

## THE IMPACT OF ORGANIZATIONAL AND SUPERVISORY SUPPORT ON SURVIVORS' ORGANIZATIONAL COMMITMENT AFTER DOWNSIZING IN TELECOM SECTOR OF PAKISTAN

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### ABSTRACT

*The purpose of this research is to focus on supervisor support and organizational support factors that facilitate organizational commitment among downsizing survivors to reduce high attrition. This is a causal study in which data was collected from 300 employees of Telecommunication Sector of Pakistan who survived after downsizing. By using regression and correlation analysis, it was found out that both supervisor support and organizational support can help in organizational commitment among survivors. Further the supervisory support mediates the relationship between organizational support and organizational commitment.*

**Keywords:** *Attrition, Supervisory Support, Organizational Support, Employee Commitment, Employee Morale, Downsizing*

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### 1. INTRODUCTION

In today's competitive world, organizations are starving to survive. They are not only cutting their expenses, but also started economizing their structure by reducing employees. The concept of downsizing has not been very old; it all started in 1980's for the first time and become an unfortunate fact for life of many employees throughout the globe. In 1987, Hirsch encouraged employees to always be prepared for job mobility especially when their organizations are going for mergers, acquisitions, takeovers and downsizing. The concept of downsizing got its actuality majorly after continuous organizational changes. A research by Dixon et al. in 2004 proved that in America, within 3 years almost 20 percent employees were laid off from their jobs. Then in 2008-2009, due to recession, global layoffs were at its peak (Bain, 2011). Due to low demands and more supplies, most of the organizations have to reduce their production, leading to less number of workforce required, unfortunately the fate of many employees ensued them to be looking for new jobs.

But downsizing is not just simply plummeting employees; its most critical effects are seen on survivors' i.e. employees which endure downsizing. In a research by Spreitzer and Mishra in 2002, around 40 percent of survivors face issue of attrition in organizations where downsizing occurred, and now they key aspect is to make sure that survivors do not leave their jobs. In 1995, Somers proved that employees who are more committed to organization have less chances of leaving job, leading to lower turnover and attrition (Cohen, 1993). Communication being the life blood of every organization can be helpful in reducing attrition. However organization must look for reasons which force employees to leave after downsizing.

In most of the developing countries, downsizing is not only solution for any radical change. According to a survey by ILO (1998), approximately 68 percent of all the downsizing, restructuring and reengineering efforts apprehended in organizations throughout the world are not profitable and efficient and do not achieve the expected results (Jang, 2011). Instead in most of the cases downsizing results in tremendous fallout in all areas of the productivity including low employee morale, high level of absenteeism, cynicism and turnover among most of the employees (Councils, 2011).

When we talk specifically about the employees of Pakistan, they are emotional about their jobs and organizations (Rahim, 2010). At least most of them try to work hard for the betterment of their respective departments, leading to strong bond between them and organizations resulting in higher organizational commitment (O'Driscoll and Randall, (1997). In such a situation, downsizing is without any doubt is bolt for them (Jang, 2011).

Moreover, Pakistan is facing huge economic downturn. Internal and external debts, regional disparity, massive unemployment, low markup structure and deteriorating law and order situation are all working against the economic revival in Pakistan. So in all these circumstances, it will be a huge attrition for surviving employees if their subordinates are drawn away by a policy of downsizing. Last but not the least organizational commitment in Pakistani employees is more dependent on organizational support. Organizations have to provide better career opportunities and work life policies; otherwise the employees will be vulnerable to competitors leading to high job turnover (Bashir and Ramay, 2008).

Since organizations throughout the world downsize to reduce cost, they only select those surviving employees who can work well under stress, are workaholic and get motivated easily. The attitude of the employees changes the most. The remaining employees are the base of the organizational sustainability. For this reason organizations make sure that they aid recovery, fuel efficiency, boost morale, and minimize the effect of workplace mistrust (Chipunza and Berry, 2010). To further reduce attrition, many researches have proved that survivors of downsizing look for any level and kind of support they can get after downsizing. One of the research by Erickson and Roloff in 2008 proved that after downsizing among the employees, organizational and supervisor support can help them in remaining committed to the organization.

### *1.1 Knowledge Gap*

Downsizing negatively impacts the attitude of the survivors by increasing the attrition and reducing the organizational commitment (Arnold and Feldman and Greenhalgh,1982). Though number of researchers e.g. Wayne et al, (1997), Griffon et al., (2001) and Ogilvie, (1986) found the support of the organization and supervisor positive to employee loyalty but no research till now conducted to identify the role of supervisor's support and organizational support to the organizational commitment of employees on survivors after downsizing. Second the study is also determining if supervisor's support mediate the relationship of organizational support and organizational commitment. Third the study is focused on employees of telecom sector which is again not explored by any researcher in the said context.

### *1.2 Problem Statement*

The study was intended to identify how much, if any, supervisor's and organizational support contributes to the organizational commitment of the employees to retain them as well as the role of supervisor's support as a mediator on the relationship of organizational support and organizational commitment.

### *1.3 Objectives of the Study*

1. To identify the role of supervisor's support to level of loyalty of the survivors for the organization
2. To identify the role of organizational support to level of loyalty of the survivors for the organization
3. To identify which support is most critical from both i.e. supervisor's support and organizational support
4. To identify the role of supervisor's support as a mediator on the relationship of organizational support and organizational commitment.\

### *1.4 Applied Aspects of the Research*

The findings of the research would help organizations which are forced to apply the policy of downsizing to get/maintain/increase the loyalty of the remaining employees and keep the talent within the organization.

## **2. REVIEW OF LITERATURE**

Downsizing is a phenomenon which refers to intentional reduction by management of organizations mainly with a focus of improving the overall performance of the organization. Bennett et al. (1995) researched the after effects of downsizing and proved that the victims have extremely bad feelings about downsizing since they are laid off. But this tragedy does not end here; many researches proved that survivors of downsizing are also severely influenced. (Bennett et al., (1995) and Cohen, (1993)).

In most of the cases inefficiency in productivity and high level of turnover and absenteeism is what organization gets in result for downsizing (Spreitzer and Mishra, 2002). Arnold and Feldman and Greenhalgh, (1982) identified that the downsizing in firms negatively impact survivors' attitudes by declining organizational

commitment and increasing job turnover. Another similar research proved that downsizing leads to low morale and poor job satisfaction in employees leading to short job tenure by survivors (Kozlowski et al., 1993).

Anderson, (1996) found that downsizing led the employees of the organization feel unnoticed and disregarded. Survivors in downsized organization mostly complain that in most of the managerial decisions, their interests have been overlooked (McLeanParks and Kidder, 1994). This resulted in negative perception by employee who would continuously think that it was an unequal treatment by organization (Kanter and Mirvis 1989; Mirvis and Kanter 1991; & Spritzer and Mishra, 2002). Survivors don't trust the management's sources of communication and consider information transferred to them to be incomplete. (O'Neill and Lenn, 1995).

Noer, (1993) examined the time period employees feel the effects of downsizing and highlighted that negative impression do not improve too quickly. He also concluded that downsizing result in stress, fatigue, sadness and depression mainly due to extra workload. Overload of work and employee's relationship with upper management can significantly measure the number of turnovers (Allen, 2001). Clearly it can be judged that higher level of downsizing leads to low commitment (Armstrong-Stassen, 1998).

Number of researches including Cross and Travaglione, (2004), Hom et al, (1979), and Peter et al, (1981) proved that higher the organizational commitment less will be voluntary turnover. Employees with high level of loyalty and commitment have less chances of leaving organization (Somers, 1995).

In 1989, Rousseau presented a theory on psychological contracts and proved that most of the employees violate unwritten psychological contract with their employers after downsizing. Now there are two main kinds of support for rebuilding this weak psychological contract;

### *2.1 Organizational support and Organizational commitment*

Social exchange theory focused on the steps an organization should take to improve employee commitment (Blau, 1964). Employees should feel support and respect from the organization in order to be more loyal to reduce job turnover and job switching (Gouldner, 1960). Organizational support has a positive relationship with employees' sense of perceived self obligation to care for the organization's well being in making sure that it reaches its goals. This level of self felt obligation builds a relationship between organizational support and organizational commitment (Eisenberger et al., 2001). O'Driscoll and Randall, (1997) proved that there is strong positive relationship between organizational support and organizational commitment. Wayne et al, (1997) also supported their research with similar results. Other researches have also found out that when employees get organizational support, they will be more inclined in building along relationship with that organization. (Eisenberger et al., 1990; Guzzo et al, 1994; Nye and Witt, 1993; and Witt 1991). From the above discussion the following is inferred:

H1: Organizational support is positively related to employee commitment among downsizing survivors.

### *2.2 Supervisor Support and Organizational Commitment*

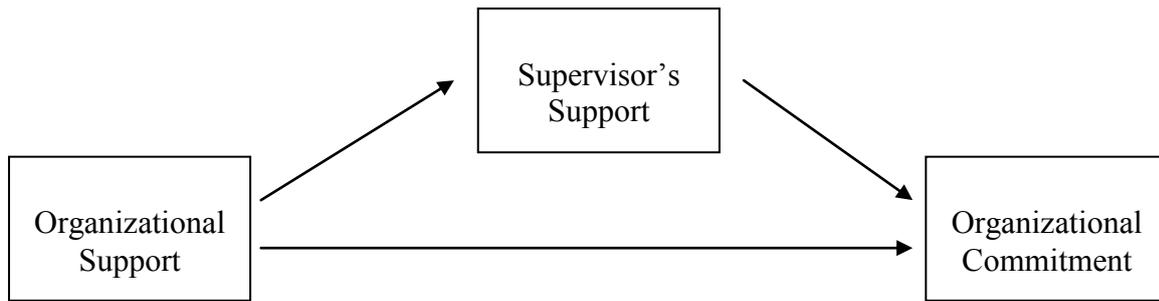
With the importance of organizational support, many researches have scrutinized the importance of supervisor support and found that employees also expect supervisors to be caring and supportive (Eisenberger et al., 2002; Kottke and Sharafinski, 1988). Griffon et al., (2001) found that supervisor's support have strong relationship with job satisfaction and Ogilvie (1986) confirmed that supervisors' actions directly impact the commitment of employees. Armstrong-Stassen (1998) proved that organizational support has more impact on organizational commitment. Hutchison, (1997) concluded that although both organizational support and supervisor support have positive effect on organizational commitment, organizational support will help employees more. Following hypothesis may be inferred from the above discussion:

H2: Supervisor support is positively related to employee commitment among downsizing survivors.

Logically organization support must encourage the supervisors to communicate with the employees and try to reduce the attrition by providing the right amount of support. We may infer that:

H3. Supervisor's support mediates the relationship of the organizational support and organizational commitment.

Thus by all the literature available and mixed results by different researches, following hypothetical interaction may be inferred:



Source: Researcher Proposed Model

**3. METHODOLOGY**

This was a cross sectional and causal research. Data was collected using both primary and secondary sources. Primary source included questionnaires and the secondary sources included internet, journals and articles. The sample of the present study comprised of 300 employees from telecommunication sector of Pakistan. 100 survivors from each telecom companies i.e. Zong, Warid and Mobilink were taken for this research. All the three companies have experienced multiple downsizing during last two years and hundreds of employees lost their jobs.

*3.1 Questionnaire Development*

The questionnaire was adopted from the research of Robin Adair Erickson and Michael E. Roloff (1977) containing 31 questions in total on Likert scale and covered all the categories of supervisor support and organizational support including collaboration with employees, commitment of employees, environment given to employees, leadership after downsizing, and rewards and values to reduce attrition.

**DATA ANALYSIS:**

Data was analyzed by using correlation and regression analysis for the first two hypotheses and for third hypothesis Sobel test was conducted to find out if there is any mediation exists.

Table 4.1 Correlation between Organizational Support, Supervisor's Support and Organizational Commitment

|                              |                     | Organizationalc<br>ommitment | organizational<br>support | supervisorsuppo<br>rt |
|------------------------------|---------------------|------------------------------|---------------------------|-----------------------|
| Organizational<br>commitment | Pearson Correlation | 1                            | .263**                    | .476**                |
|                              | Sig. (2-tailed)     |                              | .000                      | .000                  |
|                              | N                   | 252                          | 252                       | 252                   |
| organizational<br>support    | Pearson Correlation | .263**                       | 1                         | .185**                |
|                              | Sig. (2-tailed)     | .000                         |                           | .003                  |
|                              | N                   | 252                          | 252                       | 252                   |
| supervisors<br>support       | Pearson Correlation | .476**                       | .185**                    | 1                     |
|                              | Sig. (2-tailed)     | .000                         | .003                      |                       |
|                              | N                   | 252                          | 252                       | 252                   |

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Source: Field Data

Table 4.2 Regression Analyses of Organizational Support, Supervisor's Support on Organizational Commitment

|       |                           | Unstandardized Coefficients |            | Standardized Coefficients | t     | Sig. |
|-------|---------------------------|-----------------------------|------------|---------------------------|-------|------|
| Model |                           | B                           | Std. Error | Beta                      |       |      |
| 1     | (Constant)                | .951                        | .344       |                           | 2.763 | .006 |
|       | Organizational<br>support | .151                        | .046       | .181                      | 3.253 | .001 |
|       | supervisors<br>support    | .682                        | .086       | .443                      | 7.975 | .000 |

**Coefficients<sup>a</sup>**

| Model |                        | Unstandardized Coefficients |            | Standardized Coefficients | t     | Sig. |
|-------|------------------------|-----------------------------|------------|---------------------------|-------|------|
|       |                        | B                           | Std. Error | Beta                      |       |      |
| 1     | (Constant)             | .951                        | .344       |                           | 2.763 | .006 |
|       | Organizational support | .151                        | .046       | .181                      | 3.253 | .001 |
|       | supervisors support    | .682                        | .086       | .443                      | 7.975 | .000 |

a. Dependent Variable: Organizational commitment  
Source: Field Data

Table 4.3 Regression Analyses of Organizational Support on Supervisor’s Support

**Coefficients<sup>a</sup>**

| Model |                        | Unstandardized Coefficients |            | Standardized Coefficients | t      | Sig. |
|-------|------------------------|-----------------------------|------------|---------------------------|--------|------|
|       |                        | B                           | Std. Error | Beta                      |        |      |
| 1     | (Constant)             | 3.209                       | .153       |                           | 20.929 | .000 |
|       | Organizational support | .100                        | .034       | .185                      | 2.974  | .003 |

a. Dependent Variable: supervisors support  
source: Field Data

Table 4.4 Sobel Test

| Input:             | Test statistic:                          | Std. Error:                              | p-value:   |
|--------------------|--|--|------------|
| a .1               | Sobel test: 3.06381677                   | 0.02284732                               | 0.00218533 |
| b .7               | Aroian test: 3.04264438                  | 0.0230063                                | 0.00234509 |
| s <sub>a</sub> .03 | Goodman test: 3.08543738                 | 0.02268722                               | 0.00203253 |
| s <sub>b</sub> .09 | <input type="button" value="Reset all"/> | <input type="button" value="Calculate"/> |            |

Source: Field Data

4.1 Hypothesis Testing

The first hypothesis of the study was Organizational support is positively related to employee commitment among downsizing survivors and proved to be true as Correlation (Table 4.1 and 4.2) and regression analysis showed a significant association of the relation and depicted a positive influence of organizational support to organizational commitment with a strength of 51%. The findings are in line with the findings of O’Driscoll and Randall, (1997).

The second hypothesis was Supervisor support is positively related to employee commitment among downsizing survivors. This proves to be true as correlation and regression analysis (Table 4.1 and 4.2) showed a significant relationship. It is very clear from the regression table that organizational commitment is influenced 68% by supervisor’s support. The findings are in line with the Hutchison, (1997) who concluded that supervisor’s support influence more as compare to organizational support to the organizational commitment.

Third hypothesis was Supervisor’s support mediates the relationship of the organization support and organizational commitment. Correlation analysis (Table 4.1) regression analysis (table 4.2, 4.3) fulfills all the condition necessary to run the test for mediation. It is very obvious by Sobel test that supervisor’s support mediate the relationship of organizational support and organizational commitment as the p value is less than 0.05 with the sobel test statistics i.e. 3.068.

4.2 Conclusion

The study conclude the following:

1. Strong relationship among supervisor’s support and organizational support has been observed to organizational commitment.

2. Supervisor's support is considered more influential than organizational support to organizational commitment.
3. Supervisor's support mediates the relationship of organizational support to organizational commitment.

#### 4.3 Limitations of Research

Following are the limitations of the study:

- There is no way to determine whether or not the respondents all interpreted the questions the same way.
- A large sample size may help more to generalize the data and get more better results.

#### 4.4 Recommendations

All Organizations in general and telecommunication sector in particular must focus to mobilize the supervisor's support to reduce the attrition among the survivors after downsizing and neutralize the other negative factors of downsizing related to employees. Without proper organizational support supervisor's support may not be that helpful to keep the talent with the organization.

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