

Does downsizing promote interpersonal conflict among survivors?

The mediating role of workload and the moderating effect of restructuring

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Summary

Downsizing has affected hundreds of companies and millions of workers since the late 1980 due to economic recession, pressure of cost cutting, global competition and restructuring of the economy (Baillien & De Witte, 2009; Freeman, 1999). It is still a burning issue and will continue in the future (Datta et al., 2010), which has led researchers to investigate its plausible consequences on both organization and its members (Foster et al., 2019; Dlouhy & Casper, 2021). Research has demonstrated that downsizing negatively affects organizations as well as the executioners, victims and survivors (Ashman, 2016; Zorn et al., 2017; Dlouhy & Casper, 2021) in terms of lower satisfaction, wellbeing, engagement, and organizational commitment (Dlouhy & Casper, 2021; Harney et al., 2018; Wagar, 2009). Among other adverse outcomes of downsizing, research (e.g., Ashman, 2016; Datta et al., 2010; Frone & Blais, 2020) has argued that downsizing could promote interpersonal conflict at work, which warrants further empirical evidence (Datta et al., 2010; Ashman, 2016).

Interpersonal is classified into three types, that are task, process and relationship conflicts (Jehn, 1994, 1995; Jehn and Mannix, 2001), but no comprehensive study has been conducted to determine which type of conflict is exacerbated by downsizing. Moreover, various researchers (e.g., Datta et al., 2010; Frone and Blais, 2020; Dlouhy & Casper, 2021) argued that it is essential to investigate the mediating mechanism that link downsizing to survivors' outcomes; however, none of the study as per authors knowledge has examined how downsizing affects

interpersonal conflict. Furthermore, numerous researchers (e.g., Datta et al., 2010; Harney and Freaney, 2018; Dlouhy & Casper, 2021) called for investigating the different contingency factors that can affect the downsizing and its outcomes relationship. According to literature (e.g., Mishra and Spreitzer, 1998; Rondeau and Wagar, 2003; Wagar, 2009), headcount reduction (downsizing) enhances job stressors and generates deleterious outcomes; however, these adverse outcomes are lower when downsizing is accompanied by restructuring. Surprisingly, we could not find empirical studies investigating the moderating role of restructuring on the downsizing and its outcomes relationship. Accordingly, this study examined how and when downsizing relates to task, process, and relationship conflicts among survivors by detailing the mediating role of survivors' workload and the moderating effect of organizational restructuring.

To test our study's hypotheses, survey data were collected from 462 employees working in private sector organizations in Pakistan, including automobiles, banking, telecommunication, and information technology, where downsizing has occurred in the near past. The results revealed that downsizing promotes task, process and relationship conflicts among survivors. Moreover, we found that downsizing enhances survivors' workload, which in turn promotes task and process conflicts among them, and workload mediates the relationship between downsizing and task and process conflicts. However, workload was not significantly related to relationship conflict, nor did it mediate the relationship between downsizing and relationship conflict. This is because workload increases the disagreements and discussions regarding work related issues, and relationship conflict is not based on work-related issues (Jehn, 1995, 1997; De Dreu and Weingart, 2003); therefore, workload does not enhance it. Furthermore, the relationship between downsizing and survivors' workload, and the indirect relationship between downsizing and interpersonal conflict via workload was weaker in the presence of restructuring, which means

that restructuring minimizes survivors' workload that in turn decreases interpersonal conflict among them.

This study pinpointed a key mechanism, survivors' workload, by which downsizing leads to interpersonal conflict. The results revealed that restructuring minimizes survivors' workload. Therefore, current study suggests that along with headcount reduction, organizations should bring changes in their structure and work processes to align them with the available workforce, so that survivors' workload and interpersonal conflict could be minimized. This study makes several theoretical contributions and practical implications for both employees and employers, and highlights some important gaps in the literature that should be addressed in future research.