Theoretical Perspectives on Downsizing: Long-term Effect and Impact of Repeat Downsizing

Susel Arzuaga and Franco Gandolfi

ABSTRACT

Current understanding of the long-term effect of downsizing and the effect of repeat downsizing is limited by the small number of empirical studies in the field and the conflicting evidence they provide. This article reviews the three theoretical perspectives found in the downsizing literature and concludes that downsizing does have a long-term effect on employees and organizations, that the type of downsizing contact and the order of that contact influence the outcome of repeat downsizing, and that employee vulnerability or resilience to repeat downsizing is dependent on the outcome under investigation.

Keywords: Downsizing, Repeat Downsizing, Long-term Effects of Downsizing

INTRODUCTION

The absence of a dominant paradigm in the downsizing literature reveals a field where disagreement on the answer to central questions - such as whether downsizing is good or bad for organizations and the employees in them - is the norm. Several, often competing, theories have been put forward to explain the effects of downsizing, including the institutional perspective (De Meuse et al., 2004), the well-being perspective (Ferrie, 2002; Moore, 2004 and 2006), and the psychological contract (Lester et al., 2003). Such diversity, while providing an opportunity to approach downsizing from a variety of theoretical angles, hinders the practical value that a theory of downsizing could provide for practitioners.

A highly controversial topic in the downsizing literature is whether downsizing has long-term effects on both the organization and the individuals in it; and how different waves of downsizing interact and affect employees. The economic downturn in the first decade of this century led companies all over the world to embark upon workforce reductions. Specifically, between 2006-2010, the Bureau of Labor Statistics in the United States reported over 36,000 downsizing events that affected roughly 64.5 million employees (Bureau of Labor Statistics, 2006-2010). In the UK, the unemployment rate went from 5% in 2006 to 8% in 2010 with the redundancy rate peaking at around 15 per 1000 employees in 2009 (Campos et al., 2010-2011). Considering that a firm that has downsized once is over 65% more likely to downsize again in the next year than a company that has never downsized (Cascio, 2002), the issue of duration of downsizing effects and the combined effect of repeat downsizing is of the highest importance to properly account for the true costs, risks, and benefits of downsizing.

Three theoretical perspectives dominate the literature on the long-term effect of downsizing and the effect of repeat downsizing, the rational paradigm (economic theory) which highlights the risks and benefits from reducing costs and streamlining operations (De Meuse et al., 2004); the psychological contract which is used to explain negative outcomes for individuals as a result of a violation of organizational promises and expectations of employees (Lester et al., 2003), and the well-being perspective which has analyzed the effects of downsizing on employees' physical and mental health, relying predominantly on the stress resilience and vulnerability framework (Ferrie, 2002; Moore, 2004 and 2006). This article offers an overview of these three perspectives and discusses their implications for theory and practice. Areas where further research is needed are identified and preliminary conclusions referring to contended issues in the field are offered.

ECONOMIC PERSPECTIVE

Extant literature on the effects of repeat downsizing and the long-term effects of downsizing on economic indicators is characterized by two dominant assumptions. First, that downsizing is a sign of financial trouble and thus multiple downsizing equates to serious difficulties which in turn lead to negative stock reactions and other financial indicators (Carriger, 2017; Gilson et al., 2004). Second, that downsizing can be seen as a continuous improvement process (Gandolfi and Littler, 2012) where evaluation and learning from previous waves of downsizing could lead to a) better planning of subsequent waves (Gilson and Wagar, 1996 in Gilson et al., 2004) and/or b) better realignment of operations and goals which lead to improved operating performance (Lin and Yang, 2006).

A study of Fortune 500 companies in 2008 and 2015 found no significant differences in ROE, EBITDA, current ratio, long-term debt, inventory turnover, revenue per employee, total asset turnover, or total revenue based on the frequency of downsizing in that period (Carriger, 2017). However, firms that downsized more times had worse profitability ratio and more negative market valuation than single downsizers. Significantly, companies that downsized in or near 2008 were more likely to downsize again than firms that did not downsize at the beginning of the study period which reflects the high incidence of repeat downsizing when a company has undertaken a downsizing program once.

Carriger (2017) concluded that these results support both the signaling theory, which stipulates that downsizing sends negative signals to the market which in turn has a negative effect on stock equity, and the band-aid theory (Carriger, 2017), which refers to downsizing not addressing the underlying causes of strategic or financial problems. Therefore, as a strategy, downsizing can provide a short-term solution but not a long-term one. However, some empirical studies have shown that downsizing has no apparent effect on financial indicators (Cascio, 1998; De Meuse, 1994), although they have been criticized for focusing on short-term effects when the benefits of downsizing may not have come to fruition yet. A 12-year study by De Meuse and colleagues (2004) found that although downsizing firms had worse profit margin, ROA, ROE, asset efficiency, and market-to-book ratio than non-downsizing firms in the five years post-downsizing, the difference disappeared in the following years. Thus, financial performance was not significantly different between downsizing and non-downsizing firms overall.

Interestingly, the financial performance of serial downsizers (i.e., companies that downsized three or more times in an 8-year period) was comparatively worse than firms that downsized fewer times. The magnitude of the downsizing program was an important factor in that companies that reduced more than 10% of their workforce were outperformed by those that downsized by less than 10% of their workforce. The authors concluded that since most differences between downsizing and non-downsizing firms fade after a few years, downsizing did work in that it may have saved downsizing companies from poor performance. Adopting an institutional perspective of downsizing, they posit that downsizing becomes normalized, legitimized, and is institutionalized which makes repeat downsizing very likely, and since the negative effect of repeat downsizing on financial performance was relatively small, these authors believe that after repeated downsizing exposure, employees may start to accept it as a legitimate competitive strategy.

Similarly, when analyzing the effect of single or multiple downsizing events on analysts' forecast revisions, Lin and Yang (2006) contend that analysts respond better to repeat downsizing firms both in the year ahead and in a 5-year forecast for growth in earnings because repeat restructuring improves operating performance more than single restructuring (Atiase et al., 2004 in Lin and Yang, 2006).

Conversely, Beixin and Zu-Hsu (2007) argue that repeat downsizing sends a negative signal to markets, specifically in the short term: that the company is in serious trouble and brings into question whether the company will survive long enough to solve the problems. In these authors' view, downsizing frequency can be seen as a determinant of survival (p. 128). Their study found that high restructuring frequency, massive layoffs, and large-scale asset downsizing is associated with high risk of organizational failure.

Gilson and colleagues (2004) analyzed 67 repeat downsizing organizations in two distinct downsizing waves. Their results disprove the idea that repeat downsizing somehow leads to better results, which was anticipated based on the assumption that organizations that downsize multiple times develop a model of good practice whereby subsequent waves benefit from having learned the most effective ways to communicate, implement HR practices, and ensure continuation of productivity and performance. In their study, no normalizing effect was observed. Instead, negative consequences both for firm performance indicators and employee desirable outcomes were observed: repeat downsizers do not just shake the trauma off.

These authors opine that individuals fail to adjust accordingly after the first downsizing wave and organizations repeat previous strategies in dealing with downsizing, instead of learning from preceding waves. However, they did observe that performance levels in downsized companies during the first wave (early downsizers) recovered in time, whereas downsized companies during the second wave showed worse performance indicators suggesting that the immediate effects of downsizing are negative (Gilson, et al., 2004).

In short, although there is evidence that the long-term effect of downsizing on economic indicators is not negative, that is to say firm performance can be regained post-downsizing, repeat downsizing does not seem to lead to a recalibration and refining of areas for improvement. The evidence suggests that repeat downsizing has a deleterious effect on firm performance indicators.

PSYCHOLOGICAL CONTRACT PERSPECTIVE

The long-term effects of downsizing and repeat downsizing on the psychological contract and related employees' attitudes and behaviors is not yet fully understood. Extant literature suggests that downsizing is frequently the source of breach and violation of the psychological contract (Rousseau, 1995; Lester et al., 2003; Robinson, 1994). It has an increased likelihood to affect the nature of the perceived obligations between the organization and its employees because the continuance of the relationship is truncated and with it the rest of the intrinsic outcomes. It is deeply disrupting and frequently upsetting (Jaffe and Scott, 1998) and forces employees to reconstruct their understanding of the work environment.

Armstrong-Stassen (1998) found that male technicians with repeated exposure to reductions perceived more distributive injustice and higher threat of job loss – and used more positive thinking and direct action coping - than male technicians with little exposure to reductions. The more contact with layoffs, the greater the perception of unfair targeting. However, there were no significant differences on perceptions of procedural injustice, powerlessness, and help-seeking avoidance. Amabile and Conti (1999) showed that the detrimental effect of downsizing on creativity was felt in the two years post-downsizing. In extreme cases, downsizing can lead to an increased likelihood of sabotage, fraud, and embezzlement (Gandolfi, 2006). Grunberg et al. (2000) reported significant negative effects of layoffs on commitment two years after the events.

However, the evolution of work relations in the last few decades has had a profound effect on the psychological contract. As the job market became increasingly unstable, job insecurity and shorttermism went from breaches to the psychological contract (Robinson et al., 1994) to being accepted as the norm (De Meuse and Marks, 2003). The elevated job insecurity now expected has displaced the focus of the psychological contract from security and long-term employment to the rest of the offerings from the organization (Lester, 2003). It appears that the “new” employees are more concerned with keeping their skills marketable and their employability higher (Kanter, 1989; Bellou, 2009).

Such change in expectations indicate that employee reactions to downsizing in the long term may be less negative than previously thought as downsizing is now part of the reality of employment. Several studies have found that some of the immediate negative effects of downsizing fade over time, for example, perception of freedom in the work environment, of sufficient resources and supervisory support (Amabile and Conti, 1999), workgroup trust (Luthans and Sommer, 1999), and job security (Armstrong-Stassen, 2002). There is evidence that those in contact with layoffs have better performance than groups that have had no contact at all (Armstrong-Stassen et al., 2004). In fact, there can be a decline in outcomes in non-downsized departments (Luthans and Sommer, 1999) compared to departments that experienced downsizing.

The mixed results observed by the studies mentioned above show that the relationship between the effect of downsizing in the long-term and of repeat downsizing and employee attitudes and behaviors is complex and contingent on several contextual factors, such as downsizing designation (victim/survivor) and individual characteristics, such as individual organizational involvement. Armstrong-Stassen (2002) found that commitment among survivors not designated redundant remained stable over a three-year period. However, commitment decreased among survivors designated redundant who remained in the organization between T1 and T2, but then increased steadily afterwards and at T4 was higher than among survivors not designated redundant. The study concluded that the most negative effects of downsizing are felt shortly after but in time, attitudes improved to nearly pre-downsizing levels.

Similarly, a longitudinal study by Allen and colleagues (2001) found that organizational commitment, job involvement, emotional investment, and energy at work tended to decrease and remained lower in the long-term post-downsizing than when measured at the start of the study. Conversely, satisfaction with top management increased consistently post downsizing and employees’ sense of job security, as well as intention to leave, improved 16 months post-downsizing after a decline observed when measured four months post-downsizing. The study found that highly involved employees were more sensitive to changes in the environment and were more affected by them.

These results suggest that the long-term effect of downsizing is not homogenous, which means that some attitudes and behaviors are affected more negatively than others. The negative effects of downsizing are more pronounced immediately after downsizing but many attitudes improve to baseline levels over time. Allen et al. (2001) suggest that organizations should reinforce desirable aspects of the new psychological contract, such as social status, advancement, and security to manage employee attitudes post-downsizing. It is assumed that following a perceived contract violation in the context of downsizing, employees will seek other reasons to remain involved and committed to the organization.

WELL-BEING PERSPECTIVE

One of the most contended issues in the downsizing literature is whether experiencing multiple downsizing events leads to employees becoming accustomed to the experience and thus, they become more resilient, or weakened by the repeat shock and are therefore more vulnerable. The underlying assumptions in both cases are a) that downsizing is a stressor which affects physiological and psychological indicators of wellbeing, b) that previous exposure to downsizing matters enough to shape subsequent reactions to it, and c) that the effect of downsizing lives on after the events.

The large incidence of downsizing and the high probability of repeat downsizing make understanding the long-term effect of downsizing as well as the interaction between multiple downsizing waves a priority. The wellbeing perspective looks at the physiological and psychological effects of downsizing considering a variety of factors such as the degree of closeness to layoff, which poses a direct or indirect threat to individuals (Grunberg et al., 2001), the order of exposure (direct or indirect), the duration of effects and features of the downsizing events, for instance, major versus minor downsizing program (Moore et al., 2004; Kivimaki et al., 2001 in Moore et al., 2006).

An important consideration within the stress resilience / vulnerability literature is the degree of similarity between stressor events. Dougall et al. (2000) posit that the degree of similarity among experiences influences whether resiliency is achieved (resiliency is understood as returning to pre-trauma functioning). They claim that only similar experiences will lead to resilience since people can learn from the event and take this learning to the next (similar) event, whereas different types of trauma could lead to greater chronic stress. Thus, the type of exposure to the downsizing event could dictate which effect is observed, for example, employees directly exposed to layoffs twice could become more resilient than employees with a combination of direct and indirect exposure.

Empirical evidence of the resilience effect in the context of downsizing is scant in that most research on repeat downsizing confirms the vulnerability effect. A longitudinal study among civil servants (Ferrie, 2002) looking at the impact of perceived job insecurity on physiological and self-reported health indicators found that chronic job insecurity had the greatest deleterious effect on self-reported health measures, although physiological measures did not follow the same pattern, apart from BMI in females. The best results were observed among employees whose jobs were perceived secure throughout the study, followed by those who gained job security. Worse results were observed among employees who lost job security. Psychological measures of well-being, such as depression, were more sensitive to the effect of perceived job insecurity compared to physiological health. Interestingly, removing the threat of job loss (i.e., employees that reported increased job insecurity at one time but subsequently gained security) did not immediately improve morbidity. Persistent chronic stressors, such as the threat of job loss, were linked to poor self-reported measures of health and greater risk of morbidity; maintained psychological distress and delayed recovery, but there were few significant physiological changes.

Moore et al. (2004) found support for the vulnerability perspective. They observed that repeated contact with downsizing led to ‘chronic job insecurity’ (p. 248). Two downsizing contacts of the same kind - direct contact or indirect contact as defined by Grunberg et al. (2000; 2001) - led to worse health, attitudinal, and behavioral outcomes than a single contact of either kind, especially if both contacts had been direct. Also, mixed contact, direct and indirect, was worse than two indirect contacts.

The study produced anecdotal evidence that the first contact of either kind was much more traumatic than the second one. The researchers concluded that the kind of downsizing contact (direct or indirect) may not be qualitatively different but reflects different degrees of the same trauma. The number of contacts, on the other hand, made significant differences to the outcome of layoffs.

Armstrong-Stassen (1997) also confirmed the vulnerability perspective. She analyzed managers' responses to several layoff experiences and found that managers with more layoff contact had less affective commitment and more continuance commitment than managers with less layoff contact. In other words, the more layoff experiences, the less managers wanted to stay in the organization but felt they could not leave. However, she found that the number of times managers experienced layoffs made little difference to the effects, which she attributed to an irreparable damage of the psychological contract that could have happened from the very first experience, and thus subsequent experiences had a small impact after the initial effect.

Another study by Moore et al. (2006) investigated the degree to which recent layoff experience affected reactions and their health compared to past experiences. They analyzed if past experiences had an effect regardless of current experiences and if more recent experiences influenced perceptions of job security, depression, and intention to leave regardless of the past. They concentrated on the duration of the effect of layoffs, the recency effect, and the impact of the order in which employees experienced different kinds of layoff contact (direct or indirect). Their data were collected at three different times: two and four years apart.

Again, their findings support that direct contact produces worse outcomes than indirect contact and show that job security is affected in the long term. Leave intent and depression were more influenced by recent than past experiences. The responses of the same individuals at three points in time show that both the kind of contact (direct or indirect) and their ordering were relevant, for employees who first experienced layoffs indirectly and then directly were worse off than those with two direct layoff contacts. These researchers argue that the first experience did not prepare employees for the second (more stressful one) and conclude that resilience is related to the similarity between the prior and recent layoff experiences.

However, there is some evidence that repeated layoff contact increases adaptability and resilience (Armstrong-Stassen, 1998) as employees with the larger number of layoff contacts show more action coping and positive thinking than those with less exposure because they were readier to face a similar challenge again. Kalimo and colleagues (2003) found that the type of downsizing event (e.g., layoffs, dismissals, cutting temporary contracts, no rehiring replacements, or filling vacancies, etc.) has a significant effect on employee reactions to past and anticipated downsizing. Their study found that most past experiences had little effect on survivors' well-being and that "the health consequences of anticipated downsizing do not differ as a function of the degree to which workers experienced earlier downsizings." (Kalimo et al., 2003, p.105). However, they note that experiencing multiple downsizings or anticipating multiple downsizings was linked to increased emotional exhaustion, cynicism, poor psychological health, and decreased perceived rewards.

Most studies cited above have found that the effects of downsizing extend to the medium and longterm, in that the effect of a wave of downsizing can be detected years after the exposure. There is evidence that the strength and nature of the effect varied depending on the outcome under analysis. Emotional exhaustion and general health are more sensitive to downsizing (Kalimo et al., 2003), whereas organizational commitment (ArmstrongStassen, 2002), intention to leave (Gandolfi, 2013), and satisfaction with management can return to pre-downsizing level (Allen et al., 2001).

IMPLICATIONS FOR THEORY AND PRACTICE

The literature on the long-term effect of downsizing and the effect of repeated downsizing was initially dominated by an economic perspective. More recently though, the psychological contract and well-being perspectives have contributed to providing a more comprehensive understanding of the downsizing phenomenon. Although very important, financial or economic measures fail to assess losses that are not easily quantifiable. These include corporate reputation, organizational knowledge, erosion of skills, creativity and innovation, job affect, and organizational commitment. A true assessment of the effectiveness of downsizing should include non-financial and financial outcomes alike (Schmitt et al., 2011).

The three strands of literature discussed above show two important commonalities. First, the impact of downsizing, both in the long-term and of repeated waves of downsizing, is relevant and should be considered when assessing the effectiveness of downsizing activities. The body of work analyzed in this paper shows that downsizing has long-term effects, for better or worse. Therefore, the true cost of downsizing should be calculated with an eye on potential future outcomes which may or may not deliver the results intended originally. Furthermore, the interaction of multiple downsizing waves, increasingly common in modern organizations, account for significant differences in employee attitudes and behaviors, hence the need for a concerted effort towards understanding the implications of this phenomenon. Secondly, the impact of downsizing is contingent on a myriad of factors, some of which are only just being explored. The type of downsizing method that employees are exposed to, i.e., layoffs, dismissals, and not f illing vacancies (Kalimo, 2003) has a differential impact on the effect of downsizing in the longterm. Further exploration of the attributes and perceived meaning of different methods is required to understand why some downsizing methods are more detrimental to employee well-being. Higher level strategies, such as reactive or proactive downsizing (Jackson et al., 2000; van Dierendonck and Jacobs, 2012) are closely related to the downsizing method of choice and have shown to lead to different employee outcomes (Gandolfi, 2008; Sahdev, 2003).

The type of downsizing contact and the order in which that contact was experienced are critical to understand the duration of the effect of downsizing and the nature of the effect of different downsizing waves. This means that survivors of downsizing that were directly exposed exhibited greater trauma, than survivors indirectly exposed to downsizing. This result indicates that the similarity of trauma is an important factor to consider when implementing downsizing.

Important differences were observed among physiological and psychological outcomes. Clearly, the long-term effect of downsizing as well as the interaction between downsizing waves is not homogeneous. Results differ depending on the outcome under analysis suggesting there may not be a sweeping ‘across the board’ resiliency/ vulnerability effect on employees: Rather, that some attitudes, behaviors, and physiological outcomes are more resilient or vulnerable to downsizing than others. Thus, assuming that only one effect is to be expected may be inadequate.

Despite significant progress in understanding the effects of downsizing, existing knowledge is hindered by several limitations. Among them, the assumption that the long-term effect and the effect of repeat downsizing will be homogeneous, i.e., leading to vulnerability or to resilience and the overrepresentation of layoffs in the literature which confounds the potentially different effects that other downsizing methods may have. Therefore, future studies should consider the effect of workforce reductions by means other than layoffs.

To represent a wider spectrum of context within which downsizing takes place, future studies should also include multinational environments or comparisons between different national contexts to account for the complex interaction between country-level conditions and the effect of downsizing. Similarly, a greater diversity in the industries under analysis is required - for example by including knowledge workers, the gig economy, and temporary workers.

Valuable attempts at differentiating between different types of survivors (Moore et al., 2004 and 2006) and different types of downsizing contact (Grunberg et al., 2001) have contributed to a more nuanced understanding of the effect of downsizing. However, the 'indirect contact' category remains excessively subjective which brings into question the applicability of the concept in practice. It is hard to imagine that managers in a downsizing endeavor will be able to differentiate between survivors whose friends or close colleagues have been downsized versus those whose friends and close colleagues have not. After all, the concept of friend or close colleague is unlikely to be the same for everyone. Therefore, different ways to account for the nature of the downsizing contact is necessary. Arzuaga and colleagues (2021) offer a contextual proximity perspective which considers the degree of similarity between the environment of employees (i.e., relevant contextual features such as country and organizational function) and the environment of areas targeted for downsizing, which eliminates the subjectivity of perceptual measures and extends segmentation strategies to all phases of a downsizing program, that is, it can be applied before individual downsizing decisions have been made.

Very few studies have looked at the multilevel nature of downsizing: almost all existing research examines either higher-level strategic decisions and outcomes or individual level effects. One study attempting to bridge the gap between levels of analysis linked implementation of strategies, downsizing orientation, and employee perceptions (Sahdev, 2003). It showed that the degree of control over downsizing initiatives and frequency of downsizing were the two more influential dimensions on individual-level outcomes such as perceived job insecurity, sense of pride, and autonomy. This is a line of enquiry worth developing to align strategic aspects of decision-making in organizations with effective management of survivors.

In short, there is no single explanation that accounts for the empirical results discussed in this paper. Much is still unknown when it comes to the effect of downsizing. However, some preliminary conclusions can be made. First, downsizing constitutes a shock for employees who react through psychological and physiological responses more or less detrimental for their own well-being and organizational outcomes. The effect of that shock can be observed years after the downsizing events which implies a legacy effect whereby downsizing remains in the psychological field of individuals for an extended period (Lewin, 1943; Weiss and Cropanzano, 1996).

Second, in the context of repeat exposure to the shock of downsizing, the most recent experience overrides the legacy effect of previous downsizing. This effect suggests that the salience and immediacy of the most recent exposure places greater demands on individual resources and therefore memories from the past become less relevant than the most recent trauma.

Third, the combination of shocks: past and present, lead to mixed effects in which sensitization or vulnerability is observed for many psychological outcomes and some physiological measures. Therefore, a greater perception of threat and sustained stress have a detrimental impact on some organizationally-desirable attitudes and behaviors, but other equally desirable outcomes operate differently in that they return to pre-downsizing levels.

Finally, although several authors posit the existence and relevance of a new psychological contract that would make employees more impervious to downsizing (De Meuse and Marks, 2003; Lester, 2003), there is little evidence that a new contract diminishes the overall negative results observed in practice.

References

Allen, T. D., D. M. Freeman, J. E. A. Russell, R. C. Reizenstein and J. O. Rentz (2001). "Survivor reactions to organizational downsizing: Does time ease the pain?" JOURNAL OF OCCUPATIONAL AND ORGANIZATIONAL PSYCHOLOGY **74**: 145-164.

Amabile, T. M. and R. Conti (1999). "CHANGES IN THE WORK ENVIRONMENT FOR CREATIVITY DURING DOWNSIZING." Academy of Management Journal **42**(6): 630-640.

Armstrong-Stassen, M. (1997). "The effect of repeated management downsizing and surplus designation on remaining managers: An exploratory study." Anxiety, Stress, & Coping **10**(4): 377-384.

Armstrong-Stassen, M. (1998). "The effect of gender and organizational level on how survivors appraise and cope with organizational downsizing." The Journal of Applied Behavioral Science **34**(2): 125-142.

Armstrong-Stassen, M. (2002). "Designated redundant but escaping lay-off: A special group of lay-off survivors." Journal of Occupational & Organizational Psychology **75**(1): 1-13.

Armstrong-Stassen, M., T. H. Wagar and R. J. Cattaneo (2004). "Work-Group Membership (In)Stability and Survivors' Reactions to Organizational Downsizing1." Journal of Applied Social Psychology **34**(10): 2023-2044.

Arzuaga, S., F. Gandolfi, M. Hansson and T. Johnston (2021). "Downsizing and affective organizational commitment: A contextual proximity perspective." The Empirical Economics Letters **20**.

Beixin, L. and L. Zu-Hsu (2007). "WILL FIRMS SURVIVE RESTRUCTURING? KEY FACTORS AND ISSUES." Journal of International Business Strategy **7**(2): 127-135.

Bellou, V. (2009). "Profiling the desirable psychological contract for different groups of employees: evidence from Greece." International Journal of Human Resource Management **20**(4): 810-830.

Bureau of Labour Statistics. (2006-2010). "Extended Mass Layoffs Statistics." from http://www.bls.gov/.

Campos, C., A. Dent, R. Fry and A. Reid (2010-2011). Impact of the recession. O. f. N. Statistics.

Carriger, M. (2017). "Three strikes and you are out? : The impact of the frequency of downsizing on financial health and market valuation." Journal of Strategy and Management **10**(4): 417-429.

Cascio, W. F. (1998). Learning from outcomes: Financial experiences of 311 firms that have downsized. The new organizational reality: Downsizing, restructuring, and revitalization. M. K. Gowing, J. D. Kraft and J. C. Quick. Washington, DC, American Psychological Association: 55-70.

Cascio, W. F. (2002). Responsible restructuring : creative and profitable alternatives to layoffs.

De Meuse, K. P., T. J. Bergmann, P. A. Vanderheiden and C. E. Roraff (2004). "New Evidence Regarding Organizational Downsizing and a Firm's Financial Performance: A Long-term Analysis." Journal of Managerial Issues **16**(2): 155-177.

De Meuse, K. P. and M. L. Marks (2003). Quicker, Faster, Cheaper, Smarter: Resizing Organizations, Resizing Employees *Resizing the organization: Managing layoffs, divestitures, and closings*. K. De Meuse and M. L. Marks, Pfeiffer. **14**.

De Meuse, K. P., P. A. Vanderheiden and T. J. Bergmann (1994). "Announced Layoffs: Their Effect on Corporate Financial Performance." Human Resource Management **33**(4): 509-530.

Dougall, A. L., H. B. Herberman, D. L. Delahanty, S. S. Inslicht and A. Baum (2000). "Similarity of prior trauma exposure as a determinant of chronic stress responding to an airline disaster." Journal of Consulting and Clinical Psychology **68**(2): 290-295.

Ferrie, J. E., M. J. Shipley, S. A. Stansfeld and M. G. Marmot (2002). Effects of chronic job insecurity and change in job security on self reported health, minor psychiatric morbidity, physiological measures, and health related behaviours in British civil servants: the Whitehall II study. (Research Report), BMJ Publishing Group Ltd. **56:** 450.

Gandolfi, F. (2006). "Personal development and growth in a downsized banking organization: summary of methodology and findings." Human Resource Development International **9**(2): 207-226.

Gilson, C., F. Hurd and T. Wagar (2004). "Creating a concession climate: the case of the serial downsizers." The International Journal of Human Resource Management **15**(6): 1056-1068.

Grunberg, L., R. Anderson-Connolly and E. S. Greenberg (2000). "Surviving the layoffs: The effects on organizational commitment and job performance." Work and Occupations **27**(1): 7-31.

Grunberg, L., S. Y. Moore and E. Greenberg (2001). "Differences in psychological and physical health among layoff survivors: The effect of layoff contact." Journal of Occupational Health Psychology **6**(1): 15-25.

Jackson, P. R., S.-O. Brenner and C. R. Johansson (2000). Downsizing and the lean organisation – a review of the psychological consequences. Smärtgränsen? En antologi om hälsokonsekvenser i magra organisationer. K. Barklöff, Stockholm: Rådet för arbetslivforskning.

Kalimo, R., T. W. Taris and W. B. Schaufeli (2003). The Effects of Past and Anticipated Future Downsizing on Survivor Well-Being: An Equity Perspective. United States, EDUCATIONAL PUBLISHING FOUNDATION. **8:** 91-109.

Lester, S. W., J. R. Kickul, T. J. Bergmann and K. P. De Meuse (2003). The Effects of Organizational Resizing on the Nature of the Psychological Contract and Employee Perceptions of Contract Fulfillment. . Resizing the organization. Managing layoffs, divestitures and closings. Maximizing gain while minimizing pain. . K. P. De Meuse and M. L. Marks. San Francisco, CA Jossey-Bass**:** 78-107.

Lewin, K. (1943). "Defining the 'field at a given time.'." Psychol Rev **50**(3): 292-310.

Lin, B. and R. Yang (2006). "The effect of repeat restructuring charges on analysts' forecast revisions and accuracy." Review of Quantitative Finance & Accounting **27**(3): 267-283.

Luthans, B. C. and S. M. Sommer (1999). "The impact of downsizing on workplace attitudes - Differing reactions of managers and staff in a health care organization." Group Organ. Manage. **24**(1): 46-70.

Moore, S., L. Grunberg and E. Greenberg (2004). "Repeated Downsizing Contact: The Effects of Similar and Dissimilar Layoff Experiences on Work and Well-Being Outcomes." Journal of Occupational Health Psychology **9**(3): 247-257.

Moore, S., L. Grunberg and E. Greenberg (2006). "Surviving repeated waves of organizational downsizing: The recency, duration, and order effects associated with different forms of layoff contact." Anxiety, Stress & Coping: An International Journal **19**(3): 309-329.

Robinson, S. L., M. S. Kraatz and D. M. Rousseau (1994). "Changing Obligations and the Psychological Contract: A Longitudinal Study." The Academy of Management Journal **37**(1): 137-152.

Rousseau, D. M. (1995). Psychological contracts in organizations [electronic resource] : understanding written and unwritten agreements. Thousand Oaks, Calif. ; London, SAGE.

Sahdev, K. (2003). "Survivors' reactions to downsizing: the importance of contextual factors." Human Resource Management Journal **13**(4): 56-74.

Schmitt, A., S. Borzillo and G. Probst (2011). "Don’t let knowledge walk away: Knowledge retention during employee downsizing." Management Learning.

van Dierendonck, D. and G. Jacobs (2012). "Survivors and Victims, a Meta-analytical Review of Fairness and Organizational Commitment after Downsizing." British Journal of Management **23**(1): 96-109.

Weiss, H. M. and R. Cropanzano (1996). "Affective events theory: A theoretical discussion of the structure, causes and consequences of affective experiences at work " Research in Organizational Behavior **18**: 74.