

The Role of Cultural Values, Personality Disposition and Attitudes in Influencing Psychological Contract Violation and Citizenship Behaviours

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ABSTRACT

This study assesses the impact of downsizing on psychological contract violation and organisation citizenship behaviours. It examines the role of five antecedents in explaining these outcomes: cultural value orientations, negative affectivity, perceived justice, attitudes to downsizing and perceived employability. Subjects were surveyed at two different points in time: one month and nine months after the downsizing was implemented. Data were collected from 281 employees who responded both at Time 1 and Time 2. Correlational analysis and structural equation modeling were used to examine a causal model that negative affectivity and cultural value orientations predict survivors' perception of justice, attitude to downsizing, and perception of employability; that perceived justice, attitude to downsizing and perceived employability predict survivors' psychological contract violation; and psychological contract violation predicts organisational citizenship behaviour. The model is supported in the main with the important finding that cultural value orientations are not significant predictors and indeed their effect can be explained by the individual predisposition of negative affectivity. The implications for cross-cultural study of phenomena such as downsizing are discussed.

ABSTRAK

Kajian ini menilai kesan pengecilan syarikat terhadap pencabulan kontrak psikologi dan kelakuan kerakyatan organisasi. Ia melihat peranan lima anteseden yang menerangkan kedua-dua angkuabah tersebut: orientasi nilai budaya, "negative affectivity," sikap terhadap pengecilan syarikat, dan tanggapan kebolehgajian. Soalselidik dijalankan dalam dua fasa: sebulan dan sembilan selepas pengecilan syarikat dilaksanakan. Data dikumpulkan daripada 281 pekerja yang memberi respon kepada kedua-dua fasa soal selidik. Korelasi dan "structural equation modeling" digunakan untuk menganalisa model yang mencadangkan bahawa "negative affectivity" dan orientasi nilai budaya meramal persepsi keadilan, sikap terhadap pengecilan syarikat dan tanggapan kebolehgajian; persepsi keadilan, sikap terhadap pengecilan syarikat dan tanggapan kebolehgajian meramal pencabulan kontrak psikologi; dan akhirnya pencabulan kontrak psikologi meramal kelakuan kerakyatan organisasi. Model disokong dengan dapatan utama menerangkan bahawa orientasi nilai budaya bukan peramal signifikan, dan kesannya

boleh diterangkan oleh "negative affectivity." Perbincangan menekankan kepada implikasi fenomena penyecilan syarikat terhadap kajian silangbudaya.

INTRODUCTION

Since the late 1980s many organisations, including most of the Fortune 1000 companies, have been exercising downsizing. This trend has affected companies all over the world including those from developing countries. As downsizing has become accepted as 'a common and inevitable phenomenon', a great deal of interest has been given to this field in the recent years. There have been numerous studies on downsizing and survivor reactions. However, most of these studies have been criticised on methodological grounds. Many have been conducted in a laboratory or field case study setting, or have been conducted at one point in time, often shortly after the downsizing was exercised and have therefore focused on the immediate reactions to downsizing (Leung & Chang 2002; Brockner & Greenberg 1990; Spreitzer & Mishra 2002). It is not clear whether changes in outcomes such as lowered work attitudes and psychological contract violation hold true if the same outcomes are assessed in the same person over time.

In order to better understand the attitudinal and behavioural implication of downsizing, researchers are urged to reform the way they conduct the study. They need to gather longitudinal data during and after the downsizing exercise, so that they could gather more in-depth analysis of survivor reaction and see whether those negative outcomes of downsizing actually hold over time and with any non-manageable consequences (Campbell-Jamison, Worrall & Cooper 2001; Brennan & Skarlicki 2004). This study builds on our understanding of the downsizing phenomenon and resultant psychological contract violation (PCV) and organisational citizenship behaviors (OCBs) in two ways. Firstly, it adopts a longitudinal design. Secondly, it also assesses a series of pre-dispositions that might be expected to have a significant impact on these outcomes. It assesses the impact of downsizing on the two most common outcomes in the downsizing literature - PCV and OCBs - and examines the role of five antecedents: cultural value orientations, justice, attitudes to downsizing, perceived employability, and negative affectivity.

THEORETICAL FRAMEWORK

Morrison (1994) argued that uncertainties caused by today's prevalent trends of restructuring, downsizing, outsourcing and foreign competition are all having impacts on employees' psychological contract. In a case of downsizing, for example, organisations can no longer ensure job security and in return employees are more reluctant to give undivided commitment and loyalty (Morrison & Robinson 1997). Robinson and Morrison (1995) conclude that employees are less willing to participate in extra-role behaviours when they believe their employers have not

fulfilled the terms of their employment contract. These attitudinal and behavioural changes generated from downsizing experience can be explained as an outcome of a PCV. For example, in the case of employees expecting job security, downsizing is considered as a breach. Employers are seen as not fulfilling their promises and obligations. As a result of breach, employees would be experiencing disappointment, frustration, and distress stemming from their perceptions of not receiving what is expected and desired (Robinson & Morrison 1995). These emotional states (also known as PCV) will be followed by the negative response in attitudes and behaviors of employees.

Organisational citizenship behaviour (OCB) refers to discretionary and voluntary behaviours that is not part of a formal requirement of behaviour but contribute to organisational effectiveness (Organ 1988; Podsakoff, Ahearne & MacKenzie 1997). In an event such as downsizing, a smaller number of survivors may be left to do the same amount of work, thus giving more workload and stress. Low morale, low commitment and reduced OCBs may threaten an organisation's return to profitability (Murphy et al. 2002).

Turnley and Feldman (1999) developed a framework to understand the situational constraints on employees' responses to PCV. Employees respond to violations by increased exit, increased voice, decreased loyalty (decreasing extra role behavior) and increased neglect. PCV (PCV) was found to be negatively associated with employees' perceptions of the amount of loyalty they owe to their organisation (Robinson and Rousseau 1994). Robinson and Morrison (1995) concluded that employees are less likely to engage in OCBs when they believe that their employer has not fulfilled the term of employment contract.

The study examines how PCV influences two dimensions of survivors' OCBs, civic virtue and altruism, due to their appeal in both the West and East (Farh, Zhong & Organ 2004). Civic virtue and altruism represent behaviours directed at the organisation and other individuals in the organisation, respectively (Organ 1988). We also examine the relative importance of five antecedents, which may be found simply to co-vary with other factors or to have powerful and independent affects.

The inclusion of cultural value orientations as the first set of antecedents addresses a third criticism of the present range of downsizing studies i.e. a lack of significant cultural insight into the phenomenon. In the field of comparative HRM, psychologists have begun to move beyond the traditional paradigm based in the main on country-level studies toward an examination of some more important questions concerning culturally related behavioral dynamics within individuals. This has led to the development of a *new cultural paradigm research tradition* that treats cultural dimensions as quasi-individual difference characteristics (Farh, et al. 1997). A question that has emerged from this work concerns the relative strength of the effect of cultural value orientations as an individual difference variable. But simply, just how important are cultural value orientations in relation to other factors? Kirkman and Shapiro's (2001) study of teams in two US multinationals found that 9% to 23% of variance in organisational commitment could be attributed to value orientations. When cultural values have been looked at within indigenous

firms in non-US countries, it has been found that an individuals' cultural values by themselves explained from 10% to 16% of the attractiveness (or not) of various HRM practices to them (Nyambegera et al. 2000) and 19% of the variance in job involvement (Nyambegera et al. 2001).

This study examines the influence of cultural value orientation on downsizing outcomes namely PCV and OCB. To date, there has not been much research examining the role of cultural value orientation may play in how employees react to the experience of downsizing; however, variations in the orientations can be expected to influence managerial practices and organisational effectiveness (i.e., Earley 1993; Erez 1994). Theoretically, it is argued that, to implement successful managerial practice, there must be an alignment between the assumptions, values, and beliefs important to the practice, and the culturally influenced assumptions, beliefs and values held by employees (Hosftede 1993; Kirkman & Shapiro 1997). Specifically in the downsizing context, the resultant change in the psychological contract between employer and employee may be misaligned with certain cultural value orientations held by employees (Probst & Lawler 2006), and this will influence their attitudinal and behavioural reactions to downsizing.

The second antecedent to assess is employees' perceived fairness of management decisions play an important role in downsizing and their responses to layoff depend a great deal on how they perceive management handling the downsizing process. Brockner (1992) suggested that survivors' reactions would be influenced by their perceptions on whether: the layoff is justified; the selection criteria used about who should be made redundant are clear; ample advanced notice is given; and the leavers are treated supportively. Perceptions of fairness about management decisions and procedures related to the downsizing may help to reduce the negative reactions experienced by survivors. In addition, Morrison and Robinson (1997) argued an employee's assessment of violation is affected by his or her perception of how fairly he or she was treated. Even if employees blame their organisation for the perceived breach, the feeling of violation will be less intense if they feel that they are treated fairly, honestly and respectfully. Brockner (1992) found survivors would respond positively when they believe the layoff is executed fairly.

The third antecedent to consider is survivor's attitude to downsizing itself. Survivors' reactions may be influenced by how they look at the downsizing as implemented by their organisation. Besides fairness-related issues, feelings of violation will be shaped by whether the downsizing is in itself perceived as a good idea bringing benefits to the company and remaining employees. When facing relatively unfamiliar and ambiguous situations, people's expectation of success influences their reactions (Fibel & Hale 1978). Armstrong-Stassen's longitudinal study (1998) found that those survivors who were more optimistic and open towards change and had high future success expectancy reported more favourable job attitudes in later stages of data collection.

The fourth antecedent expected to predict survivor PCV is perceived employability. 'Employability', which refers to the capability of being employed in a job, has been given a lot of attention in the recent years (Van Der Heijden 2002), and has

been recognised as an important concept in the workplace. However, to date, it has not yet been operationalised in a downsizing study. This is potentially an oversight, as some scholars have even suggested ‘employability’ as one of the important elements in the new psychological contract (Herriot & Pemberton 1995). From the perspective of employees, ‘employability’ will prepare them for the next round of restructuring, in case they are the ones to be made redundant. Under the pressure of high job insecurity condition caused by massive restructuring and downsizing by organisations, the thought of being employable or being able to find another job in the future will ease the stress experienced by the employees (Baruch 2001).

In assessing what are essentially emotional responses, it is important to examine the effects of a series of attitudinal or personality dispositions (Sparrow & Cooper 2003), hence, discussing the fifth antecedent examined in this study. The impact of personality disposition is an important phenomenon to assess. Some individuals who possess specific personality are prone to evaluate themselves, others and events in overly positive or negative ways. In this study we use negative affectivity (NA) to examine personality disposition. Watson and Clark (1984) defined NA as “a mood dispositional dimension reflecting pervasive individual differences in the experience of negative emotion and self-concept”. High NA individuals are more likely to report “distress, discomfort and dissatisfaction overtime regardless the situation, even in the absence of any overt or objective source of stress” (Watson & Clark 1984, pp. 483). Given their high responsiveness to stimuli that induce negative emotion, it is suggested that high NA individuals who are easily upset, impatient and angered might be more reactive in the presence of injustice or unfairness than individuals with the opposite disposition (Judge 1993; Skarlicki et al. 1999). Given the association between a high level of NA and a cognitive bias through which they approach and interpret their life experience and jobs (Levin & Stokes 1989), it is worth focusing on this as an important individual personality disposition. NA has been used as a control in the stress field for a while, then the job insecurity field (Hellgren et al. 1999). We examine the role of NA in understanding survivors’ reactions towards the downsizing experience. With evidence of the importance of personality disposition and culture in guiding our lives and the interdependence of emotion and culture, there is a good reason to believe that, specifically in downsizing context, negative affectivity and cultural value orientation will have an impact on downsizing reactions.

Clearly these antecedents should be expected to operate along a specific causal path. We test this using structural equation modeling. We hypothesize that negative affectivity and cultural value orientations predict survivors’ perception of justice, attitude to downsizing, and perception of employability; then we hypothesize that perceived justice, attitude to downsizing and perceived employability predict survivors’ PCV; and finally that PCV predicts organisational citizenship behavior:

- H1: Cultural value orientations are related to attitude toward downsizing, perceived justice, and perceived employability.
- H2: Cultural value orientations are predictive of both post-downsizing employee outcomes of psychological contract violation and organization citizenship

behavior

- H3: Negative affectivity is related to attitude toward downsizing, perceived justice, and perceived employability.
- H4: Perceived justice, attitude to downsizing and perceived employability are negatively related to PCV.
- H5: Psychological contract violation is negatively related to altruism and civic virtue behavior.

METHODOLOGY

SAMPLE

The study was conducted on survivors going through downsizing from a large organisation in Malaysia. As part of its restructuring strategy, the organisation had implemented employee reduction program through various methods including early retirement option and voluntary separation scheme. Individual participation was not identified by the organisation. The population consisted of 1003 remaining employees from the HQ, factories and subsidiaries. Respondents were managers, technical operating, sales, or administrative staff.

Subjects were surveyed at two points in time. Within a month after the downsizing, a survey was mailed to the respondents directly to their home addresses together with a cover letter stressing the objectives of the study and confidentiality of their responses, and stamped and self-address envelopes to return the survey. Participants were surveyed a second time eight months after time 1. The response rate at time 1 was 36.7% giving a total number of 368 respondents. At Time 2 there were still 281 respondents in the sample.

MEASURES

The survey was conducted in the Malay language since it is the first language of the country and would be understood by all respondents. It was subjected to a back-translation process. We sent the English version of the survey to a bilingual academician having prior professional experience doing translation work. The translated version was then submitted to another two bilingual local academicians and two employees who had prior experience with organisational downsizing then back translated the translated version independently. Finally, any discrepancies and disagreement were discussed and corrected together by the researchers and all the parties involved in the back translation process. Except for cultural value orientations, which are assumed to be stable over time, all the variables outlined below were measured both at time 1 and time 2.

Cultural Value Orientation was measured using the Cultural Perspective Questionnaire (CPQ4) developed by Maznevski and Distefano (1995) with 7-likert

scale ranging from 1=strongly disagree to 7 = strongly agree. Examples of items include “whatever is going to happen will happen, no matter what action people take” (mastery) and “a good manager should take control of problem situation and resolve them quickly” (subjugation). Motivated by a suggestion to explore a wider array of cultural value variations, instead of the well-documented collectivism and individualism orientation (Thomas et al. 2003; Early & Gibson 1998), the present study uses CPQ4 scale to measure the construct. The scale was chosen over Hofstede’s and Schwartz’s scales since the items in the CPQ4, which describe individual value orientation specifically relating to working environment, seem easier to understand for respondents than do those of the Hofstede’s and Schwartz’s, which focus on more general statements about individuals’ value orientation in abstract. The psychometric properties and design principle of the CPQ4 are sound and have proved empirically, its construct validity over time (Maznevski & DiStefano 1995; Maznevski et al. 2002). The scale has been revised through several pre-tests and tests across different cultures at different stages of the instrument’s development. CPQ4 has been also used in work psychology studies on other nationalities (Kirkman & Shapiro 2001; Nyambegera et al. 2000; Nyambegera et al. 2001; Thomas 1999) with scales used in various national settings with reported alphas ranging from .55 to .75. Consistent with previous studies, we decided to include in our analysis only those scales that reached an alpha greater than .60. Four scales were selected on this basis (Relationship to nature-harmony = .67, subjugation = .60, and mastery = .62; and activity orientation-thinking = .67). See Appendix A, B, C and D for factor loading of each item.

Perceived justice was measured with 3 item scale measuring procedural justice and 3 item scale measuring interactional justice (Othman et al. 2005). Items reflect the manner in which organisational procedures are carried out and interpersonal treatment received during the implementation of downsizing (in example “Managers/supervisors were concerned about employees’ welfare and rights during the implementation of downsizing” and “The procedure used in choosing who to lay off was consistent”). Five-point Likert scale ranging from “1 = not true at all”, through “3 = not sure” to “5 = very true” to represent their agreement with the statements. The scales were subjected to CFA. The two-factor model resulted in a good fitting model; however, the correlation was high (.91), and the variances were very nearly similar (procedural justice = .43, interactional justice = .46). The high correlation, together with non-significant difference in their variances suggested redundancy in the two factors (Byrne 2001). The items might indeed be measuring the same construct rather than different ones. Thus, based on this indication, and consistent with the findings from previous research, the interactional and procedural justice items were combined to represent a single factor of perceived organizational justice (Brockner et al. 1997; Folger & Konovsky 1989). Test-retest reliability of the two constructs showed a significant correlation between T1 and T2 survey ($r = .62$). See Appendix E for factor loading of the items.

Attitude to downsizing was measured using four items adapted from Maurer and Tarulli (1996). The items include the following: “The downsizing implemented

by the organisation is a good idea,” and “the downsizing brings benefit to the remaining employees.” Respondents were asked to rate their agreement with each statement using a five-point Likert scale ranging from “1 = not true at all,” through “3 = not sure” to “5 = very true.” Test-retest reliability of the two constructs showed a significant correlation of .58 (at $p < .001$).

Perceived employability was measured using items developed by Van Der Heijden (2002). Respondents were asked to rate the likelihood that they would be able to make a transition to another job, a higher job, and an equivalent job using a four-point Likert scale ranging from “1 = very unlikely” to “4 = very likely.” The construct demonstrated a significant correlation of .29 ($p < .001$) between time 1 and time 2 surveys.

Negative affectivity was measured using twenty-one items from Negative Affectivity Scales (NAS) developed by Levin and Stokes (1989) as a self-report measure to assess the global disposition to negative affectivity. Respondents were asked to indicate the extent of their agreement (“1 = strongly disagree,” to “6 = strongly agree”) with the statements such as “I often feel restless and jittery for no apparent reasons.” The construct showed a significant correlation of .61 ($p < .001$) between T1 and T2 survey.

Psychological contract violation. To capture an individual’s PCV following a downsizing, eight items based on Morrison and Robinson’s (1997) definition of a violation being the negative emotion associated with the breach of PC were used. Respondents were asked to indicate how strongly they experienced those emotions (“betrayed,” “angry,” “resentful,” “shock,” “insecure,” “lose trust,” “unfair,” and “disappointed”) in regards to the downsizing implemented by their organization, using a five-point Likert scale ranging from “1 = none at all,” through “3” = moderate,” to “5 = very strong.” The construct demonstrated a significant correlation of .57 ($p < .001$) between T1 and T2 survey.

Altruism and civic virtue was measured using 8 items based on Organ’s (1988) definition of OCB. Likert-scale ranging from 1 to 5 was used to measure their agreement with the statements such as “Willingness to fill in for others who are absent from work” (altruism), “Willingness to attend important meetings that are not compulsory” (civic virtue). Confirmatory factor analysis (CFA) was conducted to examine the discriminant validity of the two OCB dimensions (Anderson & Gerbing, 1998). A two-factor model ($\chi^2 (19) = 84.2$) fits the data, and all the items loaded significantly into their intended factors (fit indices: GFI = .93, CFI = .94, RMSEA = .11). Discriminant validity was achieved for civic virtue and altruism, as the chi-square for the two-factor model was significantly lower than for a one-factor model (change in $\chi^2 (1) = 52.8$, at $p < 0.001$). Test-retest reliability for both constructs showed a significant correlation between T1 and T2 survey (civic virtue = .38; altruism = .47, at $p < .001$). See Appendix F for factor loading of the each item.

Control. Several additional variables-gender, age, tenure, position-were controlled for in the data analysis in order to avoid alternative explanations for the findings.

ANALYSIS AND RESULTS

Descriptive statistics and alpha coefficients for time 1 and time 2 are shown in Table 1 along with the intercorrelations (only findings with $p < .01$ are treated as significant). The hypotheses are tested through the use of structural equation modeling (SEM), though some important findings emerge immediately from the correlational analysis. Two non-significant cultural value orientations as well as age and gender (controlled variables) were dropped from further analysis. To test our research hypotheses, SEM analyses was conducted with AMOS 4.0. Following recommendation by Anderson and Gerbing (1988), analysis was conducted in two stages. First, a Confirmatory Factor Analysis (CFA) was performed to assess the adequacy of the measurements used in this study. Each measure was subjected to CFA independently to ensure each item loaded significantly to its intended construct. CFA that includes all the predictors measured at time 1, the outcomes measured at time 2 as well as the controlled variables was run. The goodness of fit statistics showed the measurement model fit the data very well with GFI of .93, CFI of .97 and RMSEA of .04 ($\chi^2 (156) = 273.6, p < .05$). All factors significantly loaded to intended factors. In addition to unidimensionality, the measurement model also met the established criteria for distinctiveness in which the 12-factor fitted the data better than a single-factor model (the difference in $\chi^2 (57) = 5905.7$, significant at $p < .001$).

A structural model was developed to test hypothesized relationships between variables. The theoretical model was estimated by including all controlled variables found to be significantly correlated with studied variables. Goodness of fit statistics showed that the model ($\chi^2 (153) = 220.6, p < .00$) fit the data very well with GFI of .93, CFI of .97 and RMSEA of .04. The initial model showed that none of the control variables nor the remaining two cultural value orientations (mastery and thinking) had significant effect on any other variables. Non-significant variables were deleted from the model (Kernan & Hanges 2002) and the re-estimated final model suggested a better fitting model ($\chi^2 (94) = 129, p < .001$); GFI = .95; CFI: .98; RMSEA: .04). The findings partially support the hypothesized relationships. As predicted, negative affectivity was negatively related to perceived procedural justice, attitude to downsizing and perceived employability (standardized coefficient = $-.39, -.30$ and $-.34$ respectively). However, both the correlational analysis and SEM show that none of the cultural orientation dimensions had significant effect on any variables. Similarly, neither attitude to downsizing nor perceived employability in time 1 had significant effect on PCV reported six months later. Only perceived justice had a significant effect on PCV (standardized coefficient = $-.41$). The hypothesis on the relationship between PCV and OCB was supported: PCV was negatively related to both civic virtue (standardized coefficient = $-0.50, p < 0.00$), and altruism (standardized coefficient = $-0.48, p < 0.00$) dimension of OCB ($R^2 = .25$ for civic virtue and $.23$ for altruism).

TABLE 1. Zero order correlation matrix, means, standard deviation and alpha coefficient (shaded diagonal matrix)

	Mean	Std. dev.	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1. Age	44.5	4.8															
2. Gender	1.2	0.42															
3. Tenure	16	7.8	.22**														
4. Position	5.4	1.4	-.02	.05													
5. Attitude to downsizing (T2)	2.96	.82	-.02	-.00	-.05	-.03											
6. Perceived justice (T1)	3.05	.71	-.03	.01	-.07	.07**	.67										
7. PC Violation (T2)	2.37	1.01	.05	.11	-.01	.03**	-.44**	-.46									
8. Perceived employ (T1)	2.52	.47	-.05	-.01**	-.16	-.08**	.16	.06	-.07								
9. Negative affectivity (T1)	2.82	.61	.03	-.07	.08**	.16**	-.18**	-.25**	.27**	-.17							
10. Civic Virtue (T2)	3.04	.86	-.04	-.06	.01	-.03**	.26**	.25**	-.46*	.14**	-.22						
11. Altruism (T2)	3.38	.70	-.08	-.07	.08	-.04**	.27**	.25**	-.41*	.15**	-.26**	.71					
12. Cultural value orientation-Harmony	5.70	.60	-.01	.06	-.07	-.00	.02	.04	-.06	.04**	-.34	-.08	-.10				
13. Cultural value orientation-Subjugation	3.6	.87	.06	-.03	.12	.00	.00	-.02	.06	.00**	.26	-.06*	-.13	-.04			
14. Cultural value orientation-Mastery	5.7	.57	-.04	-.04	-.10	.11	.10*	.15*	-.13*	.12**	-.37**	.17**	.19**	.60	-.08		
15. Cultural value orientation- Thinking	5.8	.55	-.06	.08	-.09	.02	.10	.11	-.04**	.17**	-.27**	.17	-.10**	.56	-.06**	.58	.67

** Correlation is significant at the 0.01 level (2-tailed), * Correlation is significant at the 0.05 level (2-tailed)

DISCUSSION

A number of over-arching conclusions could be signaled from the findings. The study investigated the relationships surrounding PCV caused by the downsizing experience. It had been expected that the four cultural value orientations would show significant correlations with both the OCBS and PCV. In fact there was no significant relationship with PCV and only four significant (but low explanatory variance) relationships in relationship to OCBS. Civic virtue behavior (organization-directed OCBS) was correlated with value orientations of mastery ($r^2 = 2.9\%$) and activity: thinking ($r^2 = 2.9\%$). Altruistic behavior (individual directed OCBS) was associated with a low subjugation to nature ($r^2 = 1.7\%$) and a high mastery value orientation ($r^2 = 3.6\%$).

The reason why zero-order correlations for cultural value orientations were low becomes clear when we look at their relationship with other antecedents. All four cultural value orientations were in fact significantly related to the personality disposition of negative affectivity, such that when entered into the SEM their explanatory power disappears. To be honest, such a finding had not been expected, assuming that cultural values would have some independent effect. Yet, with hindsight, this finding was perhaps both obvious and rather important to the field of cross-cultural psychology. If as an individual I was pre-disposed to negative affectivity, then it was not surprising that my value orientations would incline more to those of low relationship to nature: harmony; low relationship to nature: mastery; low activity: thinking and high relationship to nature: subjugation.

From this study we could not infer a causal path from negative affectivity to value orientation, nor should such a relationship be assumed from a theoretical stance. However, we could argue *that caution should be exercised when operationalizing individual measures of value orientation and that clearly there were important interaction effects at the individual level*: a respondent's answers might be determined as much by their individual personality disposition as by their (inferred) nationality or culture. Had the study concentrated only on a comparative HRM perspective, simply measuring value orientations as a pre-disposition to PCV and OCBS, it would not have found this effect, but by incorporating personality disposition such as negative affectivity variable (which was frequently examined in the broader organizational psychology literature), the problem of attribution of main effects to values or to personality becomes evident.

Despite the possibility that the experience of downsizing might be subjectively different from one culture to another, one could infer from the results of the causal model as tested by the SEM that the experience of downsizing in this Malaysian context follows a very similar pattern to that found in other national contexts. The results partially supported the model that was developed to examine the precursors and the outcome of PCV. The only antecedent that significantly predicted PCV among Malaysian survivors was perceived justice. This finding was consistent with earlier works on contract violation in the Western setting (Brockner 1992; Robinson & Morrison 1995).

In addition to confirming some cross-cultural generalizability to downsizing research, this study also couldn't make a contribution beyond many existing studies of downsizing and PCV in several ways. Through the use of longitudinal method of data collection, we could examine whether it was "history" (immediate treatment of the employees after the downsizing) or the most recent and immediate treatment of employees that predicted survivors' reactions as a downsizing progresses. For example, were the observed outcomes of PCV and OCB at Time 2 *most affected by the employee "state of mind" immediately after the downsizing or the more recent and proximal states of mind six months after the downsizing?* Time-related analyses of the antecedents and outcomes at Time 1 and Time 2 enabled us to determine this. In this study we found that it was perceptions (of justice) developed *immediately after downsizing* that predicted the feeling of violation six months later. Individual factors, such as the survivors' attitude to the nature of downsizing in general and their perceived employability at Time 1 are *not important* in predicting the violation felt by the survivors six months later.

One lesson to be learnt by organizations from this finding is the importance of creating a climate of fairness during the immediate implementation of downsizing. Employee's perception of fairness reduced the likelihood of PCV, even if they recognized that the organization had breached the psychological contract by implementing downsizing. The less they felt their psychological contract was being violated, the more they would continue to contribute to extra role behaviors.

CONCLUSION

The main contribution of this study relates to the role of a series of individual predisposition variables included together in the PCV model. The concepts of employability, attitude, and cultural value orientation have been recognized as having impacts on people attitudes and behaviors, however, they have never been empirically tested in the context of PCV and downsizing. As revealed by the finding of this study, these individual factors were not as significant as the situational factors in predicting survivors' reactions to downsizing. In terms of individual predisposition, consistent with findings from literature, negative affectivity predicted survivor's perception of justice, employability and their attitude to downsizing itself. This finding supports the contention that negative affectivity played an important role in influencing people's behavior and attitudes during workplace difficulties as such as downsizing. Contrary to our expectation, cultural value orientation did not have significant influence on survivors' perception and assessment of downsizing.

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APPENDIX

APPENDIX A. Factor Loadings and Scale Reliability for Relationship to nature-Mastery

Indicators	Std. Loading	Std. Error	C.R.
Given enough time and resources, people can do almost anything	.41	.32	4.53
With enough knowledge and resources, any poor-performing business can be turned around	.55	.26	5.35
Good performance comes from taking control of one's business	.56	.24	5.39
It's important to try to prevent problems you may encounter in your life	.51	.26	5.20
A good manager should take control of problem situations and resolve them quickly	.50	.15	4.53
Humans should try to control nature when possible	.42	.25	4.66
Cronbach's alpha	.62		

* Significant at $p = .000$

APPENDIX B. Factor Loadings and Scale Reliability for Relationship to nature-Harmony

Indicators	Std. Loading	Std. Error	C. R.
It is our responsibility to conserve the balance of elements in our environment	.67	.16	6.30
When considering the design of a new building, harmonizing with the environment surrounding the proposed building is an important consideration	.59	.16	6.08
The most effective businesses are those which work together in			

harmony with their environment	.40	.12	4.82
It's important to achieve harmony and balance in all aspects of life	.54	.27	5.41
All living things are equal and deserve the same care and consideration	.48	.13	5.41
Cronbach's alpha	.67		

* Significant at $p = .000$

APPENDIX C. Factor Loadings and Scale Reliability for Relationship to nature-Subjugation

Indicators	Std. Loading	Std. Error	C. R.
Whatever is going to happen will happen, no matter what actions people take	.40	.19	4.10
It's best to leave problem situations alone to see if they work out on their own	.51	.18	4.62
One's success is mostly a matter of good fortune	.55	.31	4.10
It's better to be lucky than smart	.56	.22	4.67
Cronbach's alpha	.60		

* Significant at $p = .000$

APPENDIX D. Factor Loadings and Scale Reliability for activity-thinking

Indicators	Std. Loading	Std. Error	C. R.
It is important to think things through carefully before acting on them	.40	.14	5.95
All business decisions should be analysed from every possible angle before they're implemented	.41	.11	5.98
People should always think carefully before they act	.81	.13	8.58
Even if it takes more time, business decisions should always be made based on analysis, not intuition	.80	.10	8.85
Cronbach's alpha	.67		

* Significant at $p = .000$

APPENDIX E. Factor Loadings and Reliability for Perceived Justice Scale

Indicators	Std. Loading	Std. Error	C. R.
Supervisors/managers treated employees in a respectful manner during the VSS exercise.	.60	.09	9.08
Supervisors/managers provided timely feedback on queries regarding the VSS.	.69	.08	11.39
Supervisors/managers were concerned about employees' welfare and rights during the implementation of the VSS.	.77	.09	11.39

The procedure used in approving those who opted for the VSS was fair.	.77	.09	11.39
The procedure used in calculating the VSS benefit given was consistent.	.71	.08	10.54
The procedure used in calculating the VSS benefit given was fair.	.73	.09	10.83
Cronbach's alpha	T1= 0.87, T2=.87		
Test-retest reliability	.62*		

* Significant at $p = .000$

APPENDIX F. Factor Loadings and Reliability for OCB Scale

Indicators	Std. Loading	Std. Error	C. R.
<i>Altruism</i>			
Readiness to help new workers getting used to the new work environment/place	.78	.07	14.32
Willingness to fill in for others who are absent from work	.79	.07	14.44
Taking a personal interest in other employees	.64	.07	11.23
Willingness to train others to perform their job better	.82	.08	11.32
<i>Civic Virtue</i>			
Willingness to participate in any volunteer activities organized by your employer	.66	.08	10.62
Willingness to attend important meetings that are not compulsory	.72	.08	11.71
Readiness to voluntarily organize the employer's non-job related functions	.76	.08	12.31
Willingness to attend seminars or training sessions that are not compulsory	.78	.12	10.62
Cronbach's alpha	Altruism T1=.83; T2=.79 Civic Virtue T1=.81; T2=.85		
Test-retest reliability	Altruism=.48*; Civic Virtue=.38*		

* Significant at $p = .000$