69	27.4
	Total	252	100

Source: Survey questionnaire (2013)

As it can be seen from table 4.1 above, majority of the respondents (71.8%) are males whereas, the remaining (28.2%) are females. This is consistent with the unstructured interview that was made with the manager in which the newborn Ethio Telecom is more skewed towards males. Moreover, as a result of restructuring the percentage of female's workforce has been reduced from 30% to 18.5%; this is because of the type of profession (network technician) that needed by the company most found to be males in the country.

Regarding the age of respondents, the majority of respondents (56.3%) are under the category of 26-35 years. The next dominant respondents, which account (38.5 %) are within the range of 36-45. The third group of respondents, which represent (4%) are above 45 years

and the remaining 1.2% are within the age category of 18-25. This shows that the majority of respondents are under the category of 26-35, which almost comprises productive group.

As it can be seen on table 4.1 item 3 above, related to the marital status, of the total respondents (59.5%) are married whereas, (40.5%) are single. This indicates that majority of the respondents are married.

The profiles of respondents are also assessed in terms of their educational level. The majority of the respondents that account 40.9 % are degree holders. The remaining 38.5% are completed their high school education. In the case of Ethio Telecom, this category comprises 10^{+1} , 10^{+2} , and 10^{+3} . Around 11.9% of the respondents are under 10th grade and below. Masters and PhD. holders account only 8.3% and 0.4 %, respectively. This indicates that the majority (50.4%) of employees' need training and additional capacity building to upgrade their knowledge.

In relation to service year within the organization, (50%) of the respondents have work experience of 6 years to 10 years. Around 27.4% of the respondents have worked for more than 10 years and the remaining 22.6% fall under the range of 2-5 years. This shows that most of the respondents are under the category of 6 years to 10 years.

4.2. Procedural Justice during Downsizing

As indicated in the literature review part of this study, procedural justice matters a lot for existing staffs because they use perceptions of the current process to predict how the organization would be fair in case similar things happened on them. The other stated that employees want to feel that they are part of the organization at times when the layoffs treated fairly and with humanity. Thus, fair procedures that are indeed valued and accepted by the organization. In the context of downsizing procedural justice is related to the fairness of the processes on whom would be laid off. In other words, the means justify the end. Hence, employees will have a great chance to react positively even if the outcomes are unfavorable.

Based on the interview made with managers, it can be understood that the criteria that intended to use for the implementation of downsizing were the age of those employees who were approached to retirement, educational level and to some extent function of departments. However, the organization believes that there were some defects in the consideration of the educational status because most employees were unable to update and bring their educational documents on the due date. Furthermore, some complications that happened around HRM division due to poor profile handling system also hampered the effectiveness of the procedure. The selection criteria in which the restructuring carried out can be tightened by the following responses found from survivors.

Table 4. 2. Depicts of Procedural Justice

Items		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean Value
1. The criteria was clear and consistent across the organization	Frequency	47	142	3	44	16	2.37
	Valid Percent	18.7	56.3	1.2	17.5	6.3	
2. The decision made by the management was unbiased	Frequency	70	115	5	54	8	2.27
	Valid Percent	27.8	45.6	2	21.4	3.2	
3. Employees were received advance notice and well communicated	Frequency	94	96	3	45	14	2.16
	Valid percent	37.3	38.1	1.2	17.9	5.6	
Total							252
Valid Percent							100

Source: Based on survey questionnaire (2013)

Based on analysis of responses given by the sample respondents shown on table 4.2 item 1 above, the significant proportion of the respondents that account 75 % disagreed with the criteria and its consistency employed for dismissal of employees. While, 23.8% have shown

their agreement. Around 1.2% of the respondents had no idea or neutral about the way of selection. These figures and the mean value, which is (2.37), lead towards the conclusion that downsizing lacks clear and standardized means of selection of workers to be dismissed or laid off. In other words, majority of the survivors perceive that the process lacks objectivity and measured by unrelated to the work. This result is supported by (Gultenesh, 2011) who found that existing employees are not happy by the selection and reduction practice of the organization and the study concluded that it was not transparent and lacks fairness. The discussion with the manager also indicated that with the given limitations the company did not consider educational qualification as intended and simply targeted those employees who were more senior, which in turn violates the procedural justice (Sobieralski and Nordstrom, 2012).

As it can be seen in table 4.2 item 2 above, regarding the methods that used who would be laid off was unbiased manner; majority of the respondents that account (73.4 %) responded their disagreement. Only 24.6% of the respondents were agreed. Moreover, the mean value result indicates (2.27). This figures shows that majority of them are not comfortable with the process of selection because of the prevalence of biasedness. This result is supported by the finding of (Gultenesh, 2011) who concluded that the selection criteria and decision were sheer estimation that leaves majority of existing employees in dark and make them not to trust their organization.

The next issue was about whether the separated and/or existing staffs were well communicated, received adequate notice about the restructuring and the way how the reduction to be implemented and who would going to be dismissed had been clearly known or not. The interview conducted with the manager of the organization revealed that employees did not understand the reason of downsizing properly because less was done on the involvement of employees on the process. All activities related to restructuring was implemented by higher officials and the participation of labor union were inadequate. In consistent to the interview made with the manager, table 4.2 item 3 shows that a considerable proportion of respondents (75.4%) expressed their disagreement while the remaining (23.5%) only show their agreement on the issue. Furthermore, the mean value result is (2.16.). From this descriptive analysis results, it can be concluded that employees

did not have any significant participation and were not given adequate explanation about the implementation of downsizing.

The other point related to procedural or process justice is about whether the layoffs allowed to appeal the management, which is associated with correctability in case mistakes are made. As the manager described, the organization did not much done on handling of individual layoffs compliant and grievances. However, aftermath of downsizing it has been tried to minimize by meeting in a group more than twice with CEO's of the organization and representatives from the government. Nevertheless, the meeting was not as such successful because most of the employees considered it like political game and they rather prefer violence and made other bad things that spoiled the image of the organization via different medias.

Table 4. 3. Depicts of Procedural Justice

Items		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean Value
4. Employees allowed to appeal separation decisions made by management	Frequency	77	88	5	68	14	2.42
	Valid Percent	30.6	34.9	2	27	5.6	
5. Layoffs were treated with respect and dignity	Frequency	55	118	2	59	18	2.47
	Valid Percent	21.8	46.8	0.8	23.4	7.1	
Total							252
Valid percent							100

Source: Based on survey questionnaire (2013)

As the result on table 4.3 item 4 above indicates that majority of employees, which represent 65.5% replied their disagreement. Around 32.6% of the respondents show their agreement. Furthermore, the mean scored value is 2.42. These descriptive results imply that majority of the existing staffs are not happy on appealing mechanism or grievance handling system of the organization.

Lastly, table 4.3 item 5 depicts that the employees who had been decided by the management to leave were treated with respect and dignity by concerned bodies. Among the respondents, 68.6% disagreed while the remaining 30.5 % are agreed. The mean score value, which is (2.47) also assures the employees disagreement about the issue. This implies that majority of survivors perceive the terminated employees were not treated well. In short, there was no humanity and sensitivity shown towards the laid offs.

4.3. Distributive Justice Related to Downsizing

In the context of downsizing, distributive justice is related to benefits and supports that were provided for layoffs who had forced to leave the organization involuntarily or victimized by the restructuring. The issue is associated with the overall perceived organizational support in relation to the theory of equity developed by (Adams, 1965:335-343). According to the manager’s explanation, the organization have been tried to provide outplacement jobs to help the layoffs by outsourcing some jobs. These dismissals are organized under “Hedase” Telecom and take a subcontract work like selling of scratch-able card from Ethio Telecom itself on commission based but less is done on finding jobs in other organizations for those who are unable to join “Hedase” Telecom.

Table 4. 4. Shows Distributive Justice Related to Downsizing

Items		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean value
1.Separated employees were being taken care of by the organization	Frequency	38	128	6	64	16	2.57
	Valid Percent	15.1	50.8	2.4	25.4	6.3	
2.Offering adequate assistance to separated employees in finding a new job	Frequency	30	102	7	95	18	2.88
	Valid Percent	11.9	40.5	2.8	37.7	7.1	
3.Offering adequate severance pay to separated employees	Frequency	37	93	16	96	10	2.8
	Valid percent	14.7	36.9	6.3	38.1	4	
Total							252
Valid percent							100

Source: Based on survey questionnaire (2013)

The existing employees of the organization were asked to indicate their view on whether the separated employees got appropriate caring subsequent to downsizing decision. The results on table 4.4 item 1 above have shown that the majority of the respondents, representing (65.9%) are dissatisfied with the care given for victims. Only (31.7%) are comfortable with the care delivered to layoffs while the remaining (2.4%) are neutral about the matter. Additionally, the mean value is (2.57). These results indicated that majority of respondents perceive the organization did not give adequate caring and did not consider their welfare despite their long service years and contributions in the organization.

In addition to this, the respondents were asked to what extent that the organization assist the layoffs to find a new job. As depicted in table 4.4 item 2 above, significant proportion of respondents (52.4%) disagreed and do not happy with the support given to layoffs in terms of finding new jobs in any other organizations. The remaining respondents that represent (44.8%) agreed for the assistance provided. Moreover, the mean value is (2.88). From these figures, it can be inferred that the organization did not help the dismissals in finding outplacement jobs and services adequately.

The next issue regarding distributive fairness was about severance pay for laid off workers, which is associated with the extent that organization gives adequate severance or compensation pay for layoffs. As shown in table 4.4 item 3 above, majority of the respondents, which account (51%) indicated their disagreement while, (42.1%) and (6.3%) agreed and neutral respectively. Additionally, the mean value is (2.8). These analysis result shows that majority of employees do not perceive the presence of equity between the contribution that the leavers made for the organization and the compensation and other benefits that were provided to them. From manager's explanation, it can also be understand that there are still some unclosed cases with the court regarding payment of dismissals.

Table 4. 5. Distributive Justice with the Context of Downsizing

Items		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean Value
4.Doing the best to ease the transaction of layoffs	Frequency	26	134	9	74	9	2.63
	Valid Percent	10.3	53.2	3.6	29.4	3.6	
5.Burden of downsizing shared by all members	Frequency	32	68	13	131	8	3.06
	Valid Percent	12.7	27	5.2	52	3.2	
6.Top managers scarifying along with the dismissals	Frequency	94	85	11	53	9	2.20
	Valid Percent	37.3	33.7	4.4	21	3.6	
Total							252
Valid percent							100

Source: Based on survey questionnaire (2013)

Employees were also asked whether the organization doing the best to make the transaction easy. As the manager described that, the transition was not easy since most of the leavers were resistant for the change that made completion of downsizing process takes much time and became a burden for the new company not to commence towards the achievement its goal early. Along with as the table 4.5 item 4 above shows that significant proportion of the respondents, which account about (63.5%), indicated the management did not do anything to facilitate the transaction of layoffs. The remaining (33%) and (3.6%) of the respondents were agreed and neutral respectively. Besides, the mean value result is (2.63). This shows that the management failed to facilitate a smooth transaction for dismissals.

The employees were also asked to indicate the extent that the burden of downsizing shared by all members of the organization, as the manager described that the burden was realized by all members since most of them served the organization for longer period. Besides, the presence of a strong social relationship among employees’ make the survivors felt sad while their colleagues left. Accordingly as indicated on table 4.5 item 5, (55.2%) of respondents

show their agreement. Whereas, (39.7%) and (5.2%) disagreed and neutral about the matter respectively. In addition, the mean value result is (3.06). These figures imply that the decision of layoff has been touched the remaining employees.

Lastly, the respondents were asked concerning the scarification of top-level managers along with the dismissals. As depicted in table 4.5 item 6, (71%) of the respondents were disagreed. Only (24.6%) and (4.4%) responded their agreement and indifferent respectively. Further, the mean value is (2.20). From this response, it can be concluded that majority of the respondents perceive that those who are in the higher position did not lose anything while others forced to leave their job involuntarily.

4.4. Analysis of Organizational Commitment and Job Insecurity

In this section, the statistical analysis of the relationship between independent variables and dependent variables (organizational commitment and job insecurity) and the test of each hypothesis are presented. As indicated in the methodology part, the analysis is conducted through logistic regression. This analysis made for the organizational commitment indicators that include affective commitment, normative commitment and continuous commitment independently. A similar analysis is also done to the job insecurity.

4.4.1. Model 1- Affective Commitment

This model is done using a binary logistic regression that contains the primary component of organizational commitment, affective commitment with respect to the independent variables which are procedural justice and distributive justice.

Table 4. 6. Classification Table of Affective Commitment

Observed		Predicted Affective Commitment		Percentage correct %
		No	Yes	
Affective	No	182	17	91.5
Commitment	Yes	24	29	54.7
Overall Percentage				83.7

Source: Logistic regression result of this study(2013).

The result of this model shows that 91.5% are correctly classified in the response that shows their disagreement of having an affective commitment. Whereas, 54.7% are classified under the category of agreement that indicate the existence of affective attachment with the organization. SPSS classified the overall response under disagreement, which accounts 83.7 %.

Table 4. 7. Crude Odds Ratio on Variables in the Model

Model 1(Crude)								
Model Parameters			Affective Commitment					
Variables	B	S.E	Wald	Df	Sig.	Exp(B)	95.0% C.I. for EXP(B)	
							Lower	Upper
Procedural Justice	2.272	.347	42.922	1	.000	9.698	4.915	19.136
a. Variable(s) entered on step 1: procedural Justice.								
Distributive justice	1.674	.330	25.762	1	.000	5.333	2.794	10.178
a. Variable(s) entered on step 1: Distributive Justice.								

Source: Logistic regression result of this study(2013).

Table 4. 8. Adjusted Odds Ratio for the Independent Variables of Procedural Justice and Distributive Justice with Affective Commitment

Model 1(Adjusted)								
Model Parameters		Affective Commitment						
Variables	B	S.E	Wald	Df	Sig.	Exp(B)	95.0%C.I.for EXP(B)	
							Lower	Upper
Procedural Justice	1.865	.381	23.998	1	.000**	6.458	3.062	13.620
Distributive justice	.921	.381	5.852	1	.016*	2.512	1.191	5.299
<u>Model Test Results</u>								
Goodness of fit test								
Hosmer and Lemeshow								
Chi-square 2.166 Sig 0.347								

a. Variable(s) entered on step 1: Procedural Justice and Distributive Justice.
P* value <0.05 P** value <0.001

Source: Logistic regression result of this Study, 2013

According to Model 1,table 4.8 Chi-square value, the Hosmer and Lemeshow test result is 2.166 with significance value of 0.347, which is greater than 0.05. This proves that it is not statistically significant so that the model is quite good fit.

Procedural justice is a strong significant predictor with the Sig.value 0.000, which is less than 0.001. As the result on the table reveals that those who responded their agreement with the presence of procedural justice during the implementation of downsizing are 6.46 times more likely to be emotionally attached or have an affective commitment with the organization than those who disagreed on the presence of procedural justice Aff[AOR (95%) C.I.), 6.4(3.062, 13.620)]. As the model result shows that, it can be 95% confident that the

adjusted odds ratio lies between the range of (3.062 and 13.62). Moreover, since the odds ratio does not cross 1 the result is statistically significant.

The findings of this analysis is consistent with the result of the previous researchers who concluded that procedural justice has a strong positive influence on affective commitment (Lee et al, 2009; Mun-Ho and Yong-Soon, 2008:195-203). Similarly, another study done on downsizing in relation to perception of fairness strongly supports the presence of perceived fairness to layoffs is a logical predictor of affective commitment (Kevin and Fowk, 1998).

- ❖ The finding of this study supports hypothesis 1, which states a positive relationship between procedural justice and affective commitment.

The second significant predictor in the above model is distributive justice with the sig. value of 0.016, which is less than 0.05. As the result shown in the table those who agreed on the existence of distributive justice 2.51 more likely to have an emotional attachment with the organization than those who responded their disagreement Aff [AOR (95%) C.I.), 2.51(1.191, 5.299)].The model result is 95% confident that the adjusted odds ratio lies within the range of 1.191 and 5.299. Besides, since the odds ratio does not cross 1 this finding is statistically significant. In other words, as the distributive justice increased by single unit there is 2.51 more likely to increase the affective commitment towards the organization. This finding is consistent with the study done by (Jawed et al, 2012:39-45). On the other hand, some researchers argued that distributive justice does not have a determinant effect on commitment of layoff survivors (Clay-Warner, 2005).

- ❖ This finding also supports hypothesis 2, which states that distributive justice is positively related to affective commitment.

4.4.2. Model 2 - Normative Commitment

This model shows the relationship between the predictors' procedural justice and distributive justice with normative commitment, which is another component of organizational commitment.

Table 4. 9. Classification Table of Normative Commitment

Observed		Predicted Normative Commitment		Percentage correct %
		No	Yes	
Normative Commitment	No	163	18	90.1
	Yes	43	28	39.4
Overall Percentage				75.8

a. The cut value is .500

Source: Logistic regression result of this study(2013).

The result in table 4.9 depicts that 90.1% of the respondents are correctly classified under the disagreement category. While 39.4% correctly classified under the category of agreement. In aggregate based on SPSS, the overall percentage 75.8% are classified under no normative commitment since the higher percentage of participants in the questionnaire responds No.

Table 4. 10. Crude Odds Ratio for Variables Considered in the Model

Model 2(Crude)								
Model Parameter		Normative Commitment						
Variables	B	S.E	Wald	Df	Sig.	Exp(B)	95.0% C.I. for EXP(B)	
							Lower	Upper
Procedural Justice	1.588	.310	26.182	1	.000**	4.894	2.664	8.990
	-1.434	.185	59.757	1	.000**	.238		
a. Variable(s) entered on step 1: procedural Justice.								
Distributive justice	1.567	.299	27.505	1	.000	4.793	2.668	8.609
	-1.567	.204	58.931	1	.000	.209		
a. Variable(s) entered on step 1: Distributive Justice.								

P* value <0.05 P** value <0.001

Source: Logistic regression result of this study (2013).

Table 4. 11. Adjusted Odds Ratio for Variables Considered in the Model

Model 2(Adjusted)								
Model Parameters			Normative Commitment					
Variables	B	S.E	Wald	Df	Sig.	Exp(B)	95.0% C.I. for EXP(B)	
							Lower	Upper
Procedural Justice	1.079	.346	9.699	1	.002*	2.942	1.492	5.802
Distributive justice	1.134	.332	11.649	1	.001**	3.109	1.621	5.965
Constant	-1.728	.216	63.764	1	.000	.178		
<u>Model Test Results</u>								
Goodness of fit test								
Hosmer and Lemeshow								
Chi-square 0.113								
Sig 0.945								

P* value <0.05 P** value <0.001

Source: Logistic regression result of this study (2013)

The Chi-square value of Hosmer and Lemeshow test result in the model 2, table 4.11 above indicates that with the value of 0.113 at Sig. value 0.945, which is greater than 0.05. This statistical results assures that the model is quite good fit.

According to the above analysis shown table 4.11, the first significant predictor is procedural justice with a significant value 0.002, which is less than 0.005. Moreover, this value indicates that the variable is a significant predictor for the outcome variable. The odds ratio reveals that those who perceive on the presence of fair implementation of downsizing in terms of procedure are 2.942 times more likely to have normative commitment Norm [AOR (95%) C.I.], 2.942 (1.492, 5.802)]. The model is 95% confident that the adjusted odds ratio lies within the range of 1.492 and 5.802. This can also be expressed as the procedural justice increased by one unit the normative commitment increased by 2.942. Fair procedures let employees to perceive they will get a reasonable treatment from the organization thereby

they develop sense of indebted or obliged to stay and remain loyal (Wat and Shaffer, 2005 cited in Jamaludin, 2009:49-61). However, the findings of this study different from previous research, which concludes that organizational injustice only reduces affective commitment (Grunberg et al, 2000:7-11).

- ❖ Hypothesis 3 that proposes procedural justice has a positive impact on normative commitment is supported by the result of this study.

The second significant strong predictor of normative commitment is existence of distributive justice with the sig. value of 0.001. This shows that distributive justice is also strong significant predictor for normative commitment. The odds ratio result indicates that those respondents who agreed with the existence of distributive justice while the layoffs decided to leave the organization is 3.109 times more likely to have a normative commitment than those disagree Norm[AOR(95%) C.I.), 3.109 (1.621, 5.965)].The model is 95% confident that the actual value of adjusted odds ratio found within the range of 1.621 and 5.965. Some scholars argued that outcome decisions in which the layoffs received like the benefits packages, compensation and severance pay in relation to what the dismissals contributed for the organization has a great meaning for the existing staffs like making them to feel indebted to the organization(Campbell et al, 2000; Adams, 1965: 335-343).

- ❖ Hypothesis 4, which states distributive justice is positively related to normative commitment, is supported by this study.

4.4.3. Model 3-Continuous Commitment

This model presents the logistic regression between the continuous commitment, which is the survivors' attachment in relation to the investment they made within the organization, and the two-predictor variables, procedural justice and distributive justice.

Table 4. 12. Classification Table of Continuous Commitment

Observed		Predicted Continuous Commitment		Percentage correct %
		No	Yes	
Continuous Commitment	No	122	30	80.3
	Yes	46	54	54.0
Overall Percentage				69.8

a. The cut value is .500

Source: Logistic regression result of this study (2013)

As the table 4.12 above indicates that 80.3% of the respondents are classified under the category of those who have not continuous or calculative commitment. While, the remaining 54 % are classified under those who have a continuous commitment. As a whole, the SPSS classified the majority, which accounts 69.8% under those who have lost their continuous commitment.

Table 4. 13. Crude Odds Ratio for Variables Considered in the Model

Model 3 (Crude Odds Ratio)								
Model Parameter		Continuous Commitment						
Variables	B	S.E	Wald	Df.	Sig.	Exp(B)	95.0% C.I. for EXP(B)	
							Lower	Upper
Procedural Justice	1.402	.304	21.286	1	.000	4.061	2.239	7.366
	-.799	.158	25.566	1	.000	.450		
a. Variable(s) entered on step 1: procedural Justice.								
Distributive justice	1.563	.286	29.876	1	.000	4.774	2.725	8.362
	-.975	.173	31.780	1	.000	.377		
a. Variable(s) entered on step 1: Distributive Justice.								

Source: Logistic regression model of this study (2013)

Table 4. 14. Adjusted Odds Ratio for Variables Considered in the Model

Model 3(Adjusted)								
Model Parameters			Continuous Commitment					
Variables	B	S.E	Wald	Df	Sig.	Exp(B)	95.0% C.I. for EXP(B)	
							Lower	Upper
Procedural Justice	1.232	.314	15.432	1	.000**	3.430	1.854	6.343
Distributive justice	.851	.340	6.260	1	.012*	2.342	1.202	4.563
Constant	-1.086	.181	35.891	1	.000	.338		
<u>Model Test Results</u>								
Goodness of fit test								
Hosmer and Lemeshow, Chi-square 1.205, Sig. 0.547								

P* value <0.05 P** value <0.001

Source: Logistic regression model of this study (2013)

Based on the model 3 table 4.13 above, the chi -square result is 1.205 with a Sig. value of 0.547 which is greater than 0.05. This indicates that the model is quite good fit. Findings on the table shows that those survivors who believe on the existence of procedural justice in the process of workforce reduction is 3.43 times more likely to have continuous commitment than who responded their disagreement Cont [AOR(95%)C.I.), 3.43(1.854, 6.343)]. This model can be 95% confident that the adjusted odds ratio which is 3.43 lies within the range of 1.854 and 6.343. In other words, this result indicates that as the procedural justice increased by single unit the continuous commitment also increased by 3.43. At times when downsizers become more justice in terms of procedural perspective during an implementation of downsizing it would have a positive outcome of continuous commitment. The finding of this study also supported by Cohen-Charash and Spector (2001); Hopkins and Welathington (2006), who found that an affirmative relationship exists between procedural justice and continuance commitment. However, some studies argued that procedural justice have an inverse relationship with continuous commitment because survivors become happier and committed by keeping their job (Grunberg et al, 2000; Leung and Chang, 2002).

- ❖ Hypothesis 5, which states a positive relationship between procedural justice and continuous commitment, is supported by the finding of this study.

The second significant predictor is distributive justice with a sig. value of 0.012 which is greater than 0.005. The odds ratio shows that those who perceive the presence of distributive fairness towards layoffs are 2.342 times having a continuous commitment with the organization than those denied Cont [AOR (95%) C.I.],2.342 (1.202, 4.563)]. The model is 95% confident that the adjusted odds ratio lies between the range of 1.202 and 4.563. Since it does not cross 1 the result is statistically significant. It can also be interpreted as the distributive justice raises by one unit; the continuous commitment also increases by 2.342. This finding associated with the perception of distributive justice towards layoffs makes existing staffs to believe they will get similar generous benefits so that they develop continuous commitment (Sobieralski and Nordstrom, 2012).

- ❖ Hypothesis 6 that proposes a positive relationship between distributive justice and continuous commitment is supported by the finding of this study

4.4.4. Model 4-Job Insecurity

This model result shows that the relationship between the perception of downsizing which is procedural justice and distributive justice with the dependent variable, job insecurity.

Table 4. 15. Classification Table of Job Insecurity

Observed		Predicted Job Insecurity		Percentage Correct %
		No	Yes	
Job insecurity	No	43	91	32.1
	Yes	22	96	81.4
Overall Percentage				55.2

at the cut value is 0.500

Source: Logistic regression model of this study (2013)

As indicated in the table 4.15, 32.1 % are correctly classified under those whom do not feel any threat of job insecurity or feeling of job loss whereas 81.4% suffer with the threat of

losing their job or some features of their jobs. In aggregate, the SPSS grouped the responses under feeling of job insecurity since the majority, which represent 55.2% perceived their job is at risk.

Table 4. 16. Crude Odds Ratio for Variables Considered in the Model

Model 4(Crude)								
Model Parameter		Job Insecurity						
Variables	B	S.E	Wald	Df.	Sig.	Exp(B)	95.0% C.I. for EXP(B)	
							Lower	Upper
Procedural Justice	.724	.300	5.811	1	.016*	2.062	1.145	3.714
	-.670	.262	6.536	1	.011	.512		
a. Variable(s) entered on step 1: procedural Justice.								
Distributive justice	-.168	.269	.390	1	.532	.846	.499	1.431
	-.071	.154	.214	1	.643	.931		
a. Variable(s) entered on step 1: Distributive Justice.								

Table 4. 17. Adjusted Odds Ratio for Variables Considered in the Model

Model 4(Adjusted)								
Model Parameters		Job Insecurity						
Variables	B	S.E	Wald	Df.	Sig.	Exp(B)	95.0% C.I. for EXP(B)	
							Lower	Upper
Procedural Justice	-.817	.341	5.755	1	.016*	.442	.227	.861
Distributive justice	.183	.310	.349	1	.555	1.201	.655	2.202
Constant	.016	.159	.011	1	.918	1.017		
<u>Model Test Results</u>								
Goodness of fit test								
Hosmer and Lemeshow								
Chi-square .588 Sig .745								

P* value <0.05 P** value <0.001

Source: Logistic regression model of this study (2013).

The chi square Hosmer and Lemeshow test result shown on table 4.17 is 0.588 with significant value of 0.745, which ensures that the model is quite good fit. As the result of the analysis indicates that only procedural justice is a significant predictor with significant value of 0.016, which is less than 0.05. The adjusted odds ratio is 0.442 Jobins [AOR (95%) C.I.), 0.442(.227,.861)]. This implies that those who agreed on the existence of procedural justice 0.442 times less likely to have a feeling of job insecurity than those who disagreed. The result is 95% confident that the adjusted odds ratio lies between the range of 0.227 and .861. Moreover, since it does not cross 1 the result is statistically significant. Previous studies also proved that perceived fairness has an impact on both organizational commitment and job insecurity in which organizational justice negatively related with job insecurity (Lee et al, 2009; Aryee et al, 2002:267-285). Another study that conducted on UK Power Company's also found that survivors' react negatively because of the presence of injustice related to treatment of leavers so that they experience feeling of worry and insecurity about their job (Campbell, 2000; Sahdev, 2004:58-62).

- ❖ Hypothesis 7 that proposes procedural justice has negatively related to job insecurity is supported by the finding of this study.

Lastly, distributive justice found to be an insignificant predictor of job insecurity with the sig. value of 0.532 which is greater than 0.05. Besides the crude odds ratio Jobins [COR (95%) C.I.), 0.846(0.499, 1.431)] which crosses 1 this indicates that the test is not significant. The finding of this study is varying with the results of past studies (Mun-Ho and Yong-soon, 2008:195-203; Ertürk, 2007:232-245) which found negative relationship between perceived organizational support (outcome decision) and job insecurity.

- ❖ Hypothesis 8, which states that distributive justice has a negative relationship with job insecurity, is not supported by the finding of this study.

In aggregate, the logistic regression analysis was used to find the relationship between perception of downsizing with the dimension of procedural and distributive justice versus outcome variables, which comprises components of organizational commitment and job insecurity.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

This section presents summary of findings, conclusions and recommendations based on the analysis of the data and interpretation made in the previous chapters of this study.

5.1. Summary of Findings

- ✓ Majority of the respondents see downsizing as injustice or unfair practice in relation to the procedures that implemented who would be dismissed.
- ✓ Majority of the respondents believe that there is no equity in distribution since the layoffs did not receive what they had deserved. Besides, there is no any responsible body that can handle the complaints that arise from the employees.
- ✓ Majority of the respondents have lost their affective commitment and sense of belongingness's with the organization due to lack of fairness on the implementation of downsizing during and aftermath of downsizing.
- ✓ Majority of the respondents do not believe having indebted or reciprocity of feeling to be committed to the organization besides do not believe the organization deserves their loyalty.
- ✓ Majority of survivors do not have continuous commitment with the organization in line with fairness dealings on the implementation of downsizing.
- ✓ Majority of the respondents found to be felt insecure about their existing job and suffer by fearing of losing their job.

- ✓ The result of this study have shown a significant positive association between perception of survivor's about fairness with organizational commitment and job insecurity.
- ✓ In this study, both procedural justice and distributive justice are found to be a significant predictor of organizational commitment but procedural justice has found to be a strong predictor.
- ✓ Only procedural justice has a major role on the impact of job insecurity while distributive justice has no impact on job insecurity.
- ✓ According to the interview made with the manager, the level of communication with employees and their involvement before, during implementation and aftermath of downsizing were limited. Respondents also indicated that there is no in advance notice related to downsizing.
- ✓ Regarding the process of downsizing, the report and coordinator manager indicated that the selection mechanism lacks objectivity. The researcher confirmed this issue from response of the survivors that majority are indicated the presence of procedural injustice.

5.2. Conclusions

The following are the major conclusions remark by the researcher:

- ✓ There is no organizational justice while implementing downsizing. This comprises the process of whom would be laid off and the provision of organizational support for dismissals after math of downsizing.
- ✓ Survivors from downsizing are not committed associated the injustice that the organization did on the layoffs. Existing employees' are either not emotionally attached with the organization or feeling of reciprocity commitment to the organization.
- ✓ Survivors from workforce reduction have no any feeling of continuous commitment in relation to organizational injustice.
- ✓ Most of the survivors have a feeling of losing their total or feature job aftermath of downsizing since there was no clear criteria of selection on the decision of who would be laid off and who would be retained with the organization.
- ✓ There is no organized body, which is responsible to handle the complaints that raised form employees within the organization.
- ✓ Regarding to predictor variables, procedural justice and distributive justice both of them have a positive and significant impact on organizational commitment. However, only procedural justice has an impact on survivors feeling of job insecurity.
- ✓ Aftermath of downsizing, those employees who had been decided to be separated from the organization involuntarily were not treated with respect and dignity.
- ✓ There is no clear communication and involvement of employees in decision-making process while the organization intends to implement such non-routine events like restructuring.

5.3. Recommendations

Downsizing becomes a rampant practice, which is prevalent these days. Along with its impact on human factor, which is the most vital asset in any organization especially in the case of service sectors like Ethio Telecom should be significantly considered. Organizational injustice during layoff is among determinant factor that could hinder from full attainment of the organization objective after downsizing era. Survivors of layoffs could exhibit most negative reactions while they found their organization is injustice to layoffs. When negative behavioral change come across on survivors related to the outcomes and the process reached to the decision of layoffs, lowered commitment and feeling of job insecurity will follow. Thereby, both individual and organizational performances become lowered (Brockner et al., 1995).

Hence, in light of the above conclusions with the intention to address major problems identified and to alleviate those undesirable outcomes that impede the organization from successful journey, this study forwards the following recommendations:

- ✓ The decision made by the management concerning employees should be transparent, consistent and free from biases. This could be accomplished by linking the decisions with work related measurements like evaluation of performance score, seniority, absenteeism, function of the department or other related standards that set by the organization and let the employees know it clearly. Along with the management bodies should implement based on the criteria's so that it diminishes partiality on who is going to be laid off and who will continue with in the organization. Besides, it makes the existing employees to know how they could be retained. This enables the employees to have a justice perception regarding the process and make them to have full concentration on their job and reduces uncertainties.

- ✓ All employees should know and be communicated by the management bodies about the need and the logic behind of an organizational changes like downsizing in advance as far as the human capital is the heart and muscle of an organization.

Employees should know what is supposed to know about things going on within the organization timely through regular meeting, Microsoft outlook, internal protected websites and etc. Communication should primarily emphasis on issues like short term and long-term objectives including plans for restructuring, upgrading, technology and processes that has been considered to increase efficiency. Besides, it should better if there is a workshop that enables the employees to discuss and have knowledge about the work related issues so that they can adapt changes like downsizing.

- ✓ Emphasize that laid-off employees should be treated with humanity and dignity by showing their sincere, allowing for their emotional response, elaborating the reason behind changes and convince them well and behaving in a way we would expect to be treated ourselves. This is important for managing and maintaining remaining employees' moral and their organizational commitment.

- ✓ An integrated body should be established either in the form of taskforce or permanent department with major responsibility of handling complaints that arise from the employees. Principally, this is required when the organizations have an intention to involve in major non- routine undertakings like organizational changes that pass through in massive workforce reduction, restructuring, merger and acquisitions.

- ✓ Management system should be participatory; in order to alleviate the negative impact of downsizing on layoff survivors, the management should believe and exercise the involvement of employees or their representatives on decision-making process. Management should allow employees to have a part. Furthermore, while they participate in decision making processes they become more committed, encouraged and feel as of valuable and significant person within the organization. These make the employees to contribute their most effort for the organization.

- ✓ Support the layoffs in terms of provision of adequate compensation, severance pay and unemployment benefits. Additionally, facilitate and assisting the terminated employees to find outplacement jobs by provision of professional services, such as counseling, paid for by the former employer is better way that enable both the leavers and the survivors to have a positive outlook towards the organization and to make transaction easy for layoffs that lessen the negative consequences.

- ✓ The management should exercise Management by Walking Around (MBWA). Which is sometimes called unstructured approach or management by wandering around. On the contrary to distant management, this approach help managers by enabling them to make an informal visit towards subordinates work areas so that they can collect qualitative information through listen to suggestions and complaints.

- ✓ Lastly, make surveys of satisfaction regarding the implementation of downsizing so that it will be helpful to understand the factors, which drive the employees most and make them to put forth any concerns they may have. Management-by-fact is the best way to gauge how employees are performing and reacting after layoffs. Periodic and systematic employee-attitude assessments enable management to ascertain the impact of their actions on the day-to-day operations of the company and workforce morale.

Further Research

This study investigated the direct impact of downsizing with the dimension of procedural and distributive justice on organizational commitment and job insecurity. However, it can be further enhanced by adding other variables that could mediate such as trust, work overload and linking them with other organizational relevants like performance of employees, turnover intention and profitability of the organization.

Further research could also explore the effect of downsizing on the attitude of the society with corporate social responsibility and increasing unemployment rate point of view.

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Appendices

APPENDIX I
JIMMA UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS
MASTERS IN BUSINESS ADMINISTRATION PROGRAMME

Questionnaires developed for survivors

Dear Sir/Madam,

I am a student from Jimma University doing a research to full fill the requirement of the degree in MBA. This questionnaire is prepared with a view of collecting a data on the impact of downsizing upon organizational commitment and job insecurity in case of SAAZ and NAAZ. As each of your responses has a significant impact on the ultimate findings of the study, I kindly request you to respond genuinely to each questions and I assure you that all of your responses will be kept confidential and used solely to carry out this particular research.

Please be honest and make the survey Successful.

Thank you for your cooperation

Regards

Instruction I: write your responses in the space provided.

Section Demographic Profile

A1. Sex Male Female

A2. Age _____

A4. Qualification 12+2 MSc/MA

BSc/BA PhD others

A5. Work experience (in years) 3 less than 5years

6 to less than 10 years

More than 10 years

A6.Marital status Married Single

A7 .Location SAAZ NAAZ

Instructions II:

Please Read each question carefully.

Thick one option you think best suits you or that shows your level of agreement or to what extent do you agree or dis agree with the following statements.

Response scale: [(1) = Strongly Disagree; (2) = Disagree; (3) = Neutral; (4) = Agree and (5) = Strongly Agree

Section B. Procedural Justice (PJ)

No	Questions	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	Decisions on who is going to be separated are being made in unbiased manner	1	2	3	4	5
2	The criteria for employee separation were fair and applied consistently across employees	1	2	3	4	5
3	Employees who were separated received adequate advance notice or conveyed well	1	2	3	4	5
4	Employees allowed to appeal separation decisions made by management	1	2	3	4	5
5	Was the employee treated with respect and dignity	1	2	3	4	5

Section C. Distributive Justice, DJS

No	Questions	Strongly	Disagree	Neutral	Agree	Strongly
1	Separated employees were being taken care of by the organization	1	2	3	4	5
2	This organization is offering adequate assistance to separated employees in finding a new job	1	2	3	4	5
3	This organization is offering adequate severance Pay to separated employees	1	2	3	4	5
4	This organization is doing the best that they can to ease the transaction of separated employees	1	2	3	4	5
5	The burden of the downsizing are being shared by all members of the organization	1	2	3	4	5
6	Top management is sacrificing along with other members of the organization	1	2	3	4	5

Section D. Affective Commitment (ACS)

No	Questions	Strongly	Disagree	Neutral	Agree	Strongly
1	This organization has a great deal of personal meaning for me	1	2	3	4	5
2	I feel like part of the family at my organization.	1	2	3	4	5
3	I feel emotionally attached to this organization	1	2	3	4	5
4	I feel a strong sense of belonging to my organization.	1	2	3	4	5
5	I really feel as if this organization's problems are my own	1	2	3	4	5

6	I would be very happy to spend the rest of my career with this organization.					
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Section E. Normative Commitment

No	Questions	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	Even if it were to my advantage, I do not feel it would be right to leave my organization now.	1	2	3	4	5
2	I would feel guilty if I left my organization now	1	2	3	4	5
3	I feel obligation to remain with my current employer	1	2	3	4	5
4	This organization deserves my loyalty	1	2	3	4	5

Section F. Continuous Commitment, CCS

No	Questions	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	Too much of my life would be disrupted if I decided I wanted to leave my organization now.	1	2	3	4	5
2	Right now, staying with my organization is a matter of necessity as much as desire.	1	2	3	4	5
3	It would be very hard for me to leave my organization right now, even if I wanted to	1	2	3	4	5
4	I feel that I have too few options to consider leaving this organization.	1	2	3	4	5

Section G. Job Insecurity

No	Questions	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	Lose your job and be moved to a lower level within the organization	1	2	3	4	5
2	Lose your job and be moved to another job at the same level having less scope	1	2	3	4	5
3	Find your department and division's future uncertain	1	2	3	4	5
4	Lose your job by being pressured to accept an early retirement.	1	2	3	4	5
5	Lose your job and be fired	1	2	3	4	5
6	In this organization, I have not enough power to control events that affect my job negatively.	1	2	3	4	5
7	I understand this organization not enough to be able to control things that affect me	1	2	3	4	5

Thanks for your keen cooperation

ቅጥያ I

ጅም ዩንቨርሲቲ

የቢዝነስ እና ኢኮኖሚክስ ኮሌጅ

የድህረ ምረቃ ትምህርት ክፍል

ኮድ-----

ቀን-----

በሥራ ላይ ላሉ ሰራተኞች የቀረቡ መጠይቆች

ለሚያደርጉልኝ ትብብር በቅድሚያ አመሰግናለሁ

በቢዝነስ አድሚኒስትሬሽን ሁለተኛ ድግሪ ፕሮግራም ውስጥ የሚያስፈልጉትን የምረቃ መስፈርቶች ለማሟላት በጅም ዩንቨርሲቲ ተማሪ የተዘጋጀ ምርምር ነው። እነዚህ መጠይቆች በሰራተኛ ቅንሳ መረጣ አካሄድ፣ የስንብት አተገባባር ሁኔታ ፍትሃዊነት ያለው ተጽኖ በሰራ ላይ ባሉት ሰራተኞች የሥራ ላይ ዋስትና ማጣት (Job Insecurity) ና የመስጠት (Organizational Commitment) እንድምታዎች አስመልክቶ መረጃዎችን ለመሰብሰብ የተዘጋጁ ናቸው። እያንዳንዱ ምላሽዎ በጥናቱ የመጨረሻ ግኝቶች ላይ ጉልህ እንድምታ ስለሚኖረው፣ ለእያንዳንዱ ጥያቄ በቅንነት እንዲመልሱ በትህትና እየጠየቅኩኝ ምላሾቻዎ በሙሉ በሚስጥራዊ ሁኔታ እንደሚጠበቁ እና ይህንን ትምህርታዊ ምርምር ለማካሄድ ብቻ ጥቅም ላይ እንደሚውሉ ጭምር ለማረጋገጥ እወዳለሁ።

እባክዎን ቅን እና ታማኝ በመሆን ጥናቱን ስኬታማ ያድርጉ!

ከሰላምታ ጋር!

መመሪያ 1: በቀረበው ቦታ ምላሽዎ ላይ ምልክት ያድርጉ

ክፍል “ሀ” አጠቃላይ መረጃ

1. ፆታ ወንድ ሴት

2. እድሜ

4. የትምህርት ደረጃ 12+2 ሁለተኛ ዲግሪ

ቢኤስሲ/ቢኤ ፒኤቸዲ ሌላ ካለ ይገለጹ-----

5. የስራ ልምድ ከ2 እስከ 5 አመታት

ከ6 እስከ 10 ዓመታት

ከአስር ዓመት በላይ

6. የሥራ መደብ-----

7. የጋብቻ ሁኔታ ያገባ ያላገባ

8. መገኛ SAAZ NAAZ

መመሪያ II

እባክዎን እያንዳንዱን ጥያቄ በጥንቃቄ ያንብቡ

በጣም ይመቸኛል ብለው የሚያስቡትን ወይም የስምምነት ደረጃዎን ከሚከተሉት መግለጫዎች ላይ በምን ያህል ደረጃ እንደሚስማሙ ወይም እንደማይስማሙ የሚያሳዩውን አንድ አማራጭ ያመለክቱ።

የምላሽ እርከን(1/ በጣም አልስማማም፤/2/ አልስማማም፤ /3/ ገለልተኛ ነኝ፤ /4/እስማማለሁ እና/5/ በጣም እስማማለሁ

ክፍል “ለ” የስራተኛ ቅንሳ አመራረጥ ሂደት ፍትሃዊነት (Procedural Justice)

ቁጥር	ጥያቄዎች	በጣም አልስማማም	አልስማማም	ገለልተኛ ነኝ	እስማማለሁ	በጣም እስማማለሁ

1	ማን መሰናበት እንዳለበት አስመልክቶ የተወሰዱ ውሳኔዎች አድላዊ ባልሆነ አኳኋን ነው	1	2	3	4	5
2	የሰራተኞች ስንብት መስፈርት ፍትሐዊ የነበረ እና በሁሉም ሰራተኞች ላይ በወጥነት የተተገበረ ነው	1	2	3	4	5
3	ከሥራቸው የተሰናበቱ ሰራተኞች በቂ ቅድመ ማስጠንቀቂያ የተቀበሉ እና በደንብ የተስተናገዱ ናቸው	1	2	3	4	5
4	ሰራተኞች በአስተዳደሩ የተደረጉ የስንብት ውሳኔዎች ላይ ይግባኝ ለማለት ይፈቀድላቸዋል	1	2	3	4	5
5	ሰራተኞች በኩብር እና በአግባቡ ተስተናግደዋል	1	2	3	4	5

ክፍል “ሐ” የስንብት አተገባበር ፍትሐዊነት (Distributive Justice)

ቁጥር	ጥያቄዎች	በጣም አልሰማም	አልሰማም	ገለልተኛ ነኝ	ህመም አለኝ	በጣም ህመም አለኝ
1	ከድርጅቱ የተሰናበቱ ሰራተኞች በአግባቡ ተስተናግደው ነበር	1	2	3	4	5
2	ይህ ድርጅት ከድርጅቱ የተሰናበቱ ሰራተኞችን ሌላ ሥራ እንዲያገኙ በበቂ ሁኔታ ደግፎል	1	2	3	4	5
3	ይህ ድርጅት ለተሰናበቱ ሰራተኞች በቂ የስንብት ክፍያ ከፍለዋል	1	2	3	4	5
4	ይህ ድርጅት የተሰናበቱ ሰራተኞችን ሁኔታ ለማቅለል የሚቻለውን ሁሉ አድርገዋል	1	2	3	4	5
5	የሰራተኛ መቀነስ ጭነት በሁሉም የድርጅቱ አባላት የሚስተናገድ ነው	1	2	3	4	5
6	ከፍተኛ አስተዳዳሪዎች ከድርጅቱ ሌሎች አባላት ጋር በአንድ ላይ መስዋዕትነት ከፍለዋል	1	2	3	4	5

ክፍል “መ” ወሳኝነት ያለው መስጠት (Affective Commitment)

ቁጥር	ጥያቄዎች	በጣም አልሰማም	አልሰማም	ገለልተኛ ነኝ	ህመም አለኝ	በጣም ህመም አለኝ
1	ይህ ድርጅት ለእኔ በጣም ብዙ ግላዊ ትርጉም አለው	1	2	3	4	5
2	በድርጅቱ ውስጥ የቤተሰብ አባልነት ያህል ይሰማኛል	1	2	3	4	5
3	ከዚህ ድርጅት ጋር በስሜታዊ ረገድ የተሳሰርኩ ነኝ	1	2	3	4	5
4	ለድርጅቱ ጠንካራ የአብሮነት ስሜት ይሰማኛል	1	2	3	4	5
5	ይህ ድርጅት ያሉበት ችግሮች ልክ እንደራሴ ሆነው ይሰማኛል	1	2	3	4	5
6	የተቀረውን የሥራ ዘመኔን ከድርጅቱ ጋር ባሳልፍ በጣም ደስተኛ እሆናለሁ	1	2	3	4	5

ክፍል “ሠ” መሆን የሚገባቸው መስጠቶች (Normative Commitment)

ቁጥር	ጥያቄዎች	በጣም አልሰማም	አልሰማም	ገለልተኛ ነኝ	ህመም አለኝ	በጣም ህመም አለኝ
1	ምንም እንኳን ለእኔ ጠቃሚ ሆንም ድርጅቱን አሁን መልቀቅ ትክክለኛ ነው ብዬ አይሰማኝም	1	2	3	4	5
2	ድርጅቱን አሁን ብለቅ የጥፋተኝነት ስሜት ይሰማኛል	1	2	3	4	5
3	ከአሁኑ ቀጣሪዬ ጋር የመቆየት ግዴታ እንዳለብኝ ይሰማኛል	1	2	3	4	5
4	ይህ ድርጅት ታማኝነቱ ይገባዋል	1	2	3	4	5

ክፍል “ረ” ቀጣይነት ያለው መስጠት (Continuous Commitment)

ቁጥር	ጥያቄዎች	በጣም አልሰማም	አልሰማም	ገለልተኛ ነኝ	ህመም አለኝ	በጣም ህመም አለኝ
1	ይህንን ድርጅት በአሁኑ ሰዓት ለመልቀቅ ብወስን ሕይወቴ በብዙ መንገድ ይጎቆላል	1	2	3	4	5
2	አሁን ከድርጅቱ ጋር መቆየት የፍላጎቴን ያህል በጣም አስፈላጊ ጉዳይ ነው	1	2	3	4	5

3	ይህንን ድርጅት ብፈልግም እንኳ አሁኑኑ መልቀቅ በጣም አስቸጋሪ ይሆንብኛል	1	2	3	4	5
4	ይህንን ድርጅት ለመልቀቅ ሳስብ በጣም ጥቂት አማራጮች እንዳሉኝ ይሰማኛል	1	2	3	4	5

ክፍል “ሸ” የሥራ ላይ መተማመን /የሥራ ዋስትና ማጣት (Job Insecurity)

ቁጥር	ጥያቄዎች	በጣም አልሰማም	አልሰማም	ገለልተኛ ነኝ	ህልውናዬ ላይ ሊሆን ይችላል	በጣም ሊሆን ይችላል
1	ሥራዎን ማጣት እና በድርጅቱ ውስጥ ወዳለ ዝቅተኛ ደረጃ መዛወር	1	2	3	4	5
2	ሥራውን ማጣት እና በተመሳይ ደረጃ ነገር ግን አነስተኛ ወሰን ወዳለው ሌላ ስራ መዛወር	1	2	3	4	5
3	የሥራ ክፍልዎን እና መመሪያውን ለወደፊት እርግጠኛ ባልሆነሁኔታ ውስጥ ማግኘት	1	2	3	4	5
4	ከአድራሻዎ በፊት የጡረታ መውጫ ጊዜዎን በ ግፊት እንዲቀበሉ እና ሥራዎን የማጣት ስሜት	1	2	3	4	5
5	ሥራዎን ማጣት እና መሰናበት(መባረር)	1	2	3	4	5
6	በዚህ ድርጅት ውስጥ ስራዎን ባሉታዊ መንገድ ሊጎዱ የሚችሉ ክስተቶችን ለመቆጣጠር በቂ ኃይል የለኝም	1	2	3	4	5
7	እኔን ባሉታዊ መንገድ ሊጎዱኝ የሚችሉ ነገሮችን በበቂ ሁኔታ ለመከላከል ይህ ድርጅት በጣም ከፍተኛ አቅም እንደሌለው አረዳለሁ	1	2	3	4	5

ተጨማሪ ሃሳብ ካለዎት-----

ለቀና ትብብርዎ ምስጋናዬ ከልብ ነዉ::

Appendix II

Unstructured Interview Questions with Managers

This is an interview designed to gather information about the impact of downsizing practice on survivors of Ethio Telecom located at Addis Ababa. The management bodies of the two zones and CAAZ were the interviewees. Genuine and complete responses by each interviewee are highly helpful to make the findings of the study reliable.

Thank you

Part I: Personal Information

Sex _____

Position _____

Qualification _____

Year of service _____

Part II: The Interview

1. What is the purpose of downsizing?
2. How was the implementation of downsizing carried out? What are the criteria's; performance, seniority, function of department or other criteria's?
3. Does the implementation of downsizing was objective and transparent?
4. Does the organization gives advance notice to downsized employees, or tell them on the day they are expected to leave the firm?
5. What are the mechanisms that the organization used for delivering the news of job termination?
6. Do you think that the separated employees treated well?

7. What kind of support was given for separated employees?
8. Do you think that downsizing is the right alternative and inevitable? Under what circumstances that the organization prefers to use layoffs instead of early retirements or voluntary severance plans as a way to downsize the workforce?
9. To what extent the involvement of employees or their representatives during the implementation?
10. How did downsizing affect on the organizational commitment of survivors?
11. Do you believe that downsizing influence the level of job security of survivors?
12. Do you think that the corporation gives due consideration for the development of survivors commitment aftermath of downsizing?

Appendix III

Model One-Test Results

Case Processing Summary

Cases ^a	N	Percent
Selected Cases Included in Analysis	252	100.0
Missing Cases	0	.0
Total	252	100.0
Unselected Cases	0	.0
Total	252	100.0

a. If weight is in effect, see classification table for the total number of cases.

Hosmer and Lemeshow Test

Step	Chi-square	Df	Sig.
1	2.116	2	.347

Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	207.155 ^a	.187	.291

a. Estimation terminated at iteration number 5 because parameter estimates changed by less than .001.

Model Two Statics Test Results

Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	249.683 ^a	.223	.313

a. Estimation terminated at iteration number 4 because parameter estimates changed by less than .001.

Hosmer and Lemeshow Test

Step	Chi-square	df	Sig.
1	.113	2	.945

Model Three Statics Result

Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	300.518 ^a	.140	.189

a. Estimation terminated at iteration number 4 because parameter estimates changed by less than .001.

Hosmer and Lemeshow Test

Step	Chi-square	df	Sig.
1	1.205	2	.547

Model Four Statics Results

Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	341.954 ^a	.025	.033

Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	341.954 ^a	.025	.033

a. Estimation terminated at iteration number 3 because parameter estimates changed by less than .001.

Hosmer and Lemeshow Test

Step	Chi-square	Df	Sig.
1	.588	2	.745