

The Relationship between Personality Traits and Survivors' Organizational Commitment following Layoffs in Selected Organisations in Ghana

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Abstract

This study examined how locus of control and self esteem are associated with organisational commitment of survivors of layoffs in selected organisations in Ghana. Two hundred and nineteen participants (survivors of layoffs) were made to complete survey items on locus of control, self esteem and organisational commitment. Using MANOVA and Hierarchical Multiple Regression analysis; results indicated that internals reported significantly higher overall, affective and normative organisational commitment than externals. Internals and externals, however, did not differ in terms of continuance commitment. Self esteem did not predict normative commitment among the participants. Based on these findings, implications for managing downsizing and layoffs have been discussed.

Keywords: Internals, Externals, Locus of control, Survivor syndrome, downsizing

Introduction

Layoffs have become deeply woven into the fabric of contemporary organisational life. What once were managerial reactions to different market conditions have now become proactive tactics for attaining strategic and financial objectives. Today, layoffs and downsizing are found in organisations of all sizes in every industry across the globe. Hundreds of organisations have conducted layoffs in the past (U.S Department of Labour 2002) with the intent of reducing cost and promoting organizational efficiency. As the number of industries and production organisations increase in developing countries, layoffs are becoming common. The studies of Chipunza and Samuel (2011) and Omuriyi et al. (2011) are examples of recent studies conducted on downsizing in developing countries. Downsizing is a deliberate organisational decision to reduce the workforce in order to increase organisational performance (Noer 2001). The result is an organisation with a small group of workers known as survivors who are expected to increase the organization's productivity and competitive advantage (Noer 2001).

Evidence shows that downsizing and layoffs have an effect on many "survivors" who remain employed after the reorganisation (Chipunza and Samuel 2011). Research suggest that when survivors view layoff and downsizing procedures in their organisations to be unfair they are likely to exhibit decreased morale, self esteem, trust, job security and productivity among other organisational outcomes (Brockner et al.1998; Omoruyi et al. 2011).It has been noted that survivors during layoffs experience "survivor syndrome" (Kusum 2004). This according to researchers (Levitt et al. 2008; Omoruyi et al. 2011) is characterized by lack of trust and loyalty to the organisation.They also noted that survivor syndrome threaten an organisation's sustained existence. It is manifested in the form of reduced performance and productivity and tends to paralyze an organisation's employees at the very time when they are needed most. Evidence however suggests that it is not all survivors who experience emotional distress (survivor syndrome). Some survivors instead are energized and consider downsizing to be an opportunity for personal growth (Hendkoff 1994). Indeed empirical research has documented a range of seemingly contradictory survivor responses to downsizing. For example, following a downsizing announcement, survivors have responded by working harder, reducing their efforts or not changing their efforts at all (Brockner et al. 1988). Some survivors increase their good citizenship behaviour whereas others withdraw (Brockner 1988; Omoruyi et al. 2011). It is in the light of the above that the present study is aimed at finding out the role played by individual difference variables or personality factors such as locus of control and self esteem in organizational commitment following layoffs.

It partly seeks to examine Meyer and Allen (1997) suggestion that individual difference variables might play some role in the development of affective commitment. The present research thus examines the relationship between locus of control, self esteem and Meyer, Smith and Allen's (1993) three (3) component organisational commitment model in the post layoff environment.

To the best of the present researchers' knowledge, no research has examined how personality traits such as locus of control and self-esteem are associated with organisational commitment of employees following layoffs in Ghana. The present study thus attempts to bridge that gap.

Literature Review

Locus of control and organisational commitment

The concept of locus of control, originally advanced by Rotter (1966), refers to the extent to which individuals believe that they can control events that affect them. Individuals with an internal locus of control believe that they can influence their environment and that their actions affect what happens to them but people with an external locus of control believe that they have little influence over the environment and what happens to them is due to external factors such as luck or the actions of others (Munir and Sajid 2011; Igbeneghu and Popoola 2011). According to these researchers those individuals with an internal locus of control are more likely to regard their personal career situations as a result of ability, while viewing failure as a consequence of external factors of chance. Individuals with external locus of control exhibit the opposite tendencies.

Previous research has demonstrated an important relationship between locus of control and work- related attitudes and behaviours such as organisational commitment (Coleman et al. 1999; Igbeneghu and Popoola 2011). The relationship between locus of control and organizational commitment as a one dimensional construct and as a multidimensional construct (Meyer et al. 1993) has received little attention by researchers (Igbeneghu and Popoola 2011). Additionally, these studies were done prior to layoffs. With regards to the multidimensional nature of commitment, studies have suggested that internals are more likely to be affectively and normatively committed to their organizations (Coleman et al. 1999; Munir and Sajid 2011) compared to their external counterparts who are more likely to exhibit continuance commitment. For example Munir and Sajid(2011) found that professors with more internal locus of control are more likely to have affective and normative commitment while those with more external locus of control are more likely to exhibit high continuance commitment. The present study sought to find out whether internals would still be more committed to their organisations than the externals in the post layoff environment and what type of commitment (e.g. affective, continuance and normative) internals and externals would exhibit more. The findings will thus help fill an important gap in the literature.

Self- Esteem and Organisational Commitment

Researchers like Judge et al. 1997; Baumeister et al. 2003 refer to self-esteem as people's appraisals of themselves while it has been defined by Kreitner and Kinicki (2001) as a belief about one's own self worth based on an overall self-evaluation. High self-esteem refers to a highly favorable global evaluation of the self. Low self-esteem refers to an unfavorable definition of the self (Baumeister et al. 2003). Most researchers assume that self-esteem is a relatively stable personality trait that is formed by the end of the adolescent years and not easily altered (Tharenou and Phillip 1982).

Mehrabian(1998) noted that people possessing higher self-esteem are better able to deal with stress and to regulate emotions because they are less likely to focus primarily on the negative elements associated with stressful or difficult situations. Instead, they are likely to find positive and beneficial features in such experiences and to deal with difficulties confidently and optimistically, thereby more easily overcoming the negative emotions.

Very few studies have examined a relationship between self esteem and organisational commitment. However research has generally found self-esteem to be a relevant variable in the measurement of work attitudes and behaviours (Judge et al. 1997; Olanrewaju and Kinsola 2011). Examples of empirical studies on the relationship between self esteem and organisational commitment include that of Olanrewaju and Kinsola(2011) who found that self esteem had significantly predicted perceived organisational commitment of employees in the Ekiti state of Nigeria. Another empirical study that found significant main and interaction effects of gender and self esteem on organisational commitment is that of Herrabach and Mignonac (2004).

Objective of the Study

The present study is aimed at determining how locus of control and self esteem are associated with organisational commitment in surviving employees following layoffs in selected organisations in Ghana.

Significance of the Study

Commitment to organisations and occupations are important for effectiveness, high performance and productivity. It can therefore be expected that a committed employee will contribute significantly to the achievement of an organisation's goals than an uncommitted one. Knowledge of which kinds of employees would remain relatively more committed to their organisations following layoffs will be beneficial to managers. Findings of the present study will thus help managers and human resource practitioners to understand better how locus of control and self esteem are related to organisational commitment of employees following layoffs and hence know better the appropriate employees to retain during times of restructuring.

Hypotheses of the Study

Based on the literature reviewed above, the following hypotheses were tested

1. Internals will report significantly higher overall organisational commitment than externals.
2. Internals will report significantly higher levels of affective commitment than externals
3. Internals will report significantly higher levels of normative commitment than externals
4. Externals will report significantly higher levels of continuance commitment than internals
5. Self-esteem will predict organisational commitment following layoffs.

Methodology

Research setting

Since the present study focused on survivors of layoffs, five (5) organisations which had undertaken layoffs were purposively sampled from the private and public sectors. Organisations were purposively sampled since the researcher's interest was in organisations that had undertaken layoffs.

Sample and Sampling Method

The sample consisted of 250 surviving employees, both male and female who were randomly selected from five (5) organisations that had undertaken layoffs.

Research Design

The researchers used the survey research method in collecting data. The researcher chose quantitative research because of the advantages it has. One of the advantages of quantitative research design, according to Blanche et al. (2006), is that the findings can be generalised and the data are objective.

Procedure

After obtaining permission for the study from the human resource managers of the various organisations, the researchers distributed a self-administered questionnaire to selected participants. Participants were survivors at five selected organisations in Ghana that had undertaken layoffs. The data collection lasted a period of two months after repeated reminders and follow up. Out of the 250 questionnaires administered 219 were returned resulting in 88% response rate.

Measures

Three main standardized instruments were used to collect data. These were Rotter's(1966) locus of control scale, Rosenberg(1965) self esteem scale and Meyer, Smith and Allen(1993) three-component organisational commitment questionnaire.

Rotter's scale measures the locus of control of participants. It contains 29 forced - choice items, 23 measures locus of control and six are filler items. Lim and Teo (1998) reported a Cronbach alpha of 0.65 which correspond with the internal consistencies reported by Rotter (1966). In the present study, Cronbach alpha was found to be 0.64 for the selected sample. The respondents had to choose between an internal and external alternative. A total locus of control

score is obtained by counting the number of external alternatives chosen (minimum 0, maximum 23). High numbers (scores from 12-23) indicates an external locus of control, low numbers (scores from 0-11) indicates an internal locus of control (Rotter 1966).

Rosenberg's (1965) Self- esteem scale was used to determine the self esteem of the respondents. The Cronbach alpha of this instrument ranges from 0.77 to 0.88 for various samples. In the present study Cronbach alpha was 0.77. Scoring was done by summing the ratings assigned to all items after reverse scoring the positively worded items with higher scores indicating higher self esteem.

The last test instrument was Meyer et al. (1993) organisational commitment scale, one of the leading instruments for empirical research on organisational commitment. It has demonstrated good reliability as assessed in studies of its internal consistency (Meyer et al. 1997). Ko (1996) reported the following reliabilities of the various components: affective commitment (0.88); continuance commitment (0.64) and normative commitment (0.78). The following internal consistencies were obtained in the present study: 0.79, 0.67 and 0.84 for affective, continuance and normative commitment respectively.

Results

The study examined the relation between personality traits such as Locus of control and Self esteem and organisational commitment following layoffs. Descriptive and inferential statistics were used in reporting the results. The results obtained are as follows.

Locus of control and organisational commitment (overall, affective, continuance and normative)

In testing hypotheses 1, 2, 3 and 4, a One- way Multivariate Analysis of Variance (MANOVA) test was performed. The results are reported below.

Table 1 Means, Standard Deviations and MANOVA result of Organizational Commitment scores of Internals and Externals.

| COM type | LOC type | N | Mean | SD | df | F | Sig |
|--------------------|------------------|------------|--------------|--------------|----------|---------------|-------------|
| Affective | Internals | 146 | 27.53 | 7.44 | 1 | 9.668 | .002 |
| | Externals | 73 | 24.38 | 6.26 | | | |
| Continuance | Internals | 146 | 24.99 | 6.01 | 1 | 2.888 | .091 |
| | Externals | 73 | 23.59 | 5.22 | | | |
| Normative | Internals | 146 | 25.58 | 6.65 | 1 | 6.198 | .014 |
| | Externals | 73 | 23.27 | 6.08 | | | |
| Overall | Internals | 146 | 78.11 | 15.57 | 1 | 11.236 | .001 |
| | Externals | 73 | 71.25 | 11.27 | | | |

Key:

COM type= commitment type

LOC type= Locus of control type

The results show that there was a statistically significant effect of the various components of commitment on the combined dependent variable $F(3, 215) = 4.03, p = .008$; Wilks' Lambda = .95. When the results for the dependent variables were considered separately, using a Bonferoni adjusted alpha of .017 (see table 1), there was no significant difference in the report of continuance commitment $F(1, 217) = 2.89, p = .091$. However, Internals and Externals

differed significantly in terms of overall organisational commitment: $F(1, 217) = 11.24, p = .001$ and affective commitment: $F(1, 217) = 9.67, p = .002$ and normative commitment: $F(1, 217) = 6.20, p = .014$.

The result showed that Internals reported a significantly higher overall commitment than Externals thus supporting hypothesis 1.

The result also showed that Internals reported a significantly higher affective and normative commitment than Externals. Therefore hypothesis 2 and 3 were also supported.

However, hypothesis 4 which stated that Externals would report higher levels of continuance commitment than Internals was not supported; because the result showed no significant difference in the MANOVA result of Internals and Externals with regards to their report of continuance commitment.

Self esteem and organisational commitment

To test hypothesis 5, which states that Self esteem would predict organisational commitment following layoffs, organisational commitment was regressed on self esteem and control variables using the hierarchical multiple regression (enter method). The results are shown below.

Table 2 Hierarchical Multiple Regression of organizational commitment (overall) measures on self- esteem and control variables.

| PREDICTOR | Changed R ² | R ² | Beta((β)) | F | Sig |
|--------------------------|------------------------|----------------|-----------|-------|------|
| Control variables | .029 | .029 | | 2.111 | .100 |
| Tenure | | | -.174 | | .101 |
| Education | | | -.025 | | .716 |
| Age | | | .257 | | .016 |
| All variables | | .038 | | 2.109 | 0.81 |
| Self esteem | .009 | | .097 | | .152 |

Using the Hierarchical Multiple Regression analysis, an insignificant model emerged, $F(4,214) = 2.11, p = n.s.$ The R² was .038 indicating that the model as a whole explained only 3.8% of the variance, with self esteem explaining an additional 0.9% (Changed R² = .009) of the variance when Tenure, Education and Age were statistically controlled. The contribution of self esteem was statistically insignificant, $F(1, 214) = 2.071, p = n.s.$

For individual variable contribution to the model, the result indicated that self esteem was not significantly related to overall organisational commitment ($\beta = -.10$). This result showed that high and low self esteem individuals reported similar levels of organisational commitment.

This result thus fails to support the hypothesis that self esteem would predict organisational commitment following layoffs. Of the controlled variables, only Age contributed significantly to overall organisational commitment ($\beta = .25, p < .05$). The contribution of the rest individually was insignificant.

Discussion

The present research examined how locus of control and self esteem are associated with overall organisational commitment as well as its three components, which is affective, continuance and normative commitment (Meyer et al. 1993) among survivors of layoffs in selected organisations in Ghana. Based on the above objectives, five hypotheses were formulated and tested.

The first hypothesis which stated that Internals would report significantly higher overall organisational commitment than Externals was supported by the result. This result is consistent with a number of previous findings. For example, it is consistent with Kreiner and Kiniki (2001) and with Coleman et al.'s (1999) findings which revealed that

internals were more committed to their organisations than externals. The difference between Coleman et al.'s (1999) study and the present one is the fact that their study was done in a pre-layoff environment while the present research was conducted in a post layoff environment, usually hypothesized to be full of stress. Since the post layoff environment is characterized by high stress and stress has been hypothesized to affect internals and externals differently, it was expected that in the present study, the result might be different. The fact that it never changed seems to suggest that there is no change between internals and externals in the pre and post layoff environment with regards to overall organisational commitment. It is possible that it is the capability of internals to deal better with career and work related difficulties (stress) than externals as has been suggested by some previous studies that accounts for their greater commitment even after layoffs.

The result also indicates that Internals reported higher affective commitment than Externals. This result is consistent with previous findings that examine the relationship between locus of control and affective commitment. Most previous studies however concentrated on the relationship between locus of control and organisational commitment as a unidimensional construct. However, organisational commitment has been suggested to be dimensional (Meyer et al. 1993). The present study found that internals exhibited more affective commitment than externals. This is consistent with the findings of Coleman et al.'s (1999) and Munir and Sajid (2011). The findings of the present study thus seem to suggest that when it comes to the relationship between locus of control and organisational commitment, the hypothesized insecure post- layoff environment plays little or no role.

The findings also revealed that internals reported significantly higher normative commitment than externals. This result is not surprising since earlier studies have found affective and normative commitment to be significantly positively correlated Brown and Gaylor (2002).

The results showed that with regards to continuance commitment there was no significant difference between Internals and Externals thus failing to support the fourth hypothesis. This result is inconsistent with Coleman et al.'s (1999) finding which asserted that individuals with an external locus of control reported higher levels of continuance commitment than internals in the pre-layoff environment. The present study rather revealed that internals reported higher overall, affective and normative commitment than Externals but that Internals and Externals reported similar continuance commitment. Several reasons could be advanced for this trend of result. Firstly it could be as a result of the fact that whereas Coleman et al.'s (1999) study was done in the pre-layoff environment where the work environment is predictable and there is little ambiguity and insecurity, the present study was carried out among survivors of layoffs where the post layoff environment is full of Job insecurity and generally high stress for survivors (Omoruyi et al. 2011). This probably has the tendency of influencing the commitment pattern of survivors of layoffs.

The final hypothesis that Self- esteem would predict organisational commitment was not supported because no significant correlation was found between individuals with high self esteem and those with low self esteem with regards to commitment. The contribution of self esteem was statistically insignificant ($\beta = -.10$, $F(1,214) = 2.071$, $P = n.s$). The result of this study thus fails to support Olanrewaju and Kinsola(2011) who found that self esteem had significantly predicted perceived organisational commitment of employees in the Ekiti state of Nigeria. It also fails to support Brockner et al. (1993) study which found that self esteem was negatively related to motivation to work (commitment) among survivors of layoffs. It is inconsistent with these studies since an insignificant relationship ($\beta = -.10$, $F(1,214) = 2.071$, $P = n.s$) was found between self esteem and organisational commitment in the present study. It therefore means that though self-esteem predicts ability to adjust to stressful circumstances (Judge et al. 1997; Kreiner and Kinicki 2001; Mehrabian 1998), it does not predict organisational commitment following Layoffs.

Recommendations

The present research has implications for managing downsizing organizations. Managers need to note, for example that downsizing organizations will be better off with internal employees since they exhibit more overall, affective and normative commitment compared to their external counterparts. Based on the finding that internals report higher affective, normative and overall organisational commitment than externals following layoffs and previous research findings have suggested that locus of control of individuals can be modified through career counseling, downsizing organisations could assist individuals with externals locus of control develop internal locus of control through career counseling. It also means that in selection, more internals could be selected.

Conclusion

Downsizing and layoffs have become contemporary problems in work organisations in Ghana. This study is thus timely and its findings which have implications for managing downsizing organisations could prove useful to managers and Industrial and Organisational Psychologists. The result from this study suggests that when it comes to organisational commitment following layoffs in the Ghanaian context, personality matters. Thus, when planning and implementing layoffs or other types of restructuring, managers need to consider the nature of the individuals who will be affected by the restructuring. The findings of this study reinforce and extend previous findings since the present study was done among survivors of layoffs, a usually neglected group.

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