

Exploring the Effects of the Procedural Justice of Downsizing on Survivors' Behaviour

Stefan Komazec, Milica Maricic, Mladen Duric

Faculty of Organizational Sciences, University of Belgrade

Jove Ilica 154, Belgrade, Serbia

E-mail: stefan.komazec@fon.bg.ac.rs; milica.maricic@fon.bg.ac.rs; mladen.djuric@fon.bg.ac.rs

<https://doi.org/10.5755/j01.ee.34.3.31266>

Downsizing is seen as a commonly chosen strategy to improve organizational efficiency, effectiveness, performance, competitiveness, and to regain financial stability. After the decision on the downsizing was made and the downsizing was conducted, special attention should be placed on those employees who survived the downsizing. The purpose of this paper is to observe how the procedural fairness of the downsizing method applied impacts the survivors' behaviour. The primary assumption is that the characteristics of the employed downsizing method, here observed Clarity, Validity, and Accuracy, impact the attitudes of survivors viewed through Motivation, Satisfaction, and Turnover Intention. A questionnaire was developed and distributed to 556 employees who had survived downsizing to verify the proposed conceptual model. The results of the study supported the claim that characteristics of the downsizing method influence the survivors' behaviour, whereas Validity stands out for its relatively strong impact on Motivation and Satisfaction with the organisation to which the survivors belong. The findings illustrate that when conducting downsizing, managers and decision makers should consider the fairness of downsizing method applied because, if conducted in an adequate manner, downsizing can even induce positive behavior of the surviving members.

Keywords: *Downsizing; Procedural Justice; Organisational Justice; Employee Affect; Conceptual Model.*

Introduction

Downsizing emerged as an important research topic in the 1990s, but it is still relevant, especially due to the COVID 19 pandemic impact (Rudolph *et al.*, 2021; Pekovic, Wagner & Vogt, 2022). Very quickly, theorists defined several roles which the participants in downsizing process can play: victims, survivors and executors (Cascio, 1993; DeVries & Balazs, 1997), where it was evident that downsizing affects all these groups of employees. Depending on the research context, the importance of each of the mentioned categories of employees (or former employees) also changes. The victims of downsizing are a dominant topic in the social context. However, in the context of the organisation, authors present the survivors as the most important group of employees because the long-term survival of the company depends on them (Mishra & Spreitzer, 1998; Ugboro, 2016; Frone & Blais, 2020).

The concept of the organisational justice of downsizing has a special place among the various characteristics of the downsizing process whose impact on survivors has been examined. Many authors, led by Brockner, have studied the impact of various elements of the organisational justice of downsizing on survivors (Brockner & Siegel, 1996; Brockner *et al.*, 2004; Chen & Mykletun, 2015; de Jong *et al.*, 2016). In most of these studies, organisational justice has three elements: distributive, procedural, and interactive.

For the purposes of this study, the most important is procedural justice which refers to the fairness of the downsizing implementation process itself, and is basically defined by two determinants: structural and interpersonal. The structural determinant refers to whether the decisions

were made by neutral decision makers, whether they are based on facts, and whether the criteria used are valid, while the interpersonal determinant refers to the treatment of employees during the implementation of downsizing (Brockner, Tyler & Cooper-Schneider, 1992; Mengstie, 2020).

The significance and impact of procedural justice on employee responses to a particular decision generally vary depending on whether those outcomes are positive or negative. Thus, if there is a negative outcome, procedural justice will have a direct and strong impact on the reaction of employees (Brockner & Wiesenfeld, 1996; Brockner *et al.*, 1997; Riolli & Savicki, 2006; Smollan, 2012), which is why the importance of procedural justice in the downsizing process, which abounds in negative outcomes, is evident, especially for the survivors.

Even though procedural justice in the implementation of downsizing has been the focus of researchers for many years, the topic is still relevant, and many recent studies have addressed its impact on survivors (Hopkins & Weathington, 2006; Michel, Stegmaier & Sonntag, 2010; Van Dierendonck & Jacobs, 2012; Lopez Bohle, Chambel & Diaz-Valdes Iriarte, 2018).

Most of the studies focusing on the procedural justice of downsizing implemented procedures and methods to provide answers as to who should lose their job in the downsizing process (Mishra & Spreitzer, 1998). On the other hand, although it is intuitively clear that before answering the question of who should lose their job, a decision should be made on how many employees should lose their jobs. To our knowledge, the procedures and

methods used for this purpose have not been researched within the context of organisational justice.

Therefore, the core of this research is to observe how characteristics of the method for determining the required number of employees, predominantly its procedural justice, impact the surviving employees. For that, a conceptual model was developed. The purpose of this research is to propose and verify a conceptual model which addresses the theoretical relationships between clarity, validity, and accuracy of the downsizing method, and the behaviour of the survivors. The model is therefore built on two pillars: the observed procedural justice and the observed effects of downsizing on the remaining employees. By doing so, the model aims to improve the currently devised models in the field and to fill in the gaps in the literature on the effects of downsizing methods. To test the proposed conceptual model, we designed and conducted a survey among employees of state and privately owned companies.

The structure of the paper is as follows: the next section reviews the current literature and focuses on the development of the proposed conceptual model. The following section covers the research methods and study design. Section 4 presents the results of the model verification. The two final sections are devoted to the discussion, managerial implications, and concluding remarks.

Conceptual Model Development and Related Hypothesis

The starting idea of the proposed conceptual model was based on the long-established fact that downsizing influences the change of attitudes and behaviour of employees (Brockner *et al.*, 1987). However, the main goal of the study was to investigate more deeply one element of the downsizing process (the method for determining the required (optimal) number of employees) and the impact of the perceptions of the procedural justice of that (specific) element on the attitudes of survivors, and thus indirectly on the effectiveness of the downsizing process.

The significance and connection between changes in the attitudes of survivors and subsequent changes in the behaviour of employees, i.e. the impact on the effectiveness of the downsizing process, will not be the subject of the study because it is already widely covered in the relevant literature (Armstrong-Stassen, 1994; Brockner *et al.*, 2004; Drzensky & Heinz, 2016).

As already mentioned, many studies have identified the impact of procedural justice on survivors (Brockner *et al.*, 2004; Hopkins & Weathington, 2006; Michel, Stegmaier & Sonntag, 2010; Van Dierendonck & Jacobs, 2012; Lopez Bohle, Chambel & Diaz-Valdes Iriarte, 2018). In particular, the subject of research in the context of the procedural justice of downsizing was often the criterion used to evaluate employees, which led to decisions on who would lose their jobs, where it was emphasized that the criteria should be related to work, employee performance, but also seniority (Campion, Guerrero & Posthuma, 2011). At the same time, procedural justice has been almost completely neglected in the literature when deciding how many people should lose their jobs. The situation is paradoxical, and the paradox lies in the fact that the answer to the question of

who will lose their job directly depends on how many people will lose their jobs.

This indicates that decisions regarding who should lose their jobs should be based on contributions and merits (Mishra & Spreitzer, 1998). However, regardless of how fair the system is in this sense, or how well the merits of certain employees are recognized, the volume of downsizing (the answer to the question of "how many") will determine whether only bad workers will lose their jobs, or perhaps some of the good ones, or even excellent workers will be forced to seek new employment. All employees among future survivors have a certain perception of their contributions and merits as well as those of their colleagues, especially those with whom they work closely.

The theoretical assumption is that in the employee's mind, there is a clear employee ranking in terms of contributions and merits (which helps classify workers as good and bad) and that the company should lay off employees according to that ranking. It should not be overlooked that downsizing does not represent the dismissal of bad employees (Cascio, 1993), but a reduction in the number of employees, but here the classification of good/bad stands out due to employee perceptions. In both cases, employees may feel a lack of procedural justice, which they see as an inadequate answer to the question of who should lose their job.

However, what if in the first instance the company made a mistake in estimating the required number of employees, and that the work could be done with even fewer employees? It might have been possible to carry out even stricter downsizing and lay off the remaining employees a given employee perceives as poor workers. Also, looking at the second situation, the company may have made the opposite mistake and laid off more employees than it should have, and that is precisely the reason why good employees "suffered"?

In both cases, which represent theoretical assumptions, the cause of negative perceptions of procedural justice lies not in the wrong answer to the question of who should lose their jobs but in the answer to the question of how many people should lose their jobs. For that reason, the study focuses on answering the question of how many employees should lose their jobs.

The aim of the study is to determine the importance of the method used to determine the required number of employees during downsizing and the impact of different characteristics of this method on changes in the attitudes of survivors. Therefore, to form this part of the conceptual research model, the previously accepted view was used. We took the view which considers that the perceptions of procedural justice are formed based on employees' assessments of whether decision makers are neutral and whether they were neutral in their decision-making; whether the decisions were made on the basis of data and whether the data were accurate; whether the criteria used were valid (Brockner, Tyler & Cooper-Schneider, 1992). Therefore, mindful of the method for determining the required number of employees and providing an answer to the question of how many employees will lose their jobs, the conceptual model is set up to include:

- 1) **Clarity** of the method for determining the required number of employees,
- 2) **Validity** of the method for determining the required number of employees,

Since employees often "disappear" faster than the work "disappears", the survivors of downsizing frequently feel overwhelmed by the volume of work in the new organisation (Kozlowski, 1993). This view indicates that the method, if any, or the manner of decision-making regarding how many employees should lose their jobs, in terms of its fairness, should ensure the adequate number of employees "survives" to perform existing and future work. Hence, the last construct is:

- 3) **Accuracy** of the method for determining the required number of employees.

All three constructs should be considered a prerequisite for achieving procedural justice in this segment of the downsizing process.

The second part of the conceptual model refers to the attitudes of employees after downsizing, i.e. any changes which occur as a result of downsizing and its procedural justice. Three fundamental attitudes of the surviving employees after downsizing stand out in the literature:

1. **Motivation,**
2. **Job (organisation) satisfaction, and**
3. **Turnover intention,**

and these will be the subject of the study. As the study focuses on one specific aspect of downsizing, on the method for determining the required number of employees, and aims to determine the impact of certain characteristics of the method on changing attitudes among "surviving" employees, the attitudes which have already been proven in the literature to be strongly influenced by downsizing and its characteristics, including justice, have been selected.

The construct referred to as **motivation** in the study should be explained in more detail. This construct is formed on the basis of several different constructs. The literature abounds with studies examining the impact of procedural justice on constructs termed "organisational commitment" or "work effort". On one hand, research examining the "work effort" construct asked respondents to rate claims such as: "I try to do the best I can; I put a lot of effort into my work (Brockner, Tyler & Cooper-Schneider, 1992), while the "organisational commitment" construct was examined through claims such as: "I am willing to put in more effort than is normally expected; My company inspires me to do my best in terms of performance at work;" (Brockner et al., 2004). It can be seen from such examples that even the same authors investigating "work effort" and "organisational commitment" in this sense were examining a very similar construct, which we have combined in this study is as motivation. The name of the construct is in accordance with the questions used to study it, and is also in the spirit of the Serbian language in which the study was conducted.

It is also necessary to provide further explanation regarding the **job (organisation) satisfaction** construct. Job

satisfaction is a comprehensive concept. Employees may be satisfied with certain elements of the job, ranging from the very nature of the job itself to the responsibilities and working hours it entails, while can, at the same time, feel dissatisfied with other elements, such as poor management, earnings, and workload. Bearing in mind the wide range of elements which affect job (dis) satisfaction, it is necessary to define the construct precisely. Procedural justice, as part of organisational justice, stands out as particularly important for the evaluation of an organisation which has made a specific decision, i.e. for the evaluation of satisfaction with the organisation (Brockner & Wiesenfeld, 1996).

These are precisely the reasons why, in research, **organisation satisfaction is examined as part of the broader concept of job satisfaction**. A review of the research literature provides further opportunities to explain the construct. If we analyze the pioneering research on job satisfaction (Hackman & Oldham, 1975, 1976), on whose questionnaires many studies in the field of organisation sciences were subsequently based, we gain a clearer picture of what exactly is classified as job satisfaction. As already mentioned, job satisfaction has several aspects, and the authors provide special questionnaires for each job aspect (Hackman & Oldham, 1980). These questionnaires include statements such as: "I am generally satisfied with the essence of the work I do; I am generally satisfied with the management and control at my work; Satisfaction in my life comes mainly from the work I do". These are just some of the statements used in JDS (Job Diagnostic Survey) to examine job satisfaction (Hackman & Oldham, 1980). The claims themselves show in another way why the study is focused on satisfaction with the organisation.

Unlike Brockner and others, a certain group of authors examine "organisational commitment" with claims such as: "This is the best organisation I could ever work for; I care about the future of this organisation;" (Mayer & Schoorman, 1992). These claims should examine the concept referred to as "value commitment" in the literature (as one of the dimensions of the concept of "organisational commitment") and refers to a positive, affective attitude towards the organisation itself (Stevens, Beyer & Trice, 1978; Mayer & Schoorman, 1998; Al-Jabari & Ghazzawi, 2019; Pratama, Suwarni & Astuti Handayani, 2022) and most closely illustrates the organisation satisfaction construct used in this study.

The last construct used in this part of the conceptual model is **turnover intention**. This construct is significantly less abstract than the previous two and thus requires no particular explanation. Studies that have dealt with the topic of downsizing in a very similar way provide a clear elaboration of turnover intention (Brockner, Tyler & Cooper-Schneider, 1992; Arshad & Sparrow, 2010; Mileva, Bojadjev & Stefanovska, 2022).

Based on the presented literature review, a conceptual model was developed. The model, alongside the research hypotheses is presented on Figure 1.

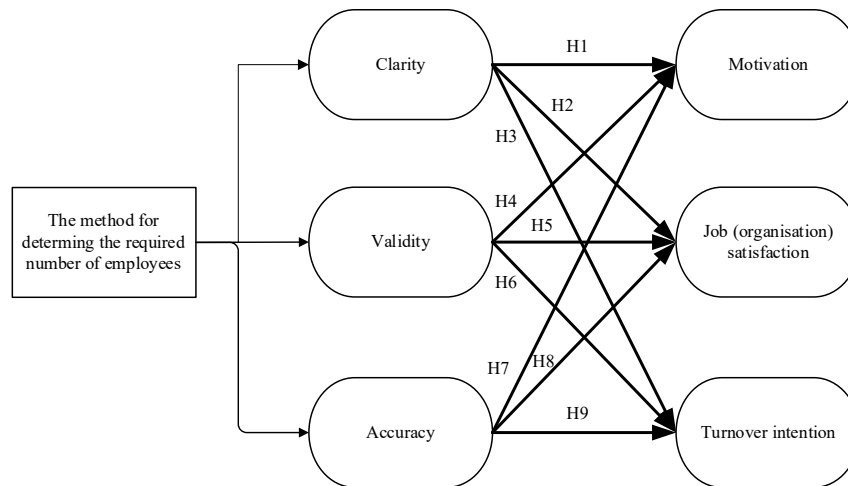


Figure 1. Conceptual Model on the Impact of Procedural Justice of Downsizing on Survivors' Behaviour (Authors' work)

Based on the proposed conceptual model and the mutual relationship between the constructs, the following nine hypotheses can be devised:

H1: Clarity has an impact on the Motivation of the survivors.

H2: Clarity has an impact on the Job satisfaction of the survivors.

H3: Clarity has an impact on the Turnover intention of the survivors.

H4: Validity has an impact on the Motivation of the survivors.

H5: Validity has an impact on the Job satisfaction of the survivors.

H6: Validity has an impact on the Turnover intention of the survivors.

H7: Accuracy has an impact on the Motivation of the survivors.

H8: Accuracy has an impact on the Job satisfaction of the survivors.

H9: Accuracy has an impact on the Turnover intention of the survivors.

Research Method / Study Design

Conducted Survey

All of the data used in the survey was collected using a questionnaire consisting of 29 questions, which are mostly closed-ended, where the respondents choose one of the offered answers. Some of the questions and the logical flow of the questionnaire will be described below.

The first segment of the questionnaire refers to general characteristics of the respondents and the organisations they work in. This segment is intended to offer a better description of the sample and to later provide the opportunity to cross-reference these data with the main study results. Within this segment, the respondents were asked questions about their gender, age, level of education, type of organisation and similar questions.

One of the key study questions is the following

1. *Has any kind of analysis ever been conducted in the organisational unit you currently belong to in order to determine the required number of employees? with the offered answers of YES and NO.*

The importance of this question is reflected in the fact that the respondents who answer with NO are unable to give any valid answers to the questions about the clarity or validity of the method for determining the required number of employees because either no method was used or it was used, but they were not aware of this fact. For this reason, the questionnaire was designed in such a way that if the respondents answered with NO, they would skip the questions about the clarity and validity of the method for determining the required number of employees.

All of the respondents who answered the aforementioned question with YES move on to the next segment of the questionnaire which refers to the **clarity** construct of the method for determining the required number of employees. Three questions were asked for this purpose:

- C1. To what extent were you involved in determining the required number of employees in your organisational unit?
- C2. To what extent were you familiar with the data used for analysis in determining the required number of employees in your organisational unit?
- C3. To what extent are you familiar with the way the number of employees in your organisational unit was determined?

The first two questions from this segment assume that the more involved the respondents were in determining the required number of employees and the more familiar with the data used for that purpose, the more likely they were to understand the way the number of employees in the organisational unit was determined. Simply put, greater involvement should result in a better knowledge and understanding of how the required number of employees is determined. The answers to all three questions were given in the form of a 5-point Likert scale, where the answers ranged from a) the lowest level of involvement or familiarity to e) the highest level of involvement or familiarity.

The next segment of the questionnaire referred to the statements used to evaluate the **validity** of the way in which the required number of employees was determined. The respondents were asked to evaluate eight statements, i.e. to answer the following question:

To what extent are the following data, information and methods used in order to determine the number of employees in your organisational unit:

- V1. Information and data on the existing workload;
- V2. Information and data on the future workload;
- V3. Defined time norms for performing operations or assessments of managers and employees about the time needed to perform the work;
- V4. Analysis of the effects achieved by employees in the previous period;
- V5. Comparison with competing or other companies
- V6. Comparison with other organisational units within the company;
- V7. Analysis of presence at work (use of days off, annual leave, sick leave);
- V8. Analysis of the work process (recording the process flow, determining the time required for operations, eliminating unnecessary operations).

For each sub-question (V1 – V8), a 5-point Likert scale was offered with identical answers ranging from 1 – Not used at all, to 5 – Constantly used. The assumption when forming this set of questions, which was used to examine the *Validity* construct, is that the use of any of the listed data, information or methods has a positive effect on the validity of the whole approach to determining the required number of employees.

The last segment of the questionnaire referring to the constructs related to the method of determining the required number of employees, is related to the **accuracy** of the method used. However, it is vital to mention that this concerns the perception of accuracy, and that it is measured indirectly using the following questions:

- A1. To what extent do you think there is a shortage of employees in your organisational unit?
- A2. To what extent do you think there is a surplus of employees in your organisational unit?
- A3. To what extent do you think that you are overworked (overtime hours, working from home outside working hours, pressure due to the amount of work)?
- A4. To what extent do you think that your colleagues are overworked (overtime hours, working from home outside working hours, pressure due to the amount of work)?

The answers to the questions were in the form of a 5-point Likert scale, which ranged from 1 (There is no surplus / shortage of employees at all) to 5 (There is a significant surplus / shortage of employees) and 1 (I am not overworked at all / They are not overworked at all) to 5 (I am extremely overworked / They are extremely overworked).

Since this segment refers to perceptions of accuracy, which are measured indirectly, more attention needs to be paid to the way in which this set of questions is intended to measure the construct of accuracy of the way the required number of employees is determined. First, it should be borne in mind that answers to the main research question and groundedness of the conceptual model is sought only

through the answers of those respondents who reported that some form of analysis was conducted in their organisational unit in order to determine the required number of employees. If, even after an analysis of this type, employees feel that there is a surplus or shortage of employees in their organisational unit, or that they and/or their colleagues are overworked, an explanation can be sought in the following almost closed set of options: the analysis was not accurate enough or the analysis was accurate enough, but the results of the analysis were not implemented through appropriate decisions.

Also, it is important to mention that in all segments of the questionnaire related to the constructs of *Clarity*, *Validity* and *Accuracy* of the method, the respondents were asked to state their views on the statements related to their organisational unit. The assumption is that the highest reliability in the answers can be expected if the questions relate to the organisational unit to which the respondents belong, primarily in relation to the constructs of the clarity, validity and accuracy of the method for determining the required number of employees.

The following part refers to the organisational changes which occurred during the period in which the respondents were employed in a particular organisational unit. The first question in this segment and one of the key questions in the questionnaire is:

How has the number of employees in your organisational unit changed in the period you have worked there?

- a) The number of employees has been significantly reduced;
- b) The number of employees has been reduced;
- c) There has been no change;
- d) The number of employees has increased;
- e) The number of employees has significantly increased.

The importance of this question lies in the fact that based on the answer to this question, it is assumed that downsizing took place within a certain organisational unit. **Therefore, only those respondents who answered a) or b) were considered representative for answering the remaining questions in the survey regarding downsizing and behaviour in the organizational unit.**

In other words, the respondents were not directly questioned anywhere about whether downsizing had taken place in their organisational unit because the researchers firmly believe that downsizing can happen without employees even noticing it. The best example of this is the situation where an employee retires or leaves the organisation (voluntarily). If the organisation does not hire a new person for that job, it has actually carried out downsizing, in its "mildest" form, and it is highly questionable whether the respondents would recognize that downsizing had taken place.

The next segment of the questionnaire referred to the **motivation** construct described in the previous section. Similar to the way *Validity* was measured, one question was asked, with several sub-statements:

To what extent do you agree with the following statements?

- M1. I am ready to make significantly more effort at work than it is normally expected;

- M2. The organisation I work for inspires me to do the best I can in terms of performance at work;
- M3. I would accept almost all work assignments just to keep working for the organisation I am currently employed in;
- M4. I do my best and try my best at work;
- M5. I consciously make an extraordinary effort in doing my job.

The respondents responded on a scale ranging from 1 "I do not agree at all" to 5 "I completely agree". The first three statements in this question relate to "organisational commitment" and have been used in previous research (Mayer & Schoorman, 1992; Brockner et al., 2004), all adapted from an anthological group of studies conducted in the early 1980s (Mowday, Steers & Porter, 1979). The last two statements refer to "work effort" and have also been used in previous research (Brockner, Tyler & Cooper-Schneider, 1992).

The next segment of the research referred to the construct of **job (organisation) satisfaction**. The main question, with its sub-statements, was:

To what extent do you agree with the following statements?

- JS1. For me personally, this is one of the best organisations I could work for;
- JS2. I am proud to be part of this organisation;
- JS3. I agree with the policy of the organisation in which I am employed in terms of human resources (employment, layoffs, number of employees, workload);
- JS4. I talk about the organisation I work for with my friends as a desirable organisation to work for;
- JS5. I care about the future of the organisation I work for.

All the statements have already been used in previous research (Mowday, Steers & Porter, 1979; Mayer & Schoorman, 1992) to measure the construct of "value commitment" within the sphere of "organisational commitment", which was explained in the previous section of the study.

The last segment addressed the construct of **turnover intention**. The main question, with its sub-statements, was:

To what extent do you agree with the following statements?

- TI1. I intend to leave the organisation in which I am employed in the near future;
- TI2. I have been thinking seriously about looking for a new job in the last few months;
- TI3. I am actively looking for another job;
- TI4. I often think about looking for another job.

Given that there is a construct in the literature which corresponds fully to the construct of turnover intention used in this study, all the statements are taken directly from recent research (Arshad & Sparrow, 2010).

Conducted Survey

The research was conducted in the period between June 15, 2020 and July 15, 2020. The questionnaire described in the previous subsection was available to the respondents in electronic format.

Given the specifics of the research question and the questionnaire described above, the researcher observed the potential sample very broadly, with almost no restrictions or guidance. Simply put, the branches in the questionnaire

necessarily lead to "splitting" of the sample and thus to the reduction of the sample suitable for analysis. The research was conducted with certain specifics, and the research procedure is presented in the paragraphs that follow.

First, in order to conduct the research within a relatively short period of time (one month) and at the same time provide a significant number of respondents, a large team of research associates was formed. The team of research associates numbered 440 students from the Faculty of Organizational Sciences, University of Belgrade. The research associates were tasked with collecting answers from at least four respondents of their choice, respecting the given rules. In this way, the sample gained a significant dimension of randomness.

The second channel for data collection was the social network LinkedIn, i.e. a wider circle of contacts made by the researchers. All of the potential respondents on the social network LinkedIn were contacted directly by means of a personalised message from the researchers, which provided a high percentage of completed questionnaires.

The team of research associates, together with the main researcher, collected almost three thousand answers (an exact total of 2968 answers). In terms of the two mentioned channels of data collection, 768 answers were collected through the social network, while the research associates collected 2200 answers.

Through the social network LinkedIn, the questionnaire was distributed to a population of 1426 potential respondents. A total of 768 answers were collected through the network, a response rate of 53.58 %, which is high for an online survey (Fan & Yan, 2010).

Of the 2968 responses collected, 556 met the criteria described in the previous section, and their answers were suitable for further analysis.

The above numbers clearly show why the researcher had to approach the research in the described way, where it was necessary to involve research associates, and conduct the research for almost a whole month. According to the correct prediction of the researcher, who was mindful of the structure of the questionnaire and branching, it was necessary to provide a large number of answers so that after segmentation of the sample, the segment which met the conditions for hypothesis testing would remain representative. In this particular case, considering that the final sample was 556 respondents out of 2968 respondents who participated in the research, it can be seen that the segment which meets the conditions for testing the hypotheses does not make up a fifth of the total sample (18.7 %).

Statistical Analysis

To explore the proposed conceptual model's validity and accept or reject the devised hypothesis, we opted for structural equation modelling (SEM). SEM analysis is based on the principles of two acknowledged statistical methods: factor analysis and regression analysis (Kline, 2005). The analysis is, therefore, two-fold as the factor analysis allows the grouping of the measured variables into latent factors, while the multiple linear regression allows the exploration of the relationships between the measured and latent variables. To estimate structural equation models, researchers can draw on two main approaches: covariance-based SEM (CB-

SEM) and partial least squares SEM (PLS-SEM). CB-SEM's objective is to reproduce the theoretical covariance matrix, without focusing on explained variance, while on the other hand, PLS-SEM is a causal modeling approach aimed at maximizing the explained variance of the dependent latent constructs (Hair, Ringle & Sarstedt, 2011). PLS-SEM is a complementary approach to factor-based SEM that emphasizes prediction while simultaneously relaxing the demands on data and specification of relationships, such as the small number of items per construct (Hair *et al.*, 2017). A recent bibliometric study indicates that the PLS use has gained momentum relative to factor-based SEM in recent years (Ciavolino, Aria, Cheah & Roldan, 2022). Due to the above-mentioned and the wide range of software available for its implementation, PLS-SEM analysis has been increasingly applied to verify conceptual models in different fields of study (Hair *et al.*, 2017). To verify our conceptual model, we used PLS-SEM and the SmartPLS Software version 4 (SmartPLS GmbH, 2023).

So far, SEM (CB or PLS) analysis has been used with success in the field of exploring the effects of downsizing. For example, Farrell (2003) analysed data from 2000 organisations and explored how downsizing impacts on trust, employee commitment to customer focus, and market orientation. Farrell together with Mavodno (2005) modelled how downsizing which drives redesign and the level of redesign that drives downsizing influence the level of business performance. Arshad & Sparrow (2010) proposed a conceptual model based on negative affectivity, perceived procedural justice, psychological contract violation, organisational citizenship behaviours, affective commitment, and turnover intention. In a more recent study, Harney *et al.* (2018) examined the impact of employee experiences of restructuring and downsizing on well-being. They

hypothesised how restructuring and downsizing impact on employee exhaustion and job satisfaction directly and are mediated through work intensity and job resources. Led by these examples, we also opted for the application of SEM analysis in our research using Smart PLS software.

Results and Managerial Implications

Sample Characteristics

The mean age of the respondents is 42.56 with a standard deviation of 11.393 and a median of 46. In terms of educational attainment, most of the employees who participated have either a BSc or MSc degree, 351 of them (63.1 %), followed by those with high or middle school education (23.4 %). The remaining respondents have finished college or completed their PhD studies. The highest percentage of the respondents holds an operational position (66.7 %), while the rest have managerial positions (33.3 %) in the organisation. The average number of months experience in the organisation is 128.19 with a standard deviation of 124.749 and a median of 72. This indicates that half of the respondents have worked in the organisation for more than 6 years. The average number of months of experience in the organisational unit is 98.80 with a standard deviation of 111.638 and a median of 41. This indicates that half of the respondents have worked in the organisational unit for more than 3.5 years. We can conclude that our sample encompassed highly educated individuals in operational positions with significant work experience in both the organisation and organisational unit.

A detailed presentation of the organisations where the respondents work is provided in Table 1.

Table 1

A Detailed Description of the Organisations in which the Respondents Work

Variable	Frequency	Percentage
<i>Type of organisation</i>		
Public	144	25.9%
Private	301	54.1%
Institution	111	20.0%
<i>Operation</i>		
Service	360	64.7%
Production	102	18.3%
Combined	94	16.9%
<i>Origin of the organisation</i>		
Domestic	347	62.4%
International	159	28.6%
Combined	50	9.0%
<i>Industry</i>		
Education and consulting	62	11.2%
Retail	59	10.6%
Telecommunications	44	7.9%
Banking and insurance	42	7.6%
IT	39	7.0%
Other	310	55.7%

Source: Authors' work on the data collected during the empirical research

The Validity of the Proposed Constructs

Prior to performing the SEM analysis, the literature suggests exploring the internal consistency of the proposed latent constructs. The commonly used metrics of scale reliability are Cronbach's alpha (Cronbach, 1951), Average Variance Extracted (AVE), and Dijkstra-Henseler's rho A (Dijkstra & Henseler, 2015). The closer these indices are to 1, the better the internal consistency is, thus showing that the scale is more reliable. The threshold for the acceptable level of Cronbach's alpha is above 0.7 (Gliem & Gliem,

2003), while for AVE and rho A it is above 0.5 (Dijkstra & Henseler, 2015) (Wong, 2013). The calculated coefficients of internal consistency per construct and the number of items per construct are given in Table 2. All of the observed scales proved to be reliable. Cronbach's alpha is in the range between 0.757 (*Accuracy*) and 0.941 (*Turnover Intention*). AVE ranges from 0.617 (*Validity*) to 0.853 (*Turnover Intention*), while Rho A ranges from 0.765 (*Accuracy*) to 0.942 (*Turnover Intention*). Taking the above presented metrics in mind, we conclude that the developed scales are consistent, according to the observed metrics.

Table 2

Obtained Cronbach's Alpha, Rho A and AVE per Construct and Number of Items per Construct

	Clarity	Validity	Accuracy	Motivation	Job satisfaction	Turnover intention
No. of items	3	8	3	5	5	4
Alpha	0.887	0.910	0.757	0.881	0.929	0.941
AVE	0.816	0.617	0.684	0.684	0.779	0.853
Rho A	0.888	0.911	0.765	0.883	0.929	0.942

Source: Authors' work on the data collected during the empirical research

Next, we assessed the discriminant validity of the constructs using the Fornell-Larcker criterion which compares the amount of variance captured by the construct's AVE and the shared variance with other constructs (Fornell & Larcker, 1981). The discriminant validity is evaluated by confirming that the correlations between each pair of constructs do not exceed the value of the square root of the AVE of each construct. Put in other words, the discriminant validity assessment has the goal to ensure that a reflective construct has the strongest relationships with its own indicators (e.g., in comparison with than any other

construct) in the PLS path model. The results of discriminant validity analysis are given in Table 3. The bold values are square roots of AVE, while all other values indicate the correlation among constructs. To satisfy the Fornell-Larcker criterion, the value on the diagonal (square root of AVE) should be greater than the correlations in the row and column. According to the provided results, we can conclude that the discriminant validity can be accepted for this measurement model, and it supports the premise of discriminant validity between the constructs.

Table 3

Discriminant Validity

	Clarity	Validity	Accuracy	Motivation	Job satisfaction	Turnover intention
Clarity	0.903					
Validity	0.179	0.785				
Accuracy	-0.069	-0.035	0.827			
Motivation	0.178	0.583	-0.054	0.827		
Job satisfaction	0.179	0.580	-0.254	0.762	0.883	
Turnover intention	0.041	0.068	-0.254	0.136	0.398	0.923

Source: Authors' work on the data collected during the empirical research

As another pre-test to the SEM analysis, confirmatory factor analysis (CFA) was conducted. The model had a relatively solid fit to the data (Chi-square=2043.403, df=341, p<0.000, CFI=0.857, TLI=0.841, RMSEA=0.095, 0.091≤RMSEA≤0.099). The obtained RMSEA is below the threshold of 0.1, as well as the upper limit of the 95 % confidence interval for the RMSEA. The values of the Comparative Fit Index (CFI) and Tucker-Lewis Index (TLI) are close but below the threshold of 0.9. According to the

obtained fitness indices, it can be concluded that the CFA model fits solidly to the data. In Table 4, we present the factor loading per each construct. The presented factor loadings indicate that all factor loadings per each construct are positive and above 0.5, indicating that there is no need to exclude any item from the constructs. CFA loadings indicate that the structure of the constructs should not be changed and that further modelling analysis can be conducted.

Confirmatory Factor Analysis (CFA) Results

Construct	Item	Factor loading	Construct	Item	Factor loading
Clarity	C1	0.862	Motivation	M1	0.788
	C2	0.965		M2	0.654
	C3	0.758		M3	0.554
Validity	V1	0.803		M4	0.927
	V2	0.807		M5	0.922
	V3	0.824	Job satisfaction	S1	0.881
	V4	0.761		S2	0.930
	V5	0.570		S3	0.775
	V6	0.635		S4	0.892
	V7	0.718		S5	0.798
	Accuracy	V8	0.713	Turnover intention	TI1
A1		0.534	TI2		0.923
A2		0.820	TI3		0.858
A3		0.861	TI4		0.914

Source: Authors' work on the data collected during the empirical research

To additionally explore the structure of the six proposed constructs, we calculated the variance inflation factor (VIF) per item. VIF is a standard measure used for detection of multicollinearity, the specific situation in which there is a high correlation among observed items within a construct. The threshold for the interpretation of VIF is 5. If the

measured VIF is above 5, there is multicollinearity in the model or equation. Otherwise, there are no issues with multicollinearity. The results in Table 5 indicate no issues with multicollinearity in either of the six constructs, as all VIFs are below 5.

Table 5

Variance Inflation Factor (VIF)

Construct	Item	VIF	Construct	Item	VIF
Clarity	C1	3.090	Motivation	M1	2.539
	C2	3.744		M2	2.009
	C3	2.091		M3	1.577
Validity	V1	3.159		M4	4.229
	V2	3.308		M5	4.108
	V3	2.886	Job satisfaction	S1	3.729
	V4	2.333		S2	4.806
	V5	1.924		S3	2.235
	V6	2.109		S4	3.846
	V7	2.302		S5	2.490
	Accuracy	V8	2.196	Turnover intention	TI1
A1		1.284	TI2		4.705
A2		2.010	TI3		3.190
A3		2.140	TI4		4.191

Source: Authors' work on the data collected during the empirical research

Verification of the Proposed Model

The initial model had a solid fit to the data (Chi-square=1995.492, $p < 0.000$, NFI=0.827, SRMR=0.067). The standardized root mean square residual (SRMR) is close to the margin of 0.05, while the Normed Fit Index (NFI) is close to the threshold of 0.9 (Hsu, 2013). If the sample size, model complexity, and the acceptable and marginally acceptable values of the fit indices are taken into account, it can be concluded that the initial model has a solid fit to the data.

In order to evaluate the statistical significance of the paths (connections) between the constructs, bootstrapping was performed on 10,000 samples. Bootstrapping is a standard procedure in the application of PLS-SEM analysis. The aim of bootstrapping is to randomly create samples

from the total sample, where the assumption is that the distribution of the samples represents an adequate approximation of the distribution of the whole population (Cheung & Lau, 2008). PLS-SEM is applied to each of the created samples, and the obtained results are used to obtain an empirical sampling distribution for each model parameter. At the same time, the standard deviation of the sampling distribution is used in order to determine the standard empirical error of the parameters (Hair, Black, Babin & Anderson, 2010).

In the specific model presented here, after conducting the bootstrap, some of the paths in the model proved not to be statistically significant. Although the literature is ambiguous on whether to keep or remove the insignificant paths from the model, we decided to keep all the paths in the model. We believe that in such a way more comprehensive

insights on the impact (or no impact) of procedural justice will be obtained. Therefore, the initial model was not changed and the model was not respecified.

Considering that in the presented model each path represents one hypothesis, a statistically significant path indicates acceptance of the hypothesis in question, while a non-significant path indicates that the hypothesis in question should be rejected.

The obtained regression coefficients on the overall sample and the results of the bootstrap are given in Table 6.

The average value of the regression coefficient represents the average of the specific coefficient per 10,000 samples to which the SEM analysis (bootstrapping) was applied, and to which the standard deviation also refers. One of the qualities of the research and its results is stability which can be seen through these two measures. The obtained results are very stable, because the average value of the mean values of the regression coefficients per 10,000 samples are very close to the values of the regression coefficients on the whole sample, with a very small standard deviation ranging from 0.031 to 0.044. It can be concluded that the bootstrap results are stable as the bootstrap mean standardized coefficients are close to the standardized coefficients on the sample.

According to the obtained results, *Motivation* can be modelled based on the employees' opinions of the *Clarity* and *Validity* of the downsizing method. Both regression coefficients are positive and statistically significant. However, the impact of *Validity* is stronger than that of *Clarity*, 0.569 compared to 0.076. Although the value of the coefficient of *Clarity* is below the suggested threshold, we left it in the model to obtain a model of high quality and to detect

all the statistically significant predictors (Milenkovic, Glavic & Maricic, 2019). The two predictors explain 34.5 % of the variability of *Motivation*, thus creating a model of solid quality. On the other hand, *Accuracy* did not have a statistically significant impact on *Motivation*. The measured path coefficient was negative, indicating that increased accuracy might lead to decreased motivation.

All three characteristics of the downsizing method have a statistically significant impact on *Job satisfaction*. The characteristics which have the strongest absolute impact are *Validity*, 0.561, followed by *Accuracy*, -0.230. As in the previous model, *Clarity* was left in the model. The results indicate that the increased perceived validity of the downsizing method increases the satisfaction of the survivors. The same applies to *Clarity*. However, the negative coefficient of *Accuracy* indicates that the more precise the downsizing method is, the less satisfied the employees are with their working conditions. The three predictors explain 39.5 % of the variability of *Job satisfaction*, thus creating a model of solid quality.

In the last model, *Turnover Intention*, only one characteristic has a statistically significant impact, *Accuracy*. The estimated regression coefficient implies that the more accurate the downsizing method is, the more likely turnover intention is going to increase. Although the coefficient is statistically significant, the obtained R square is very low, indicating that just 6.4 % of the variability of *Turnover Intention* is explained. On the other hand, *Clarity* and *Validity* did not have a statistically significant impact on *Turnover Intention*. The measured path coefficients are positive, indicating that increased clarity and validity might lead to the decision to leave the organization.

Table 6

Assessment of the Model: Construct, Predictors, Obtained Standardised Coefficients, Mean Standardized Coefficient, Standard Deviation (Std), t Statistics, Status of the Related Hypothesis, and the R Square

Construct	Predictors	Std Coeff	Mean Std Coeff	Std	t	Hypothesis	R ²
Motivation	Clarity	0.074	0.075	0.036	2.076	H1 - Accepted	0.346
	Validity	0.569	0.571	0.031	18.095	H4 – Accepted	
	Accuracy	-0.029	-0.029	0.038	-0.075	H7 – Rejected	
Job satisfaction	Clarity	0.063	0.063	0.034	1.860	H2 – Accepted	0.395
	Validity	0.561	0.562	0.031	17.984	H5 – Accepted	
	Accuracy	-0.230	-0.232	0.035	-6.560	H8 – Accepted	
Turnover intention	Clarity	0.014	0.014	0.044	0.313	H3 – Rejected	0.068
	Validity	0.057	0.057	0.040	1.408	H6 – Rejected	
	Accuracy	-0.251	-0.254	0.039	-6.385	H9 - Accepted	

Source: Authors' work on the data collected during the empirical research

Discussion

Procedural justice of the downsizing is an important aspect that should not be neglected as it impacts those who conduct the downsizing, those who are to lose their jobs, as well as those who will remain in the organisation. Therefore, insights on how procedural justice impacts the employees are needed. Herein we proposed a two-pillar model which explored how procedural justice impacts the behaviour of the surviving employees. We explored the interrelationship between *Clarity*, *Validity*, and *Accuracy*, on one side, and *Motivation*, *Job satisfaction*, and *Turnover intention*, on the other side.

The research showed that clarity of the downsizing method has an impact on the subsequent attitudes of the survivors. The impact is positive in the sense that if the employees have a better understanding of the essence of the analysis and the applied methods, improved motivation (H1) and satisfaction (H2) with the organisation itself thus follows.

Another of the study's conclusions is related to the impact of validity of the applied methods for determining the required number of employees. In accordance with the expectations of the researchers and in line with the hypotheses, the results confirmed the impact of the validity of the method on the subsequent motivation of the survivors (H4) and their satisfaction (H5) with the organisation to

which they belong. Such a result can be interpreted in several ways. On the one hand, the inclusion of more data in the downsizing analysis shows the systematic and serious approach of the organisation to downsizing, which definitely contributes to the creation of a sense of procedural justice of the process on the part of employees. On the other hand, the use of the mentioned data and methods shows the intention of the organisation to make decisions based on data and information, which should lead to high quality decisions free from subjectivism and personal interests.

In the end, in terms of accuracy, seemingly contradictory results were obtained. On the one hand, the results of the research showed that the more accurate the method was, the lower the satisfaction with the organisation among the employees turned out to be (H7). At the same time, the improved accuracy of the method resulted in lower turnover intention (H9), which is desirable. Increasing the accuracy of the method should reflect a situation where the number of employees approaches the required number of employees. Accepting that point of view, the research findings in this section are logical. If downsizing has been carried out, it means that there has been a reduction in the number of employees and that number has approached the required number. This automatically means that there has been an increase in work for the survivors, whose views have been the subject of the research, and there is a logical decline in satisfaction with the organisation to which they belong (Ivanovic, Ivancevic & Maricic, 2020).

Observing the results from the other perspective, we can conclude that the three constructs related to the procedural justice have an explanatory power of the employees' behaviour. Namely, clearly explained downsizing method used alongside with its perceived validity can explain almost 35% (34.6%) of the surviving employees' motivation. This is a clear signal that communication with the employees is vital. Also, if alongside clarity and validity, there is a high perceived accuracy of the downsizing method, almost 40 % (39.5 %) of the survivors' job satisfaction can be explained. On the other hand, the procedural justice of the downsizing method did not have an explanatory power of the survivors' turnover intention. This might have been caused by the fact that the surviving employees are content at the organisation, are satisfied that they are the survivors and not the victims of downsizing and that they have, at the moment, no intention at all to change organisation for which they work.

The research confirmed the claims of previous research, which emphasized the importance of procedural justice in processes which abound in negative outcomes, such as downsizing (Brockner *et al.*, 1997).

Managerial Implications

There are several managerial implications which can be drawn from the results of this study. The research results related to importance of clarity argue that when conducting downsizing, it is important to inform employees about the way the required number of employees is determined so that they, in accordance with their positions and education, can understand it, regardless of whether they will later agree with the results obtained or decisions made. In this way, organisations increase the likelihood of survivors retaining

or creating positive attitudes such as motivation and satisfaction with the organisation. Namely, if the employees are informed on time and in enough detail about the downsizing method, they will accept it, understand it, and will not be stressed due to downsizing or filled with negative emotion towards the managers conducting the downsizing and the organisation. The employees have the right to be informed and that should be respected.

Results of the PLS-SEM analysis pointed out the importance of the validity of the downsizing method employed for future behaviours of the surviving employees. Our results indicate that if the employees are informed that the decision regarding the downsizing is made based on various data, information, and analysis, their attitudes after the downsizing will not be negative, whereas they will be positive. Increasing the communication with the employees on the downsizing procedure will lead to their increased motivation and job satisfaction, which is desirable, especially when the number of employees has been reduced. Decision-makers and managers should show the employees that the decision regarding the downsizing and the reduced number of employees is not their personal decision, whereas a decision based on data.

Finally, the research results show the negative impact of the accuracy of the method on creating turnover intention. In other words, the closer the number of employees in the organisational unit is to the required level, the less employees think about leaving the organisation. Considering that the respondents are those in whose organisational units the existing number of employees was reduced, this means that increasing the accuracy of the method leads to reducing the number of employees towards the required number of employees. This can be a positive thing, because it should eliminate situations where employees in organisational units do not have enough work. Further elaborating the idea, it can be assumed that the survivors were those who performed most of the work before downsizing, and that they survived the downsizing mainly because of that factor. For such employees, eliminating those who did not have enough work can be a positive thing in terms of balancing contributions and rewards within organisational units. At the same time, the managers should be aware that sometimes, accuracy might decrease job satisfaction, due to potential increase in work for the survivors.

In general, through the involvement of employees, not only can useful information be obtained for the implementation of the downsizing process, but employees are also given the opportunity to understand the applied methods, which increases the procedural justice of the whole process from their point of view.

Conclusion

The findings showed that the initial model was slightly changed, and out of nine set hypotheses, six have been accepted. In general, the results of the study are in line with the first research in this field, which established the clear and strong importance of procedural justice in downsizing, where Brockner emerged as a leading researcher in the field (Brockner, Tyler & Cooper-Schneider, 1992; Brockner *et al.*, 1994; Brockner & Siegel, 1996; Brockner *et al.*, 2004).

The main scientific contribution of the study is precisely that it does not observe procedural justice through decisions on who should lose their jobs, but through the method of reaching such decisions. Research has shown that "surviving" employees will show greater acceptance when a detailed analysis is conducted before such decisions are made. Based on the results of the study, it can be concluded that in situations when decisions on downsizing are preceded by an analysis which includes some data, when employees are faced with quantified arguments, managers can expect better acceptance of obviously unfavourable decisions, which is then reflected in the creation of positive attitudes among employees.

A possible future direction of the study could be the extension of the conceptual model by including new constructs related to the survivors' attitudes, such as work intensity or burnout (Harney *et al.*, 2018). Also, other characteristics of the downsizing method could be considered, such as justification, justice, and the need for downsizing.

The stated result can be interpreted in the context of the sample structure, where 46 % of the respondents are from the public sector. The public sector is generally, independently of the state, associated with inefficiency which is largely influenced by overstaffing (Dong & Putterman, 2003) (Bogicević-Milikić & Janićijević, 2009). In Serbia, the problem with the surplus of employees in public sector has been identified at the macro level, i.e. at the level of the entire economy (IMF, 2016; Vujovic, 2017), as well as at the micro level, i.e. at the level of individual public companies and corresponding organisational units (Komazec, Krivokapic & Todorovic, 2020). A future direction of the study could consider conducting the multigroup sem analysis (MGA) and compare the models

based on the answers of public and private sector employees.

The results of the study should be interpreted in the light of its limitations. The study was done in just one country, Serbia, which has undergone Post Communist transformation and frequent privatisations and layoffs (Upchurch & Marinkovic, 2011), which might have shaped the respondents aversion and negative opinions on downsizing. The results might differ if the survey was conducted in another country.

The topic covered by the study is definitely still ongoing, and in recent years researchers have confirmed the importance of procedural justice for the attitudes of survivors, as well as that of employees' attitudes to achieve the planned effects of downsizing in the long-term (Hopkins & Weathington, 2006; Michel, Stegmaier & Sonntag, 2010; Van Dierendonck & Jacobs, 2012; Lopez Bohle, Chambel & Diaz-Valdes Iriarte, 2018). This study adds to the current body of literature and might initiate further research on the topic of procedural justice of downsizing.

Acknowledgement

We thank the Faculty of Organizational Sciences, University of Belgrade for the support on conducting the research and publishing this manuscript.

This research was supported by the Ministry of Education and Science of the Republic of Serbia through the Project No. 179081: Researching Contemporary Tendencies of Strategic Management Using Specialized Management Disciplines in Function of Competitiveness of Serbian Economy.

References

- Al-Jabari, B., & Ghazzawi, I. (2019). Organizational Commitment: A Review of the Conceptual and Empirical Literature and a Research Agenda. *International Leadership Journal*, 11(1), 78–119
- Armstrong-Stassen, M. (1994). Coping with transition: A study of layoff survivors. *Journal of Organisational Behavior*, 15(7), 597–621. <https://doi.org/10.1002/job.4030150705>
- Arshad, R., & Sparrow, P. (2010). Downsizing and survivor reactions in Malaysia: Modelling antecedents and outcomes of psychological contract violation. *The International Journal of Human Resource Management*, 21(11), 1793–1815. <https://doi.org/10.1080/09585192.2010.505080>
- Bogicevic-Milicic, B., & Janicijevic, N. (2009). HRM trends in transition economies: Two reflections of the shared background. *Sociologija*, 51(2), 157–176. <https://doi.org/10.2298/SOC0902157B>
- Brockner, J. (1988). The effects of work layoffs in survivors: research, theory and practice. *Research in Organisationl Behavior*, 10, 213–255.
- Brockner, J., & Siegel, P. (1996). Understanding the interaction between procedural and distributive justice: The role of trust. In R. M. (Eds.), *Trust in organisations: Frontiers of theory and research* (pp. 390–413). CA: Thousand Oaks. <https://doi.org/10.4135/9781452243610.n18>
- Brockner, J., Grover, S., O'Malley, M., Reed, T., & Glynn, M. (1993). Threat of Future Layoffs, Self-Esteem, and Survivors' Reactions: Evidence from the Laboratory and the Field. *Strategic Management Journal*, 14, 153–166. <https://doi.org/10.1002/smj.4250140912>
- Brockner, J., Grover, S., Reed, T., & Dewitt, R. (1992). Layoffs, Job Insecurity, and Survivors' Work Effort: Evidence of an Inverted-U Relationship. *The Academy of Management Journal*, 35(2), 413–425. <https://doi.org/10.2307/256380>
- Brockner, J., Grover, S., Reed, T., DeWitt, R., & O'Malley, M. (1987). Survivors' reactions to layoffs: We get by with a little help for our friends. *Administrative science quarterly*, 32(4), 526–541. <https://doi.org/10.2307/2392882>

- Brockner, J., Konovsky, M., Cooper-Schneider, R., Folger, R., Martin, C., & Bies, R. (1994). Interactive effects of procedural justice and outcome negativity on victims and survivors of job loss. *Academy of Management Journal*, 37(2), 397–409. <https://doi.org/10.2307/256835>
- Brockner, J., Siegel, P., Daly, J., Tyler, T., & Martin, C. (1997). When trust matters: The moderating effect of outcome favorability. *Administrative Science Quarterly*, 42(3), 558–583. <https://doi.org/10.2307/2393738>
- Brockner, J., Spreitzer, G., Mishra, A., Hochwarter, W., Pepper, L., & Weinberg, J. (2004). Perceived control as an antidote to the negative effects of layoffs on survivors' organisational commitment and job performance. *Administrative Science Quarterly*, 49(1), 76–100. <https://doi.org/10.2307/4131456>
- Brockner, J., Tyler, T., & Cooper-Schneider, R. (1992). The influence of prior commitment to an institution on reactions to perceived unfairness: The higher they are, the harder they fall. *Administrative Science Quarterly*, 37(2), 241–261. <https://doi.org/10.2307/2393223>
- Campion, M., Guerrero, L., & Posthuma, R. (2011). Reasonable human resource practices for making employee downsizing decisions. *Organisational Dynamics*, 40(3), 174–180. <https://doi.org/10.1016/j.orgdyn.2011.04.004>
- Cascio, W. (1993). Downsizing: What do we know? What have we learned? *The Academy of Management Executive*, 7(1), 95–104. <https://doi.org/10.5465/ame.1993.9409142062>
- Cheung, G., & Lau, R. (2008). Testing mediation and suppression effects of latent variables: Bootstrapping with structural equation models. *Organisational research methods*, 11(2), 296–325. <https://doi.org/10.1177/1094428107300343>
- Chen, S., & Mykletun, R. (2015). Beyond post-downsizing organisational injustice and counterproductive work behaviours: Antecedents and consequences of learnt helplessness. *International Journal of Business and Management*, 10(4), 1–14. <https://doi.org/10.5539/ijbm.v10n6p1>
- Ciavolino, E., Aria, M., Cheah, J. H., & Roldan, J. L. (2022). A tale of PLS structural equation modelling: episode I-a bibliometric citation analysis. *Social Indicators Research*, 164(3), 1323–1348. <https://doi.org/10.1007/s11205-022-02994-7>
- Cronbach, L. (1951). Coefficient alpha and the internal structure of tests. *Psychometrika*, 16(3), 297–334. <https://doi.org/10.1007/BF02310555>
- de Jong, T., Wiezer, N., de Weerd, M., Nielsen, K., Mattila-Holappa, P., & Mockało, Z. (2016). The impact of restructuring on employee well-being: a systematic review of longitudinal studies. *Work & Stress*, 30(1), 91–114. <https://doi.org/10.1080/02678373.2015.1136710>
- DeVries, M., & Balazs, K. (1997). The downside of downsizing. *Human relations*, 50(7), 11–50. <https://doi.org/10.1177/001872679705000102>
- Dijkstra, T., & Henseler, J. (2015). Consistent partial least squares path modeling. *MIS quarterly*, 39(2), 297–316. <https://doi.org/10.25300/MISQ/2015/39.2.02>
- Dong, X. Y., & Putterman, L. (2003). Soft budget constraints, social burdens, and labor redundancy in China's state industry. *Journal of Comparative Economics*, 31(1), 110–133. [https://doi.org/10.1016/S0147-5967\(02\)00012-4](https://doi.org/10.1016/S0147-5967(02)00012-4)
- Drzensky, F., & Heinz, M. (2016). The hidden costs of downsizing. *The Economic Journal*, 126(598), 2324–2341. <https://doi.org/10.1111/ecoj.12216>
- Fan, W., & Yan, Z. (2010). Factors affecting response rates of the web survey: A systematic review. *Computers in human behavior*, 26(2), 132–139. <https://doi.org/10.1016/j.chb.2009.10.015>
- Farrell, M. A. (2003). The effect of downsizing on market orientation: the mediating roles of trust and commitment. *Journal of Strategic Marketing*, 11(1), 55–74. <https://doi.org/10.1080/0965254032000069748>
- Farrell, M. A., & Mavondo, F. (2005). The effect of downsizing-redesign strategies on business performance: Evidence from Australia. *Asia Pacific Journal of Human Resources*, 43(1), 98–116. <https://doi.org/10.1177/1038411105050309>
- Fornell, C., & Larcker, D. (1981). Evaluating structural equation models with unobservable variables and measurement error. *Journal of marketing research*, 18(1), 39–50. <https://doi.org/10.1177/002224378101800104>
- Gliem, J., & Gliem, R. (2003). Calculating, interpreting, and reporting Cronbach's alpha reliability coefficient for Likert-type scales, Midwest Research-to-Practice Conference in Adult, Continuing, and Community Education, (pp. 82–88). Columbus, USA.
- Hackman, J., & Oldham, G. (1975). Development of the Job Diagnostic Survey. *Journal of Applied Psychology*, 60, 159–170. <https://doi.org/10.1037/h0076546>
- Hackman, J., & Oldham, G. (1976). Motivation through the design of work: Test of a theory. *Organisational Behavior and Human Performance*, 16, 250–279. [https://doi.org/10.1016/0030-5073\(76\)90016-7](https://doi.org/10.1016/0030-5073(76)90016-7)
- Hackman, J., & Oldham, G. (1980). *Work redesign*. Reading, MA: Addison-Wesley.

- Hair, J., Hult, G., Ringle, C., Sarstedt, M., & Thiele, K. (2017). Mirror, mirror on the wall: a comparative evaluation of composite-based structural equation modeling methods. *Journal of the Academy of Marketing Science*, 45(5), 616–632. <https://doi.org/10.1007/s11747-017-0517-x>
- Hair, J. F., Ringle, C. M., & Sarstedt, M. (2011). PLS-SEM: Indeed a silver bullet. *Journal of Marketing theory and Practice*, 19(2), 139–152. <https://doi.org/10.2753/MTP1069-6679190202>
- Hair, J. F., Anderson, R. E., Babin, B. J., & Black, W. C. (2010). *Multivariate data analysis: A global perspective* (Vol. 7).
- Harney, B., Fu, N., & Freaney, Y. (2018). Balancing tensions: Buffering the impact of organisational restructuring and downsizing on employee well-being. *Human Resource Management Journal*, 28(2), 235–254. <https://doi.org/10.1111/1748-8583.12175>
- Hopkins, S., & Weathington, B. (2006). The relationships between justice perceptions, trust, and employee attitudes in a downsized organisation. *The Journal of psychology*, 140(5), 477–498. <https://doi.org/10.3200/JRLP.140.5.477-498>
- Hsu, L. (2013). Work motivation, job burnout, and employment aspiration in hospitality and tourism students-An exploration using the self-determination theory. *Journal of Hospitality, Leisure, Sport & Tourism Education*, 13, 180–189. <https://doi.org/10.1016/j.jhlste.2013.10.001>
- IMF. (2016). IMF concludes visit to Serbia - Press Release No. 16/78. Washington, DC: International Monetary Fund.
- Ivanovic, T., Ivancevic, S., & Maricic, M. (2020). The relationship between recruiter burnout, work engagement and turnover intention: Evidence from Serbia. *Inzinerine Ekonomika-Engineering Economics*, 31(2), 197–210. <https://doi.org/10.5755/j01.ee.31.2.24100>
- Janicijevic, N., Kovacevic, P., & Kovacevic, I. (2015). Identifying organisational factors of job satisfaction: The case of one Serbian company. *Economic annals*, 60(205), 73–104. <https://doi.org/10.2298/EKA1505073J>
- Kline, R. (2005). *Principles and Practice of Structural Equation Modeling* 2nd Ed. <https://doi.org/10.1038/156278a0>
- Ko, J., & Hur, S. (2014). The impacts of employee benefits, procedural justice, and managerial trustworthiness on work attitudes: Integrated understanding based on social exchange theory. *Public Administration Review*, 74(2), 176–187. <https://doi.org/10.1111/puar.12160>
- Komazec, S., Krivokapić, J., & Todorović, I. (2020). The Application of the Downsizing Method Based on Employee Attendance Data in Oversized Public Utility Companies Founded by the Republic of Serbia Local Self-Government Units. *Lex Localis-Journal of Local Self-Government*, 18(4), 1023–1051. [https://doi.org/10.4335/18.3.1023-1051\(2020\)](https://doi.org/10.4335/18.3.1023-1051(2020))
- Kozlowski, S. (1993). Organisational downsizing: Strategies, interventions, and research implications. *International review of industrial and organisational psychology*, 8, 263–332.
- Lopez Bohle, S., Chambel, M., & Diaz-Valdes Iriarte, A. (2018). Job insecurity, procedural justice and downsizing survivor affects. *The International Journal of Human Resource Management*, 32(3), 596–615. <https://doi.org/10.1080/09585192.2018.1482939>
- Mayer, R., & Schoorman, F. (1992). Predicting participation and production outcomes through a two-dimensional model of organisational commitment. *Academy of Management journal*, 35(3), 671–684. <https://doi.org/10.5465/256492>
- Mayer, R., & Schoorman, F. (1998). Differentiating antecedents of organisational commitment: A test of March and Simon's model. *Journal of Organisational Behavior: The International Journal of Industrial, Occupational and Organisational Psychology and Behaviour*, 19(1), 15–28. [https://doi.org/10.1002/\(SICI\)1099-1379\(199801\)19:1<15::AID-JOB816>3.0.CO;2-C](https://doi.org/10.1002/(SICI)1099-1379(199801)19:1<15::AID-JOB816>3.0.CO;2-C)
- Mengstie, M. (2020). Perceived organizational justice and turnover intention among hospital healthcare workers. *BMC psychology*, 8, 1–11. <https://doi.org/10.1186/s40359-020-0387-8>
- Michel, A., Stegmaier, R., & Sonntag, K. (2010). I scratch your back-you scratch mine. Do procedural justice and organisational identification matter for employees' cooperation during change?. *Journal of change management*, 10(1), 41–59. <https://doi.org/10.1080/14697010903549432>
- Milenkovic, M., Glavic, D., & Maricic, M. (2019). Determining factors affecting congestion pricing acceptability. *Transport Policy*, 82, 58–74. <https://doi.org/10.1016/j.tranpol.2019.08.004>
- Mileva, I., Bojadjev, M., & Stefanovska, M. (2022). Entrepreneurial Organizational Culture During a Pandemic in a Labour-Intensive Industry: The Mediating Role of Fear of COVID-19, Psychological Distress, and Job Satisfaction in Turnover Intention. *Management: Journal of Sustainable Business and Management Solutions in Emerging Economies*, 27(3), 71–80. <https://doi.org/10.7595/management.fon.2021.0038>
- Mishra, A., & Spreitzer, G. (1998). Explaining How Survivors Respond to Downsizing: The Roles of Trust, Empowerment, Justice, and Work Redesign. *Academy of management Review*, 23(3), 567–588. <https://doi.org/10.5465/amr.1998.926627>

- Mowday, R., Steers, R., & Porter, L. (1979). The measurement of organisational commitment. *Journal of vocational behavior*, 14(2), 224–247. [https://doi.org/10.1016/0001-8791\(79\)90072-1](https://doi.org/10.1016/0001-8791(79)90072-1)
- Pratama, E., Suwarni, E., & Astuti Handayani, M. (2022). The Effect Of Job Satisfaction And Organizational Commitment On Turnover Intention With Person Organization Fit As Moderator Variable. *Aptisi Transactions on Management (ATM)*, 6, 74–82. <https://doi.org/10.33050/atm.v6i1.1722>
- Rioli, L., & Savicki, V. (2006). Impact of fairness, leadership, and coping on strain, burnout, and turnover in organizational change. *International Journal of Stress Management*, 13(3), 351–377. <https://doi.org/10.1037/1072-5245.13.3.351>
- Rudolph, C., Allan, B., Clark, M., Hertel, G., Hirschi, A., Kunze, F., . . & Zacher, H. (2021). Pandemics: Implications for research and practice in industrial and organizational psychology. *Industrial and Organizational Psychology*, 14(1-2), 1–35. <https://doi.org/10.1017/iop.2020.48>
- SmartPLS GmbH. (2023). SmartPLS. Available at: <https://www.smartpls.com/>. Assessed January 19, 2023
- Stevens, J., Beyer, J., & Trice, H. (1978). Assessing personal, role, and organisational predictors of managerial commitment. *Academy of management journal*, 21(3), 380–396. <https://doi.org/10.5465/255721>
- Smollan, R. (2012). Emotional responses to the injustice of organizational change: a qualitative study. In N. Ashkanasy, C. Hartel, & W. Zerbe, *Research on Emotion in Organizations* (pp. 175-202). Bingley, UK: Emerald Insight. [https://doi.org/10.1108/S1746-9791\(2012\)0000008011](https://doi.org/10.1108/S1746-9791(2012)0000008011)
- Ugboro, I. (2016). Influence of managerial trust on survivors' perceptions of job insecurity and organizational commitment in a post restructuring and downsizing environment. *Journal of Behavioral and Applied Management*, 4(3), 231–265
- Upchurch, M., & Marinkovic, D. (2011). Wild capitalism, privatisation and employment relations in Serbia. *Employee Relations*, 33(4), 316–333. <https://doi.org/10.1108/01425451111140613>
- Van Dierendonck, D., & Jacobs, G. (2012). Survivors and victims, a meta-analytical review of fairness and organisational commitment after downsizing. *British Journal of Management*, 23(1), 96–109. <https://doi.org/10.1111/j.1467-8551.2010.00724.x>
- Vujovic, D. (2017). Serbia: Two years of fiscal consolidation: Results and medium-term sustainability issues. *Ekonomika preduzeća*, 65(1-2), 25–41. <https://doi.org/10.5937/ekopre1702025V>
- Wong, K. K. (2013). Partial least squares structural equation modeling (PLS-SEM) techniques using SmartPLS. *Marketing Bulletin*, 24(1), 1–32.

Authors' Biographies

Stefan Komazec, PhD in field of Organizational Sciences, is an Assistant Professor at the Department of Business System Organization, Faculty of Organizational Sciences, University of Belgrade. His field of research are organizational restructuring, downsizing, business process modelling and optimization. He published more than 50 papers and is cited more than 150 time in Google Scholar database.

Milica Maričić graduated from the University of Belgrade and pursued a PhD in the field of Computational Statistics at the same University. Since 2015, she is employed at the Department of Operations Research and Statistics, Faculty of Organizational Sciences, University of Belgrade. She currently works as an Assistant Professor. Her fields of research are composite indicators, rankings, structural modelling, and applied statistics, especially in the sphere of sports and marketing. She published more than 15 Web of Science indexed papers and is cited more than 300 times in Google Scholar database.

Mladen Đurić, PhD in Organizational sciences, Associate Professor at the Department of Quality Management and Standardization, Faculty of Organizational Sciences, University of Belgrade. Head of Delegation - Republic of Serbia, at the ISO/TC 260 Human resource management (ISO - International Organization for Standardization). President of the National Committee for Human Resource Management Standardization and member of the National Committee for Sustainability and Social Responsibility at Institute for Standardization of Serbia (ISS). External Expert Advisor, Jury Member and Trainer in the fields of different management systems with related standards, at the Chamber of Commerce and Industry of Serbia.

The article has been reviewed.

Received in April 2022; accepted in June 2023.



This article is an Open Access article distributed under the terms and conditions of the Creative Commons Attribution 4.0 (CC BY 4.0) License <http://creativecommons.org/licenses/by/4.0>