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## Article

# Perceived post-restructuring job insecurity: The impact of employees' trust in one's employer and perceived employability

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Alexandra Arnold, Bruno Staffelbach\*

## **Perceived Post-restructuring Job Insecurity: The Impact of Employees' Trust in one's Employer and Perceived Employability\*\***

The aim of this study is to investigate whether trust in one's employer and also perceived employability are able to reduce employees' perceived post-restructuring job insecurity. Both, quantitative job insecurity (insecurity over the continuity of a job) and qualitative job insecurity (insecurity over the continuity of valued aspects of the job) are examined. Based on Lazarus' theory of stress, we predict that employees' trust in their employer, perceived levels of employability and the combination effect impacts employees' perceived post-restructuring quantitative and qualitative job insecurity. Results taken from a sample of 377 employees working in Switzerland who survived restructuring mostly support these hypotheses. In general, employees with a high level of trust in their employer and high level of perceived employability show lower post-restructuring quantitative and qualitative job insecurity. Moreover, results suggest a potentially important role for the multiplicative effects of trust in one's employer and perceived employability regarding the perception of qualitative job insecurity. Implications for both research and practice are discussed.

### **Wahrgenommene Arbeitsplatzunsicherheit nach Restrukturierungen: Der Einfluss von arbeitnehmerseitigem Vertrauen in den Arbeitgeber und wahrgenommener Arbeitsmarktfähigkeit**

Diese Studie untersucht, ob mithilfe von Vertrauen in den Arbeitgeber und wahrgenommener Arbeitsmarktfähigkeit der arbeitnehmerseitigen Verunsicherung nach Restrukturierungen entgegengewirkt werden kann. Dabei wird sowohl die quantitative Arbeitsplatzunsicherheit (Unsicherheit bezüglich des Fortbestandes des Arbeitsplatzes) als auch die qualitative Arbeitsplatzunsicherheit (Unsicherheit bezüglich des Fortbestandes wichtiger Arbeitsplatzkomponenten) betrachtet. Basierend auf der Stresstheorie von Lazarus wird vorausgesagt, dass das Vertrauen in den Arbeitgeber, die wahrgenommene Arbeitsmarktfähigkeit und deren Zusammenspiel die wahrgenommene quantitative und qualitative Unsicherheit nach einer Restrukturierung beeinflussen. Die Daten von 377 Arbeitnehmenden in der Schweiz bestätigen mehrheitlich die Hypothesen. Generell zeigen Arbeitnehmende mit hohem Vertrauen in ihren Arbeitgeber und hoher wahrgenommener Arbeitsmarktfähigkeit geringere quantitative und qualitative Unsicherheit nach einer Restrukturierung. Zudem deuten die Ergebnisse auf eine potentiell wichtige Rolle für multiplikative Effekte von Vertrauen in den Arbeitgeber und der wahrgenommenen Beschäftigungsfähigkeit für die qualitative Arbeitsplatzunsicherheit hin. Implikationen für die Forschung und Praxis werden diskutiert.

**Key words:** trust in one's employer, perceived employability,  
perceived quantitative and qualitative job insecurity, restructuring,  
Lazarus' theory of stress (JEL: C30, D80, G34, J63, O52)

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## 1. Introduction

Global competition, the worldwide economic crisis and the advancement of information technology have made organisational restructuring in the form of downsizing, mergers and acquisitions, off shoring and shutdowns an increasingly relevant issue (Spreitzer & Mishra, 2002; Ferres, Connell, & Travaglione, 2005; Hopkins & Weatherington, 2006; Iverson & Zatzick, 2011; König, Probst, Staffen, & Graso, 2011). There are improvements that organisations expect from implementing such restructuring strategies: decreased bureaucracy, faster decision making, increased productivity and better earnings (Iverson & Zatzick, 2011).

Ironically, organisations often fail to achieve these objectives in the long run (Tomasko, 1993; Burke & Cooper, 2000; Kleinert & Klodt, 2000). One explanation for such an adverse outcome can be explained by examining the reactions of employees who survived a restructuring, the so-called survivors (Brockner, 1988). Previous research on organisational restructuring reveals that different emotions such as anger, anxiety, cynicism, resentment or resignation are displayed during organisational restructurings (Bennett, Martin, Bies, & Brockner, 1995; O'Neill & Lenn, 1995). Furthermore, employees undergoing restructuring have higher levels of job-related stress (Tombaugh & White, 1990), higher perceptions of time pressure and lower levels of psychological well-being (Probst, 2003). Restructurings also influence employees' job related attitudes and behaviours. For example, employees affected by an organisational restructuring perceive their job satisfaction to be lower (Luthans & Sommer, 1999; Probst, 2003), are less committed towards the organisation (Luthans & Sommer, 1999; Probst, 2003), show a higher level of turnover intention (Probst, 2003; Ferres et al., 2005) and more often engage in withdrawal behaviours (Probst, 1998).

Although the consequences of restructurings are multifaceted, one of the main psychological states reported during organisational restructuring is perceived job insecurity (Mauno, Leskinen, & Kinnunen, 2001; Bordia, Hobman, Jones, Gallois, & Callan, 2004; Silla, de Cuyper, Gracia, Peiró, & de Witte, 2009). For employees, surviving a restructuring can feel threatening because they do not know how the change will affect the future continuity of their present job (quantitative job insecurity) (Greenhalgh & Rosenblatt, 1984; Bordia, Hunt, Paulsen, Tourish, & Di Fonzo, 2004; Reisel, Chia, & Maloles, 2005; Silla et al., 2009). During restructuring, employees do not only feel insecure about the changing priorities of the organisation and the probability of losing their job (Elman & O'Rand, 2002), but also about losing valued job features such as career progress, status or working hours (qualitative job insecurity) (Bordia et al., 2004). In contrast to quantitative job insecurity, little research has focused on qualitative job insecurity. Therefore, this study empirically investigates both forms, quantitative and qualitative post-restructuring job insecurity.

Perceived job insecurity itself can have a destructive impact on employees as well as on organisations (Greenhalgh & Rosenblatt, 2010). Meta-analyses have shown that perceived job insecurity reduces job satisfaction and job involvement, leads to lower levels of well-being and negatively affects organisational commitment and job performance (Sverke, Hellgren, & Näswall, 2002; Cheng & Chan, 2008). Given these negative impacts, organisations today see the management of insecurity as a key lead-

ership challenge (Bennis, Spreitzer, & Cummings, 2001; Clampitt, Dekoch, & Williams, 2002). However, Greenhalgh and Rosenblatt (2010) argue in their overview of 25 years of research on job insecurity, that more research is needed in order to understand the precise organisational mechanisms leading to the individual perception of job insecurity. Thus, this study examines whether trust in the employer and perceived employability may be underlying mechanisms that lead to perceived post-restructuring insecurity.

Even though the issue of trust receives a lot of attention in relation to effective downsizing strategies (Beer, 1987; Webber, 1987; Kirkpatrick & Locke, 1991; Mishra & Mishra, 1994; Mishra & Spreitzer, 1998), trust as a potential predictor of perceived post-restructuring job insecurity has received only theoretical attention (Mishra & Spreitzer, 1998). Most studies that analyse the relationship between perceived job insecurity and trust, focus on the negative impact of job insecurity on trust (Ashford, Lee, & Bobko, 1989; Reisel & Banai, 2002; Sverke et al., 2002; Lee, Bobko, & Chen, 2006), or on the buffering effect of trust for the negative organisational effects of perceived job insecurity (Wong, Wong, Ngo, & Lui, 2005). To close this research gap, we empirically investigate the impact of trust in the employer on perceived post-restructuring job insecurity.

As with having trust in one's employer, believing in one's own employability has also been discussed as being a potential predictor of perceived job insecurity (Kluytmans & Ott, 1999; Forrier & Sels, 2003b; Berntson & Marklund, 2007). However, scholars examining both perceived job insecurity and belief in employability, focus primarily on the moderating role that employability plays in the relationship between job insecurity and its unfavorable consequences (Bussing, 1999; Mohr, 2000; Silla et al., 2009; Berntson, Näswall, & Sverke, 2010; Kalyal, Berntson, Baraldi, Näswall, & Sverke, 2010; Green, 2011). To date, only de Cuyper and colleagues (de Cuyper, Bernhard-Oettel, Berntson, de Witte, & Alarco, 2008) have investigated empirically the influence of self-perceived employability on perceived job insecurity. However, the joint effect of perceived employability and trust in the employer on job insecurity has not been examined yet.

To explain the impact of trust in the employer and perceived employability on post-restructuring job insecurity, we use Lazarus' theory of stress (1984). The framework proposes that the individual response to a potential stressor depends on how an individual appraises the situation. Through primary appraisal the potential threat of a stressor is evaluated. We argue that high levels of trust in the employer may lead to a less threatening appraisal of the stressor (restructuring) due to positive future expectations. Through secondary appraisal the personal resources and capabilities for coping with a stressor are evaluated. We argue that high levels of perceived employability lead to a less threatening appraisal of the stressor because individuals perceive themselves as more capable of dealing with the restructuring.

This study adds to the existing literature in four ways. First, it focuses not only on the employees' overall concerns about the continuity of the job (quantitative job insecurity), but also integrates the perceived threat of losing valued job features (qualitative job insecurity). Second, the study contributes to the understanding of which mechanisms lead to the most common consequence of restructuring – the individual

perception of post-restructuring job insecurity. Third, it applies the model of Lazarus and Folkman (1984) in order to theoretically explain the mechanism underlying job insecurity. Fourth, the theoretically derived hypotheses about the underlying mechanisms of perceived post-restructuring job insecurity are empirically investigated. Thereby, not only the individual, but also the joint effects of trust in the employer and perceived employability on perceived post-restructuring insecurity are examined.

Summing up, the aim of this study is to understand the underlying mechanisms which lead to the individual perception of post-restructuring job insecurity. To be more precise, employees' trust in the employer and perceived employability are examined as potential antecedents of perceived post-restructuring job insecurity. Thus, our research question is the following: does employees' trust in the employer and perceived employability influence employees' perceived post-restructuring job insecurity, both quantitatively and qualitatively?

The article is structured as follows: section two examines the concept of perceived job insecurity and presents a review of the research on both the relationship between trust and perceived insecurity and between perceived employability and perceived job insecurity. Section three discusses the theoretical background and presents the hypotheses that have been derived. Section four presents the methods and section five the results of the empirical analyses. Finally, results and practical implications are discussed.

## 2. Literature review

### 2.1 *Perceived job insecurity*

In this paper we focus on perceived job insecurity. Although perceived job insecurity is defined in literature in various ways, a common denominator applies to most definitions of perceived job insecurity (de Witte, 2005). First, job insecurity is a subjective perception: different people can interpret the same situation differently (de Witte, 2005). Moreover, individuals differ in their levels of sensitivity and vulnerability and therefore, they interpret and react differently to specific situations (Lazarus & Folkman, 1984). Second, insecure employees are not sure whether they will be able to retain their jobs or whether they will lose them (Sverke et al., 2002; Reisel et al., 2005; Cheng & Chan, 2008; de Cuyper, de Witte, Kinnunen, & Nätti, 2010; Elst, Bailien, de Cuyper, & de Witte, 2010). Third, many definitions also include the unintended nature of job insecurity (de Witte, 2005; Silla et al., 2009). In brief, job insecurity consists of an unintended concern over the future continuity of an actual job.

Ever since Greenhalgh and Rosenblatt (1984) presented their theory-based view of job insecurity in 1984, scholars have differentiated between quantitative and qualitative job insecurity. Most studies focus on the overall insecurity surrounding the continuity of a job, i.e. *quantitative job insecurity* (Mauno et al., 2001). In contrast, comparatively little research has examined *qualitative job insecurity* (e.g. Rosenblatt & Ruvio, 1997; Hellgren, Sverke, & Isaksson, 1999; Rosenblatt, Talmud, & Ruvio, 1999; Bordia et al., 2004; de Witte et al., 2010), which concerns insecurity over the continuity of valued aspects of the job, such as career progress, income, status, autonomy, resources or community.

Particularly during organisational restructurings, employees may see different job features as being at risk (Di Fonzo & Bordia, 1998; Ito & Brotheridge, 2001; Greenhalgh & Rosenblatt, 2010). For example, if employees anticipate a reduced hierarchical system resulting from organisational change, they may also fear that their own career progress is endangered. Furthermore, as fewer employees are available and the remaining employees are obliged to take over their responsibilities, employees may fear increased workload. Pay cuts and decreased working hours can also concern the survivors when the organisation's main restructuring goal is to cut costs quickly and increase productivity. Employees may also worry about dislocation because restructuring can lead to different locations being consolidated. Someone who has already experienced restructuring may fear that the changes are not yet over and that further restructurings could follow. As restructurings are mostly top-down, employees may also fear a loss of influence over changes in their own jobs. During restructuring, it can be the case that not only is the job at risk but also different valued features of that job and, because of this, we include both quantitative and qualitative job insecurity in the analysis.

## ***2.2 Trust in the employer and perceived job insecurity***

The willingness to acknowledge vulnerability is a widely accepted component in all definitions of trust (Mayer, Davis, & Schoorman, 1995; Rousseau, Sitkin, Burt, & Camerer, 1998). Another factor of trust is the expectation of or belief in the likelihood that the future actions of another party will be beneficial – or at the very least not detrimental – to one's interests (Robinson, 1996, Rousseau et al., 1998). Most scholars define trust as a vulnerable and exposed position towards another party resulting from positive future expectations.

A growing body of literature shows that trust in leadership positively affects employees' job attitudes and intentions (Dirks & Ferrin, 2002; Grote & Staffelbach, 2011). For example, trust has a positive impact on commitment (Albrecht & Travaglione, 2003) and job satisfaction (Liu, Siu, & Shi, 2010), and reduces the intention to quit (Hopkins & Weathington, 2006). Furthermore, research shows that trust in leadership leads to higher organisational citizenship behaviour (Colquitt, Scott, & LePine, 2007) and higher performance outcomes (Dirks & Ferrin, 2002; Colquitt et al., 2007) while reducing counterproductive behaviour (Colquitt et al., 2007). Not surprisingly, trust in leadership has been identified as a critical variable for organisational success (Dirks & Ferrin, 2002), with loss of trust being associated with reduced organisational profits (Simons, 2002).

Nevertheless, trust – as a potential resource for overcoming the perceived problems described previously regarding post-restructuring job insecurity – has only received limited attention. Studies that analyse the relationship between perceived job insecurity and trust focus mainly on the impact of job insecurity on trust. Derived from psychological contract theory (Rousseau, 1995) or social exchange theory (Blau, 2008), most studies show job insecurity impacting negatively on trust (Ashford et al., 1989; Reisel & Banai, 2002; Sverke et al., 2002; Lee et al., 2006). Wong et al. (2005) examined the way in which employees in joint ventures and state-owned enterprises in China respond to job insecurity according to their level of trust in the organisation.



Their analysis indicates that the effects of job insecurity on organisational citizenship behaviour and performance depend both upon the type of organisation and the level of trust: in joint ventures where social exchange is central, the negative effect of job insecurity on organisational citizenship behaviour was reduced by the employees' level of trust in their organisation. A study by de Jong, Schalk, and Croon (2009) investigates the moderating influence of job insecurity on the mediating role of trust between breach of psychological contract and employee attitudes. Using data collected from 834 employees working in 48 organisations in the Netherlands, they find support for the moderating role of job insecurity on the relationship between psychological contract breach and trust. However, a buffer effect of job insecurity on the relationship between trust and employee attitudes was not supported.

The literature on organisational change also investigates the role of trust within organisations, with one strand focusing on trust as a consequence of organisational change initiatives (Morgan & Zeffane, 2003; Ferres et al., 2005; Kiefer, 2005). For example Morgan and Zeffane (2003) analyse the effects of different types of organisational changes – technological, structural and work role – on employee trust in management. Using data collected from over 19,000 employees in Australia, they show that restructuring, in particular, significantly erodes trust in management. Kiefer (2005) uses longitudinal data collected from 76 employees working for a company providing online human resource services. Results show that negative emotions towards on-going changes reduced the level of trust in senior management, the company and line management.

Another strand of the change literature discusses the fact that trust within an organisation is a critical factor in bringing about successful changes (Beer, 1987; Weber, 1987; Kirkpatrick & Locke, 1991; Mishra & Spreitzer, 1998). Kirkpatrick and Locke (1991) view a leader's honesty and integrity as being the foundation for successfully promoting changes and innovations. Mishra and Mishra (1994) conducted 33 interviews with executives from the North American automotive industry as to how top management approaches downsizing in times of organisational crisis. Almost all of the executives agreed that mutual trust among stakeholders is a critical factor for the success of organisational redesign and structural change. Moreover, 511 top management team members from 43 firms from within the same industry completed a survey on downsizing strategies, organisational performance and mutual trust among stakeholders. Results showed that trust between top managers and employees is essential in order to implement a workforce reduction strategy successfully. From a manager's viewpoint, trust within the organisation appears to be a crucial factor when handling organisational changes. However, as organisational changes succeed only when employees shoulder the consequences, the employees' viewpoint has to be integrated into the debate too. Mishra and Spreitzer (1998) developed a typology of survivors' responses to downsizing, explaining theoretically factors that have a potential impact on the diverse responses of survivors. Using Lazarus and Folkman's stress theory (1984), they argue that trust in management may reduce the potential threat that downsizing can create. Despite these arguments, empirical proof of the impact of trust between employees and employer on job insecurity after restructuring remains lacking.

### ***2.3 Perceived employability and job insecurity***

No consensus exists as to how to measure employability (Kluytmans & Ott, 1999; Fugate, Kinicki, & Ashforth, 2004; Silla et al., 2009). Some authors assess employability by using objective employee indicators such as training, education, position or type of contract (Elman & O'Rand, 2002; van Dam, 2004; de Cuyper et al., 2010). Others use subjective indicators (de Cuyper et al., 2008; Silla et al., 2009). However, most scholars define employability as the employee's chance of finding an alternative occupation, either on the internal or the external labour market (Forrier & Sels, 2003b; Silla et al., 2009; Green, 2011). This article uses the subjective approach, applying Lazarus' stress theory (1984) that the individual's reaction to a stressor depends on her or his cognitive appraisal of that stressor. Thus, what counts is not the individual's objective employability but her or his subjective appraisal of whether or not they would be able to find a new job. Therefore, in this study, employability is defined as how an individual perceives her or his possibilities of finding an alternative job on the labour market.

Although empirical evidence for the consequences of employability remains scarce, employability appears to impact well-being (Berntson & Marklund, 2007; de Cuyper et al., 2008), intentions to quit (Hom, Caranikas-Walker, Prussia, & Griffeth, 1992), and job satisfaction (Hom et al., 1992) positively and to affect loyalty (Kondratuk, Hausdorf, Korabik, & Rosin, 2004) negatively.

Scholars that focus on both job insecurity and employability often mention present employability as being a resource for coping with unstable, unforeseen or flexible employment relationships: a resource that prepares employees for dealing with insecure organisational environments (Berntson, Sverke, & Marklund, 2006). Some scholars even refer to employability as a modern form of employee job security, i.e. 'employability security' (Iles, Forster, & Tinline, 1996; Bagshaw, 1997; Galunic & Anderson, 2000; Forrier & Sels, 2003a). Researchers, who investigate the relationship between job insecurity and employability empirically, focus on the moderating role of employability in the relationship between job insecurity and its unfavorable consequences (Greenhalgh & Rosenblatt, 1984; Sverke et al., 2002; Fugate et al., 2004). Nevertheless, empirical proof of the moderation effect of employability has likewise been demonstrated. Silla et al. (2009) using 639 employees from six organisations in Belgium, show that this factor buffers the negative effects that job insecurity can have on life satisfaction. For Australia, Green (2011) finds that a rise in men's employability from zero to 100 per cent halved the negative effects of job insecurity on life satisfaction. Bussing (1999), in a quasi-field experiment in the German steel industry, analysed 123 workers, 48 of whom were in highly insecure employment and 75 within a job-secure enterprise. His results show that perceived labour market alternatives has a moderating effect on the relationship between job insecurity and psychosomatic strains. Using longitudinal data from a steel company in Germany, Mohr (2000) replicated the finding that opportunities available in the labour market moderated the effect of job insecurity on mental health. Kalyal (2010), using data from 149 managers in a large Pakistani public sector organisation undergoing restructuring show that employability buffers the negative effects of job insecurity on the affective commitment to change. Using questionnaire data taken from 726 employees in Sweden, Berntson et



al. (2010) show that employability has a moderating impact on the effect of job insecurity on exit, voice and loyalty.

To date, however, only de Cuyper et al.'s study (2008) measures the potential influence of employability on job insecurity. By using a sample of 559 employees from seven Belgian enterprises, they show that the level of employability negatively influences job insecurity. However, their study focuses only on the overall concern about imminent job loss in the near future, and not on the impact of employability concerning an employee's fears over losing features of the job that they value.

### **3. Theoretical background: Lazarus' theory of stress and coping**

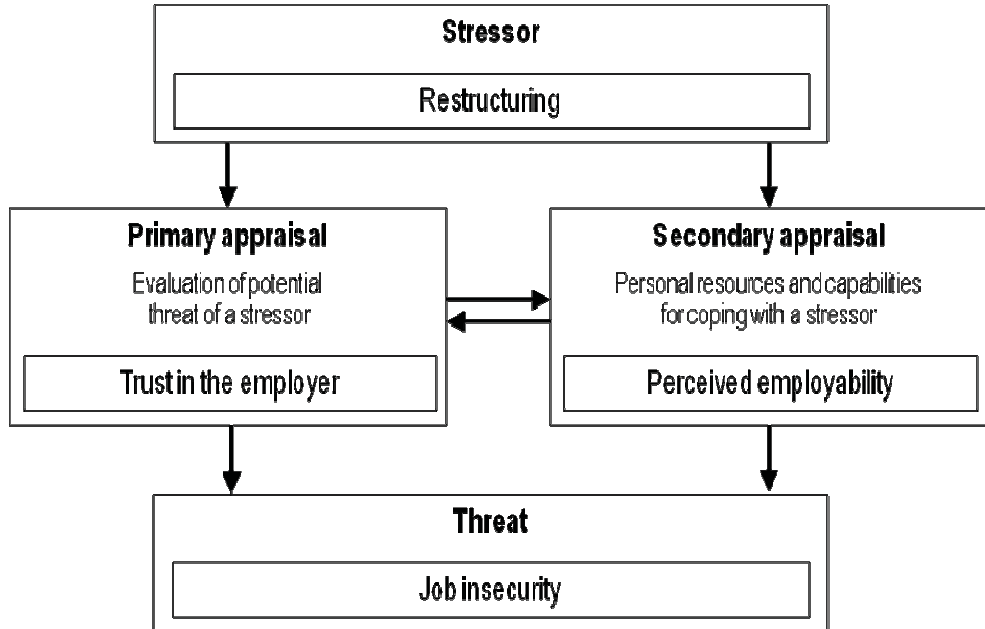
In order to answer our research question as to whether employees' trust in the employer and perceived employability influence employees' perceived post-restructuring job insecurity, we apply the theoretical framework of Lazarus's theory of stress and coping (Lazarus & Folkman, 1984).

First, the framework has been used to explain individual stress responses in settings which are similar, such as a job loss (Hamilton, Hoffman, Broman, & Rauma, 1993; Gowan, Riordan, & Gatewood, 1999), or mergers and acquisitions (Scheck & Kinicki, 2000; Fugate, Kinicki, & Scheck, 2002). Second, from the large number of occupational stress theories, Lazarus' framework of stress and coping (1984) is most suitable to answer our research question. Early stress psychologists (Selye, 1956) argued that individual differences determine whether a stressor is interpreted as challenging (eustress) or threatening (distress). However, our research question not only focuses on individual differences but is also interested in whether the cognitive appraisal of a potential threat (trust in the employer) and the evaluation of the coping resources (perceived employability) influence the perception of a stressor. The effort-reward imbalance (ERI) model of Siegrist (2001) proposes that stress is brought about by failed reciprocity. This may explain why trust in the employer reduces stress but cannot explain why perceived employability, or the interaction between trust and employability, impacts perceived post-restructuring job insecurity. The cognitive activation theory of stress (CATS; Ursin & Eriksen, 2004) was recently incorporated into the occupational stress literature (Meurs & Perrewé, 2011). Even though CATS incorporates both these aspects, that is the appraisal of a potential stressor and the evaluation of resources for coping with the stressor, the integrative theoretical approach to work stress focuses additionally on process aspects such as learning, the role of time and past experiences and how the outcomes affect the response to a stressor. This framework would meet and exceed the needs for our research question and therefore we chose Lazarus' theory of stress and coping.

Lazarus' theory of stress (Lazarus & Folkman, 1984) explains that individuals respond to a potential stressor, according to how they appraise their situation. Greenhalgh and Rosenblatt (1984) argue that any kind of major change can be a potential stressor. As restructuring is mostly associated with major changes within an organisation, restructurings constitute potential stressors for employees. According to Lazarus and Folkman (1984, p.32) a threat is anticipated along with any harm or loss that has not yet taken place. This definition of threat is also part of the definition of job insecurity: while employees with high job insecurity fear that they could soon lose their

job or aspects of the job they value (Greenhalgh & Rosenblatt, 2010), these losses have not yet taken place. Therefore, the definition of threat in the theoretical approach of Lazarus and Folkman (1984) is comparable to that of job insecurity.

**Figure 1:** Proposed model of individual reactions to organisational restructuring according to Lazarus' theory of stress and coping (1984)



To evaluate how threatened individuals respond to a potential stressor, Lazarus and Folkman (1984) distinguish between a primary and a secondary appraisal. While the potential threat of a stressor is evaluated through a primary appraisal, personal resources and capabilities for coping with the stressor are evaluated through a secondary appraisal. We propose that trust in one's employer influences the evaluation of the potential threat of a stressor while perceived employability influences the evaluation of personal resources and capabilities for coping with the stressor. Additionally, Lazarus and Folkman (1984, p.35) posit that the perception of a threat depends on the interaction of both, a primary and secondary appraisal (Fig. 1).

### 3.1 Primary appraisal

Through primary appraisal, the potential threat of a stressor is evaluated. In their work on survivors' responses to downsizing, Mishra and Spreitzer (1998) hypothesize that trust in top management may reduce the potential threat of downsizing. Survivors who trust their employer believe in their employer's ability, benevolence and integrity (Mayer et al., 1995). First, employees who trust their employer believe in the employer's ability to achieve the restructuring's planned objectives, which in turn leads to a more efficient organisation. If employees are convinced that the competitive position of the organisation will be enhanced, their appraisal of the threat of the restruc-

turing may be lower (Greenhalgh & Rosenblatt, 1984; Mishra & Spreitzer, 1998). Second, employees with a high level of trust in their employer believe that their employer's future actions will be beneficial or favourable even under restructuring conditions. Believing that an employer does not only act in its own interest, may also lead to a less threatening appraisal (Mishra & Spreitzer, 1998). Third, if employees trust their employer, they share the same principles and can count on their employer (Mayer et al., 1995). Survivors of a restructuring who know that their employer will keep its promises may view the restructuring as less unsettling (Mishra & Spreitzer, 1998).

We therefore argue that trust in one's employer influences the interpretation of the potential threat of restructuring, leading to a less threatening appraisal of the restructuring if the level of trust is high and a more threatening appraisal if the level of trust is low.

Hypothesis 1 $\alpha$ : A survivor's trust in one's employer reduces her or his perceived post-restructuring quantitative job insecurity.

Hypothesis 1 $\beta$ : A survivor's trust in one's employer reduces her or his perceived post-restructuring qualitative job insecurity.

### ***3.2 Secondary appraisal***

Personal resources and capabilities for coping with the stressor are evaluated through secondary appraisal. Using Fugate et al.'s conceptualisation of employability (2004), we explain why perceived employability is a personal resource for coping with a stressor such as restructuring.

First, employable individuals have a career identity and social and human capital, both of which improve their position within a job specific to their careers in general (Fugate et al., 2004). Employees with better positions in their jobs and careers may have more influence and power over uncertain situations such as restructuring and therefore may perceive themselves as being more capable of coping with the restructuring.

Secondly, employees with high levels of employability have the willingness and ability to change personal factors in order to meet situational demands. The five person-centred variables – optimism, propensity to learn, openness, internal locus of control and generalised efficacy – explain why personal adaptability may be a personal resource for coping with restructuring: optimism enables employees to see changes as challenges and intrinsically valuable learning experiences (Stokes, 1996). Furthermore, employees with a high propensity to learn want to learn more about the environment and can, consequently, better meet changing demands. Moreover, employees open to change and new experiences are more likely to perceive change as a challenge, not a threat, likewise making them less insecure. An internal locus of control enables individuals to influence events around them, making them more flexible and proactive in situations of uncertainty. Similarly, generalised self-efficacy is fundamental to personal adaptability. It refers to the individual's perception of their own capability to deal successfully with life's challenges, especially in the face of uncertainty. All together, these aspects of personal adaptability enhance the coping capabilities of employees during restructuring and make it more likely that employees perceive change as challenge, not a threat.

We argue therefore, that perceived employability has an influence on the appraisal of personal resources and capabilities needed in order to cope with the stressor. More precisely, employable individuals perceive themselves as more capable of coping with a restructuring than employees with low levels of perceived employability, leading to a lower level of perceived job insecurity.

Hypothesis 2 $\alpha$ : A survivor's perceived employability reduces her or his perceived post-restructuring quantitative job insecurity.

Hypothesis 2 $\beta$ : A survivor's perceived employability reduces her or his perceived post-restructuring qualitative job insecurity.

### ***3.3 Interaction between primary and secondary appraisal***

Lazarus and Folkman (1984, p.35) hypothesize that primary and secondary appraisals interact with each other in shaping the perception of a threat: the threat produced by a stressor depends on both the appraisal of a potential threat and the amount of coping resources an individual possesses. Applied to our research question, the level of perceived post-restructuring job insecurity depends on the interaction between the employees' trust in their employer and also, their perceived employability.

Hypothesis 3: The survivor's perceived post-restructuring quantitative and qualitative job insecurity depends on the interaction effect between her or his trust in the employer and perceived employability.

To be more specific,

Hypothesis 3 $\alpha$ : The negative effect of perceived employability on perceived post-restructuring quantitative job insecurity depends on the survivor's trust in the employer.

Hypothesis 3 $\beta$ : The negative effect of perceived employability on perceived post-restructuring qualitative job insecurity depends on the survivor's trust in the employer.

## **4. Methods**

### ***4.1 Procedure***

As job insecurity is defined as a subjective construct in our study, it is the employee alone who can decide whether or not they feel insecure. Consequently, we chose the employees' perspective. We used data from the Swiss Human Relations Barometer 2011 (Grote & Staffelbach, 2011), a joint research project of the University of Zurich and Federal Institute of Technology (ETH) of Zurich that annually measures employees' perception of their work situation.

In April 2010, LINK research institute sent our online survey to 5,632 randomly selected employees from their internet panel. To cover the country's two largest language regions, participants were able to choose between a German and a French questionnaire. We constructed the two questionnaires in collaboration with language professionals and carried out separate pre-tests for both versions. We restricted the sample to employees who were in dependent, paid employment for at least 40% of the

time. From the total sample of 1,479 employees, we included all employees who had experienced restructuring within the preceding twelve months.

## 4.2 Sample

The final sample consisted of 337 employees working in Switzerland, aged between 21 and 64 years. The average age was 41.2 ( $SD = 9.93$ ) and 65.9% of the employees were male. Among the respondents, 4.7% had a contingent employment contract. The average organisational tenure was 10.6 years ( $SD = 8.87$ ). The highest educational level was distributed as follows: 2.4% had completed compulsory schooling, 34.1% had completed an apprenticeship and 5.9% high school. 20.5% achieved a higher vocational degree, 20.2% had a bachelor's degree and 16.9% had a master's degree or higher. The income was distributed as follows: 1.2% earned less than 25,000 Swiss Francs a year, 6.8% between 25,000 and 50,000 Swiss Francs, 24.3% between 50,000 and 75,000 Swiss Francs, 29.1% between 75,000 and 100,000 Swiss Francs, 18.7% between 100,000 and 125,000 Swiss Francs and 19.9% more than 125,000 Swiss Francs a year. 35.6% worked in small and medium sized enterprises ( $< 250$  employees) and 64.4% in large enterprises ( $\geq 250$  employees). 26.7% worked in the primary or the secondary sector and 73.3% in the tertiary sector.

## 4.3 Measures

*Quantitative job insecurity.* We evaluated quantitative job insecurity with a three-item scale ranging from 'not at all' (1) to 'completely' (5) following Borg (1992). Sample Items include: "I am worried about having to leave my job before I would like to" and "There is a risk that I will have to leave my present job in the year to come".

*Qualitative job insecurity.* To measure the level of qualitative job insecurity we followed Bordia et al. (2004) and Lee, Bobko, Ashford, Chen, and Ren (2008) in developing a seven-item scale ranging from 'not at all' (1) to 'completely' (5). Employees were asked if they worried about changes such as fewer career opportunities, pay cuts, dislocation, higher workload, less influence over job changes, feeling pressured to work fewer hours, and worries about further restructuring.

*Trust in one's employer.* Trust in one's employer was measured with a seven-item scale developed by Robinson (1996) ranging from 'not at all' (1) to 'completely' (5). The scale of Robinson (1996) contained three negatively coded items. However, reverse-coded trust items may refer to distrust rather than to low trust and therefore measure different constructs (Ito & Brotheridge, 2001). Consequently, we reformulated the three negatively worded trust items into ones that were positive. Sample items include: "I can expect my employer to treat me in a consistent and predictable fashion" and "In general, I believe my employer's motives and intentions are good".

*Employability.* To measure employability, we used a three-item scale ranging from 'not at all' (1) to 'completely' (5) following Janssens et al. (2003). Sample items include: "In case I'm dismissed, I'll immediately find a job of equal value" and "I'm confident that I would find another job if I started searching".

*Controls.* We included two bundles of control variables in our analysis. The first bundle included demographic and job positional variables, such as gender (1 = male, 0 = female), age in years, tenure in years and months, type of contract (1 = temporary

job contract, 0 = permanent job contract), highest educational level (assessed with 6 dummy variables: compulsory school (reference group), apprenticeship/ vocational, high school, higher vocational education, bachelor, master and above), and yearly gross income in Swiss Francs (1 = < 25,000, 2 = 25,000-50,000, 3 = 50,000-75,000, 4 = 75,000-100,000, 5 = 100,000-125,000, 6 => 125,000). The second bundle contained organisational control variables such as size of company (1 = large companies ( $\geq 250$  employees), 0 = small and medium companies (< 250 employees)) and sector (1 = tertiary sector, 0 = primary and secondary sector).

#### **4.4 Analyses**

The psychometric properties of the scales and the correlation coefficients among all variables were conducted in the preliminary analysis. To test our hypotheses we conducted a moderated hierarchical regression model with four steps of entry and quantitative and qualitative job insecurity as dependent variables. In Step 1, the effects of the socio-economic factors were controlled – introducing the following factors: gender, age, tenure, contract type, yearly gross income and educational level. In Step 2, the effects of the organisational factors were controlled introducing the following factors: size of company and sector of the company. In Step 3, the two independent variables were introduced: trust in one's employer and perceived employability. In Step 4, the two-way interaction term of trust in one's employer and employability was entered. Following the recommended procedures of Cohen, Cohen, West, and Aiken (2010), the measurement scores for the independent variables were centred prior to the computation of the interaction term in order to avoid problems with multicollinearity.

### **5. Results**

#### **5.1 Preliminary Analyses**

Table 1 presents both the psychometric properties of the measurement scales and the correlations, means and standard deviations among the core variables. First, with a Cronbach's alpha coefficient of above .70, all measures appear acceptable. Second, trust in one's employer showed a significant and strong negative correlation with the two dependent variables, quantitative job insecurity ( $r = -.19, p < .01$ ) and qualitative job insecurity ( $r = -.42, p < .01$ ). Also employability showed a significant and strong negative correlation with the two dependent variables, quantitative job insecurity ( $r = -.38, p < .01$ ) and qualitative job insecurity ( $r = -.23, p < .01$ ). The two independent variables, trust in one's employer and in one's own employability, were not correlated with each other, while the two criteria, quantitative and qualitative job insecurity were positively correlated with each other ( $r = .43, p < .01$ ). Moreover, educational level ( $r = -.14, p < .05$ ) and sector ( $r = -.15, p < .01$ ) were negatively related to quantitative job insecurity: employees with higher educational levels or employees working in the tertiary sector feel less threatened about losing their jobs. Finally, age ( $r = -.32, p < .01$ ) and tenure ( $r = -.30, p < .01$ ) were negatively correlated with employability, showing that older employees and employees who work for the same employer for a long time feel less employable. Moreover, educational level ( $r = .25, p < .01$ ) and income ( $r = .14, p < .05$ ) were positively related to employability: employees with higher educational levels and higher incomes feel more employable.



**Table 1: Means, standard deviations, Cronbach's Alpha Reliabilities (in the diagonal) and correlations**

	M	SD	1	2	3	4	5	6	7	8	9	10	11
1. Quantitative JI	2.25	.93	<b>.729</b>										
2. Qualitative JI	2.78	.75	.434**	<b>.768</b>									
3. Trust in employer	3.61	.80	-.194**	-.418**	<b>.937</b>								
4. Employability	3.40	.98	-.383**	-.228**	.039	<b>.863</b>							
5. Gender	0.66		-.029	-.039	.040	.020							
6. Age	41.19	9.93	.034	.094	.059	-.316**	.169**						
7. Tenure	10.64	8.87	-.053	.084	.050	-.298**	.159**	.527**					
8. Temporary contra	0.05		.051	.034	.063	-.039	-.045	.018	-.089				
9. Education level	3.73	1.57	-.139*	-.062	.001	.253**	.180**	-.005	-.139*	.083			
10. Income	4.17	1.26	-.062	-.037	.025	.137*	.451**	.292**	.124*	-.030	.532**		
11. Large companies	0.85		-.050	.053	-.040	.071	.122*	.071	.091	-.064	.029	.196**	
12. Tertiary sector	0.73		-.151**	-.023	.015	-.083	-.251**	-.004	.129*	.040	-.066	-.143**	-.082

Note: N=337. \*  $p < .05$ , \*\*  $p < .01$

## 5.2 Moderation analyses

Results of the moderated regression analysis for quantitative job insecurity appear in Table 2. The overall model predicted quantitative job insecurity with an  $R^2$  of .23. In Step 1 and 2 the socio-economic and organisational controls were added. Tenure was

**Table 2: Results of moderated hierarchical regression analysis for quantitative job insecurity**

	Quantitative job insecurity			
	$\beta$ Step1	$\beta$ Step2	$\beta$ Step3	$\beta$ Step4
Male	.020	-.025	-.030	-.031
Age	.090	.076	-.033	-.032
Tenure	-.121†	-.075	-.137*	-.134*
Temporary contract	.034	.035	.031	.032
Income	.012	.015	.080	.080
Educational level				
- Apprenticeship / voc	-.291†	-.341*	-.304†	-.305†
- High school	-.138	-.155	-.127	-.127
- Higher voc. educ.	-.436**	-.482**	-.383**	-.382**
- Bachelor	-.389*	-.448**	-.314*	-.315*
- Master or above	-.309*	-.334*	-.269*	-.268*
Big company		-.061	-.040	-.039
Tertiary sector		-.194**	-.192***	-.192***
Trust in employer			-.166***	-.166***
Employability			-.413***	-.411***
Trust x employability				.028
Adjusted $R^2$	.028	.059	.227	.225
$\Delta R^2$ Change	.057*	.035**	.167***	.001

Note: standardised regression coefficients are shown. N = 337. Reference group for educational level is compulsory school. Significance is denoted as: †  $p < .10$ ; \*  $p < .05$ ; \*\*  $p < .01$ ; \*\*\*  $p < .001$

negatively related to quantitative job insecurity: employees with a longer tenure ( $\beta = -.13, p < .05$ ) feel losing their job is less of a threat. The highest educational level also influenced quantitative job insecurity: compared to employees who finished a compulsory level of schooling, employees who finished an apprenticeship ( $\beta = -.31, p < .1$ ), higher vocational education ( $\beta = -.38, p < .05$ ), had a Bachelor's degree ( $\beta = -.32, p < .05$ ) or a Master's degree ( $\beta = -.27, p < .05$ ) feel less insecure ( $\beta = -.19, p < .001$ ). In Step 3 the two main predictors were added. As predicted by hypothesis 1 $\alpha$  and 2 $\alpha$ , trust in one's employer and in one's own employability has a negative effect on quantitative job insecurity. Employability was a better predictor of the criterion variable ( $\beta = -.41, p < .001$ ) than trust in one's employer ( $\beta = -.17, p < .001$ ). The two main predictors, i.e. trust in one's employer and in one's own employability, explained the largest amount of variance in the model ( $R^2$  Change = .17,  $p < .001$ ). The two-way interaction term in Step 4 was not significant ( $\beta = .03, n.s.$ ). Hypothesis 3 $\alpha$ , which predicted that the negative effect of employability on quantitative job insecurity would depend on employees' trust in their employer, was not supported.

Results of the moderated regression analysis for qualitative job insecurity appear in Table 3. The overall model predicted qualitative job insecurity with an  $R^2$  of .21. Socio-economic and organisational factors did not influence employees' perception of qualitative job insecurity (Step 1 and Step 2). In Step 3 the two main predictors were added. In line with hypothesis 1 $\beta$  and 2 $\beta$ , trust in one's employer and in one's own employability has a negative and statistically significant effect on qualitative job insecurity. As concerns qualitative job insecurity, trust in one's employer was the stronger predictor of the criterion variable ( $\beta = -.42, p < .001$ ) rather than

**Table 3: Results of moderated hierarchical regression analysis for qualitative job insecurity**

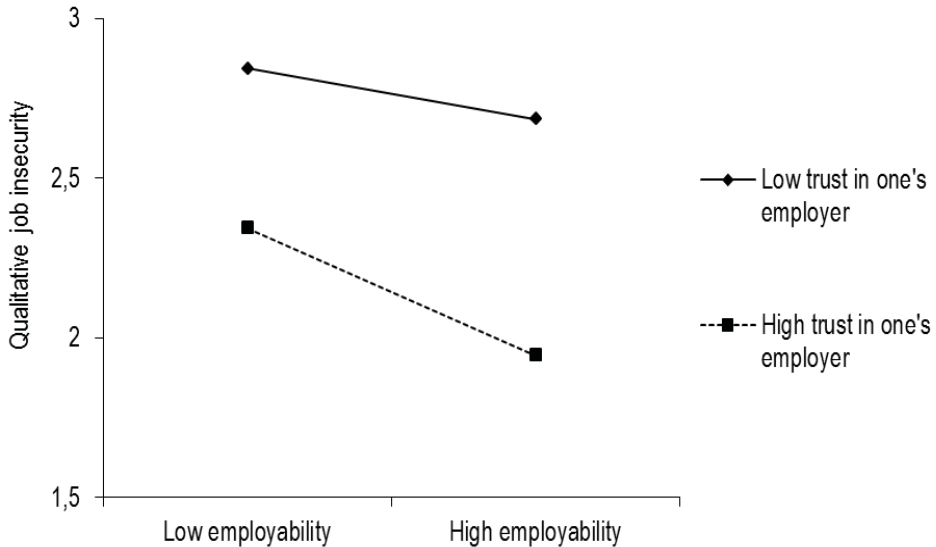
	Qualitative job insecurity			
	$\beta$ Step1	$\beta$ Step2	$\beta$ Step3	$\beta$ Step4
Male	-.022	-.038	-.026	-.024
Age	.088	.086	.051	.048
Tenure	.054	.064	.045	.036
Temporary contract	.036	.042	.067	.064
Income	-.039	-.058	-.025	-.028
Educational level				
- Apprenticeship / voc	.109	.117	.153	.155
- High school	.025	.023	.038	.040
- Higher voc. educ.	.000	.008	.062	.057
- Bachelor	-.009	-.007	.100	.103
- Master or above	.088	.105	.138	.137
Big company		.064	.059	.055
Tertiary sector		-.063	-.051	-.051
Trust in employer			-.414***	-.415***
Employability			-.180***	-.186***
Trust x employability				-.082†
Adjusted R <sup>2</sup>	.001	.002	.206	.210
$\Delta R^2$ Change	.030	.008	.201***	.007†

Note: standardised regression coefficients are shown. N = 337. Reference group for educational level is compulsory school. Significance is denoted as: †  $p < .10$ ; \*  $p < .05$ ; \*\*  $p < .01$ ; \*\*\*  $p < .001$

employability ( $\beta = -.19, p < .001$ ). The two main predictors, e.g. trust in one's employer and in one's own employability, explained the largest amount of variance in the model ( $R^2 \text{ Change} = .20, p < .001$ ). The two-way interaction term in Step 4 was significant ( $\beta = -.08, p < .1$ ), providing support for hypothesis 3 $\beta$ .

To examine the nature of the moderating effect for qualitative job insecurity more closely, we plotted simple slopes for high (1 SD above the mean) and low (1 SD below the mean) levels of trust in one's employer (Aiken, West, & Reno, 2010). Figure 2 shows the interaction pattern. The results provide evidence that, for employees with high levels of trust in their employer, qualitative job insecurity decreased as their perceived employability increased ( $\gamma = -.20, SE = 0.06, t = 3.52, p < .000$ ). For employees with low levels of trust in their employer, the perceived employability was not related to an employee's post-restructuring qualitative job insecurity ( $\gamma = -.08, SE = .05, t = 1.52, p > .1$ ).

**Figure 2: Interaction effects of trust in one's employer and in one's own employability in predicting qualitative job insecurity.**



## 6. Discussion

The objectives of the present study were two-fold. First, we investigated the influence of trust in one's employer and perceived employability on perceived post-restructuring quantitative and qualitative job insecurity. Second, we examined the interaction effect of trust in one's employer and perceived employability on post-restructuring insecurity by looking closely at both quantitative and qualitative job insecurity.

As far as perceived quantitative job insecurity was concerned, we found that trust in one's employer and perceived employability reduces the post-restructuring fear of

experiencing a potential job loss in the near future. These findings support the theoretical model of Lazarus' stress theory and the idea that trust in one's employer influences the interpretation of the potential threat of restructuring. As employees who trust their employer believe in their employer's ability, benevolence and integrity, the restructuring is perceived as less threatening. Furthermore, the findings support the idea that the perceived level of employability influences the appraisal of personal resources and capabilities for coping with a stressor. As employable employees have better job and career positions, more often they have a higher level of influence and power over changing situations including restructuring. Moreover, employees with high employability can better adapt to changing demands, as they are more willing to change personal factors in order to meet situational demands.

The same pattern was found for perceived qualitative job insecurity: trust in one's employer and in perceived employability reduced post-restructuring fears of losing valued aspects of the job in the near future. These findings also support the idea that trust in one's employer can shape the interpretation of a potential stressor while employability shapes the perception of personal resources and capabilities for coping with a stressor, which in turn leads to lower qualitative job insecurity if the level of trust in one's employer and perceived employability is high.

Interestingly, perceived employability is the stronger predictor for quantitative job insecurity than trust in one's employer: the perception of personal resources and capabilities are more of a help in reducing the post-restructuring fear of losing a job than the interpretation of the potential threat. In the case of qualitative job insecurity, trust in one's employer is a stronger predictor than perceived employability. How employees interpret restructuring is more important than the perception of their resources and capabilities. This leads to there being a theoretical implication for Lazarus' theory of stress: depending on the defined outcome variable of a stressor, the relative impact of the primary and secondary appraisal can differ significantly.

Contrary to our predictions, we were not able to confirm a moderating effect between trust in one's employer and perceived employability for perceived post-restructuring quantitative job insecurity. This fact implies that the relationship between perceived employability and quantitative job insecurity is independent of an employee's trust in their employer. However, in line with our predictions, the interplay between trust in one's employer and perceived employability affects post-restructuring qualitative job insecurity. In the case of there being a high level of trust in one's employer, an employee's perceived employability has a negative impact on post-restructuring qualitative insecurity. In the case of low levels of trust in one's employer, an employee's perceived employability does not relate to post-restructuring qualitative job insecurity, leading to there being the lowest levels of qualitative job insecurity for employees with high trust and high levels of perceived employability.

Our study also investigated the influence of socio-economic and organisational control variables on the extent of perceived post-restructuring quantitative and qualitative job insecurity. These control variables did not impact qualitative job insecurity, but did impact quantitative job insecurity. Employees with longer tenure are less worried about losing their jobs. Mostly, employers try to keep their more tenured workforce due to higher human capital investments and higher lay off costs. This last in,

first out policy in the case of a downsizing can lead to an employee's expectation that employees with shorter tenure will be dismissed first. Educational level also impacts the perception of job insecurity: the higher the educational level of an employee, the less her or his fear of losing their job in the near future is. As educational level is often used to refer to the objective employability, it seems that not only the subjective perception but also the objective employability can reduce employees' perceived quantitative job insecurity. Finally, the study showed that employees working in the tertiary sector feel less threatened about losing their jobs in the near future. Altogether, this implies that the amount of perceived post-restructuring quantitative job insecurity not only depends on the subjective perception and the interpretation of a potential stressor, but also on objective facts such as tenure, educational level or the sector for which an employee is working.

### ***6.1 Limitations and future research***

Although the results of this study add to the existing literature on trust, perceived employability and perceived post-restructuring job insecurity, there is more to be accomplished in future research.

First, we collected data with a cross-sectional design. As a result, longitudinal data is missing and we cannot assume causal relationship among the variables. Longitudinal data could further strengthen the conclusions, even though the hypotheses are all based on theoretical arguments. Furthermore, trust in one's employer is dynamic: although it takes considerable time to build trust, it can be quickly lost through violated obligations (Robinson, 1996; Mishra, 1998). To better understand these dynamics and the resiliency of trust within changing organisational enterprises, longitudinal studies are needed.

Second, we used a self-reported survey, which can cause biased relationships due to common-method bias. However, we derived the hypotheses from the Lazarus' stress theory (1984), which assumes that it is only the individual them-self who can decide whether or not a situation is threatening. Therefore, self-reported statements were necessary to evaluate which individual mechanisms lead to the perception of post-restructuring job insecurity. Nevertheless, to reduce the potential risks of the common method bias, we followed many of the suggestions of Podsakoff, MacKenzie, Jeong-Yeon, and Podsakoff (2003) on questionnaire design: we carefully constructed the survey, assured anonymity to the participants and instructed the participants that there is no right or wrong answer. Moreover, common method variance diminishes rather than increases the effects of interactions (Barling, Rogers, & Kelloway, 1995).

Third, we used a single item to measure restructuring. Employees were asked whether they had experienced restructuring within the preceding twelve months. Future research needs to include the nature of the restructuring and the stage of the restructuring in which the employees find themselves at the time of the survey. Furthermore, the employees' attitudes towards the restructuring are unknown: do the employees feel positively or negatively about the restructuring, or are they ambivalent?

Fourth, the study was conducted within a national context. As the specific social and unemployment insurance conditions as well as the unemployment rate of a coun-

try may influence the perceived job insecurity, we cannot generalise the findings of this study and apply it to other countries. Future research should therefore investigate whether cultural differences exist in the mechanisms leading to the perception of job insecurity.

Fifth, in this study we focused on trust in one's employer. However, interpersonal trust between employees and direct supervisor, middle management and peers could also influence employees' perception of post-restructuring job insecurity. Future research therefore, should also consider interpersonal trust as a possible resource for overcoming post-restructuring job insecurity.

## **6.2 Practical implications**

For practitioners it is essential to understand employees' reactions to restructurings in order to manage unfavourable outcomes more efficiently. Overall, the results of this study lead to some very practical conclusions. Firstly, enterprises undergoing restructuring should invest in trust-building leadership actions. There is some evidence that open communication (Whitener, Brodt, Korsgaard, & Werner, 1998), opportunities for participation (Dirks & Ferrin, 2002) and fairness (Dirks & Ferrin, 2002) increase trust in leadership. These initiatives are also antecedents of more successful organisational restructurings (Burke & Nelson, 1997).

In order to maintain employees' trust in the employer, top-down communication during a restructuring should be open and honest (Mishra & Spreitzer, 1998; Whitener et al., 1998). Furthermore, management should be available for questions and create communication platforms. Employees that are involved in the information flow and have the possibility to clarify questions during organisational restructuring are more likely to trust their employer which leads to a less threatening appraisal of the restructuring and therefore, to lower perceived job insecurity. Not surprisingly, open and honest communication has been identified by both scholars and practitioners as playing a key role during organisational restructurings (Liu & Perrewé, 2005), especially as a means of reducing insecurities (Bordia et al., 2004; Elst et al., 2010; Greenhalgh & Rosenblatt, 2010).

Furthermore, opportunities for participation have been shown to positively influence trust in leadership (Dirks & Ferrin, 2002) and may therefore play a crucial role in maintaining trust in the employer during organisational restructuring. When employees are involved in the decision making process of a restructuring, it implies that that organisation cares about their opinions and employees therefore perceive their employer as being more benevolent. During organisational restructurings employees often feel helpless and insecure. In order to reduce post-restructuring insecurity, employers should try to involve employees in decision making processes (Sverke, Hellgren, Näswall, Göransson, & Öhrming, 2008) especially when changes affect valued aspects of an employee's job.

To maintain trust in the employer during organisational restructuring, fairness issues also have to be considered (Dirks & Ferrin, 2002). For example, risk should be equally distributed among all levels within the organisation during restructuring. Employees lose trust in their employer when, for example, top management still receives big bonuses while employees have to accept pay cuts. Another reason why employees



may lose trust in their employer during restructuring is unfair lay off procedures. Transparent and clearly defined decision criteria for layoffs can reduce the loss of trust in the employer. Thus, fair distribution of risks and fair procedures pay off for both, the employees and the employer.

A second important conclusion arising from our study is that organisations have to invest in their workforce's employability by offering further training opportunities and other employee investments. A job description may change and additional tasks could be assigned, especially during restructurings. In order to prepare employees for new challenges and make them more adaptable, the possibility for further training is essential. These investments also pay off for both employer and employees. Organisations profit from a more successful organisational restructuring because employees are more capable of adapting to the changes (Burke & Nelson, 1997). Employees on the other hand feel less threatened by restructuring and perceive themselves as more capable of coping with restructuring. Employees that feel less threatened by the restructuring are more satisfied with their jobs and more committed to the organisation as a whole and are, therefore, less likely to leave that organisation (Sverke et al., 2002; Cheng & Chan, 2008).

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