Topic: Inquiry into Employment: Increasing participation in paid work

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Terms of reference:

1. To inquire into and report on employment issues in both rural/regional and urban/outer suburban areas, with particular reference to: measures that can be implemented to increase the level of participation in paid work in Australia; and;
2. how a balance of assistance, incentives and obligations can increase participation, for income support recipients.

Response:

My response is limited to the first term of reference: employment issues from a rural/regional area. More specifically the submission concerns itself with the issue of retaining participation in paid employment in Australia, from a regional perspective. The paper does not focus on the unemployed but on how to keep people committed to their organizations and in gainful employment. It specifically raises issues of concern around organizations that have had, or are about to enter, a period of downsizing and restructuring, which is becoming more and more prevalent in organizations today. The way organizations manage this process can have dire consequences for retaining the current levels of participation in paid employment.

Case in point: The Latrobe Valley - Victoria

The following account derives from my Ph.d on employee commitment during a period of radical change (downsizing and restructuring), which was finalized early in 2002.

Implications:

The study raises a number of key issues for the first term of reference.

1. **Downsizing and restructuring has negatively affected morale in organizations, to the extent that many employees feel compelled to leave.**

The lack of viable alternatives outside of the organization, for many people involved in the change process, has resulted in a diminished commitment from both the employee to the organization and the organization to its employees. This appears to have had a permanent negative effect on the attitudes of employees who survived this process towards their employers, such that the level of trust in the organization had virtually evaporated. This 'attitude' is something these individuals will take with them no matter where, and/or with whom, they find employment. It is also an attitude that they would most likely pass on to their wider social community, thereby creating a general feeling of mistrust in other organizations. The commitment of the employees in the study had altered to the point that many of them were actively seeking to find employment elsewhere, and were prepared to leave their organizations at the next available opportunity. Loyalty to remain with their organization had been seriously undermined.

Recommendation:
A policy on best-practice for downsizing and restructuring be designed and incorporated into existing industrial relations policy documents. Past research in this area has identified good-downsizers and bad-downsizers with good-downsizers achieving the desired outcomes for all parties involved. Further research needs to be conducted to establish the type of downsizing currently undertaken in organizations and the resultant effects of this process on communities affected by downsizing.

2. **The nature of the employment relationship has seen an increase in pressure for employees to perform with diminished resources and inadequate rewards.**

All of the respondents felt that no matter how hard they worked they would never be able to feel a sense of accomplishment that they had finished a project, or that the amount of work they were performing would be enough to satisfy their organization's needs and expectations. Appreciation for a job well done was constantly sought but never fully realized. Having to work with inadequate resources has also undermined the employee's commitment to stay, and has also increased their levels of stress to the point that many of the respondents wanted to quit.

Recommendation:
Health and safety policies need to be adhered to by organizations and enforced by a governing body. Current arrangements appear to be lacking in how health and safety is being addressed in organizations. The importance of these issues may be played down or overlooked under existing arrangements. It is suggested that an independent government body be set up to evaluate the effectiveness of current mechanisms used to measure and check health and safety in organizations, especially those that have

been through a recent process of downsizing and/or restructuring. It is recommended that further research be implemented which addresses the issues of pressure for commitment, productivity, turnover and the work-to-home consequences.

3. Reciprocity is a key feature involved in commitment.

The expectation by organizations, that employees give a maximum amount of commitment without the organization giving back a similar type of commitment seriously eroded the commitment and loyalty of the employee. A division emerged between employees, with some employees being more valued by the organization than others. The ultimate worth of the employee, in terms of personal importance, not only undermined the commitment of those regarded as less important, but also undermined the commitment of those employees who were regarded as more important. The highly valued workers were cognizant of the fact that their ultimate worth to the organization was limited however, and that their perceived value could easily disappear if they could not continue to maintain their level of importance. For these highly valued people, their commitment to remain was only for the short-term.

Recommendation:
Further research is needed which assesses the affect of commitment reciprocity and individual employee importance on organizational performance, employee commitment, and employee turnover.

4. Recognition and equality are key variables involved in the employee/employer relationship.

Failure by organizations to reward employees through adequate recognition and proper feedback also undermined employee commitment. Many employees constantly struggled to be recognized for their efforts and to find a sense of equality. The pressure to maintain a certain level of worth or importance was constantly on the minds of many people. This pressure manifested itself in the way the employee felt compelled by the organization to address the bottom-line: how well they were able to increase the organization's capacity for profit.

Recommendation:
Government incentives, which are designed to ensure equality and recognition of employees across the skill base, should be put in place immediately. These incentives could be designed with an emphasis on rewarding organizations who actively promote a family-friendly environment whereby adequate rewards for employees are promoted by the organization. Further research is needed to study the effect of family-friendly organizational practices on self-esteem, levels of stress, and commitment of employees.

5. Job security is an important feature of the employee/employer relationship.

While people generally agree and accepted that in today's workplace no job is 'secure', it was much more of an issue for some than for others. Those individuals

regarded as more self-reliant were less concerned about job security than were those regarded as 'other-reliant'. The degree in which each person felt he or she was marketable outside of his or her organisation determined that person's degree of reliance. Self-reliant individuals were more confident of finding employment elsewhere whereas other-reliant individuals were significantly less confident of finding work elsewhere. Commitment of both groups was to self rather than to the organisation.

Recommendation:

Further research needs to be conducted on the effect of 'type of reliance' in individuals on employee commitment, motivation, and intent to leave. Additionally, this research should also seek to address the social implications of self-reliance on a number of other work-related dimensions, such as the work-family interface.

The study:

Setting the Scene

Restructuring and downsizing have become important issues sweeping across the workplace. In the face of these changes, the employee's viewpoints are often not considered. This research was concerned with understanding the individual's experiences of commitment in the workplace (intent to stay and motivation) especially in the face of restructuring and downsizing.

The research setting is the Latrobe Valley, which is situated approximately 80 miles east of Melbourne in the state of Victoria. The Latrobe Valley has a wealth of natural resources that form the base for the economic growth of the region. A number of important industries have emerged because of these resources, including '...forestry, pulp manufacturing, dairying, fishing, and electricity supply', with the largest of these being the electricity supply industry (Kazakevitch, Foster and Stone, 1997:1)[1]. However, the discovery of very large deposits of brown coal in the early 1900's was the most significant of these resources, as it meant that the State's growing industrial, commercial, and domestic needs could be readily serviced by mining these resources for the purposes of generating electricity (Pullin, Haidar, and Griffin, 2000). In light of this discovery, the State government began a full-scale development of the Latrobe Valley, which eventually became the major source for the supply of electricity to the State.

Constructed in 1921, Yallourn Power Station was the first brown coal fired power station built by the State Electricity Commission of Victoria (SECV). From the beginning, the SECV was a wholly State-owned monopoly comprised of power generation and distribution, and brown coal open-cut coal mining (Fairbrother, Svensen and Teicher, 1997; Pullin, Haidar and Griffin, 2000). The State government constructed a number of Power Stations at Yallourn in the earlier years ('A', 'B', 'C', 'D', and 'E'), culminating in the construction of 'W' Station in the 1970s. 'W' Station was the last Station built at Yallourn and is still in operation today. Hazelwood Power Station was constructed in the 1960s near the township of Morwell, and then Loy Yang 'A' in the 1980s and Loy Yang 'B' in the 1990s, both of which were built just south of the city of Traralgon. Three brown coal open-cut coal mines power these Stations: Yallourn, Morwell, and Loy Yang.

For many years, the electricity supply industry was the main source of economic growth in the Latrobe Valley. Since its inception in '1921' until the beginning of its 'commercialisation' in the '1980s' (Fairbrother and MacDonald, 2000), the SECV acted as a strong foundation on which the economic future of the Valley appeared to be assured. Through this perception, the SECV managed to instil in its workers a sense of job security that was unparalleled (Proctor, 2001). There was a huge demand for workers, and many people migrated from other parts of the country to the Latrobe Valley.

In 1989, the State government decided to reform the SECV by restructuring operations and downsizing the workforce. Birrell (2001:i) notes that at that time 'around 10,400 0f the 22,000 persons employed by the SECV worked in the Latrobe

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[1] For a more comprehensive account of the current and historical context of the Latrobe Valley and the electricity supply industry see especially Kazakevitch, Foster and Stone (1997), and Fairbrother and MacDonald (2000).

Valley'. He also notes that because of the downsizing, only around '2,600 persons are employed in the same functions (including the privatised power companies and contractors for their maintenance and other service needs)' at the present time (Birrell, 2001:i). The State made the final move to privatisation in 1996 and 1997 (Pullin, Haidar and Griffin, 2000:313). At the heart of the restructuring process was a Voluntary Departure Package (VDP), which was a financial incentive designed to encourage people to leave (Ballis and Munro, 1992). The VDP varied in its offerings depending on an individual's length of service; a crucial part of the package was a bonus of two weeks full pay for every year of service. This package become increasingly lucrative as time rolled on and the urgency to get people to leave increased.

As a direct result of the downsizing and the establishment of privately owned generating companies, not only has the local economy become severely depressed, but workers' morale has also taken a battering (Kazakevitch, Foster, and Stone, 1997). Additionally, Birrell (2001:i) points out that since the move to privatisation, 'there has been a virtual cessation in the construction of major power stations in the Latrobe Valley', and that as a direct result of this 'another thousand or more jobs in the construction industry and the companies servicing this industry have also gone'. A study by Kazakevitch, et al. (1997) revealed that since the restructuring 'welfare dependence' has increased considerably, unemployment rates are high, part-time work has increased and the value of real estate has fallen. In the face of this economic downturn, a considerable migration out of the Latrobe Valley took place, with many people moving interstate (Kazakevitch, et al. 1997).

The demise of the SECV has left many Latrobe Valley residents feeling apprehensive about the benefits of privatisation for the local economy, and for their future prospects in the area. The ramifications of this process are still to be measured in its entirety. For example, not only has the SECV undertaken a massive transformation through restructuring, so too have other organisations operating in the Latrobe Valley (Kazakevitch, et al., 1997). Therefore, the focus of my study addresses the issue of commitment in an environment characterised by change, which for many people living and working in the area is synonymous with the fate of the SECV. However, it is the more general issue of restructuring and downsizing rather than the demise of the SECV that forms the backdrop for the study.

An important component of the research explored the issues of change and job security. It looked at the impact of radical restructuring, downsizing and – for those who had worked for the SECV – privatisation, on the commitment of respondents. Emerging from respondents' stories is the idea that commitment involves an expectation that the other party will reciprocate. At the heart of each respondent's stories of reciprocity are the individual's perceptions of the organisation's commitment to him or her.

Methodology:

The methodology adopted for the study is a qualitative approach that is concerned with theory development rather than theory testing. More specifically, it uses interviews as a means for developing a series of propositions (Alvesson and Skoldberg, 2000).

The organisations and respondents

The selection of the organisations was purposive (Sekaran, 1992) and depended on three specific criteria:

1. Strong links with the public sector in terms of ownership or prior ownership, either as a utility or as a department.
2. The organisations had to be located in the Latrobe Valley.
3. The organisations had to have experienced or be currently undergoing restructuring and/or downsizing.

Given these criteria, a number of organisations operating in the Latrobe Valley were approached. Five organisations agreed to participate. Four of the five organisations were originally associated in one form or another with the State Electricity Commission of Victoria (SECV). Three of these organisations are relatively small sized engineering companies, ranging from around 20 to 50 employees each, and were at one stage departments within the SECV. The fourth organisation is a power station with an employee base of around 500. The medium sized company is a government department and is not associated with the SECV. Nineteen semi-structured and in-depth interviews from across these organisations were completed using a process of theoretical sampling. Respondent names have been changed to ensure anonymity.

Findings:

Change and Job Security

'I don't think there's really any true job security these days. No one's secure in their jobs like they used to be... I think it's just something that we accept today'.

<div align="right">(Michelle, a technician)</div>

Michelle's comment highlights the effect of change and job security on commitment. The current economic climate existing in the Latrobe Valley has resulted in many companies having to deal with a constant need for change. One of the most radical forms of change facing organisations is that of downsizing. Gittens (1999:19) notes that downsizing is 'one of the greatest sources of change in the 1990's', and there is no indication that it will go away in the near future. Gittens (1999) cites a study conducted by the Australian Bureau of Statistics (ABS, 1997), which revealed that there are two types of downsizing organisations: 'good downsizers' and 'bad downsizers'. Factors which separate one type of organisation from another include: the size of the organisation (smaller is better); the number of times the organisation has downsized (the fewer the better); the organisation's commitment to 'growth in the future'; (and) whether or not they have 'achieved their objectives' (Gittens, 1999:19). The Australian Bureau of Statistics' (1997) study found that downsizing, especially in the case of the 'bad downsizers', has a detrimental effect on those individuals who remain. This is known as the 'survivor syndrome' (Cascio, 1993). The Bureau of Statistics' study found that job security was a major concern for survivors in '70 percent of downsizing organisations'. Further to this, morale had declined in more than half the organisations, while motivation, job satisfaction, loyalty to the organisation and perceived

opportunities for promotion also deteriorated in around 40 percent of organisations (ABS, 1997).

There is a steadily growing body of research that shows how downsizing has a negative impact on the commitment of those who remain (Cascio, 1993; Wong and McNally, 1994; Gottlieb and Conkling, 1995; Schellenberg, 1996). A study by Gottlieb and Conkling (1995:6-8) found that survivors often feel 'anxious ...frustrated ...overworked ...angry ...guilty' and, in some cases, even 'punished'. Gottlieb and Conkling also discovered that downsizing had seriously eroded the surviving employees' loyalty to the organisation, and that their motivation to assist the organisation to achieve its goals was also undermined. In fact, loyalty to the organisation and motivation did not improve until the organisation could demonstrate their good intentions and re-established trust (Gottlieb and Conkling, 1995).

Downsizing in organisations is an important factor involved in the construction, or de-construction, of commitment in the workplace. Thirteen out of the 19 respondents had survived a period of downsizing. Therefore, most respondents are survivors of downsizing. A recent study by Dawkins et al., (1999) indicates that the 'survivor syndrome' often associated with downsizing has declined in Australia over the last few years (p.61). The findings of my study challenge this view, as the 13 survivors in my study clearly indicate the process of downsizing they went through was not satisfactory. These 13 'survivors' actively displayed low levels of morale, motivation, and commitment to the organisation, general dissatisfaction, and concerns about job security, which are key factors associated with the 'survivor syndrome' as noted by Dawkins et al., (p.59). However, underscoring the effect of downsizing is the constant need for change, which many organisations seem to be pursuing in attempts to maintain their viability. The importance of change, in terms of organisational development, can also be measured by the vast array of literature devoted to this issue (for example, Boyd, 1992; Cummings, and Worley, 1997; Rousseau, 1997; Schermerhorn., Hunt, and Osborn, 1997). Downsizing is but one form of change that respondents have had to deal with. Moreover, since the break-up of the SECV, change is something those who had once worked for the SECV have had to accept as a way of life. Up until its sell-off, everyone who lived and worked in the Latrobe Valley understood that the SECV offered a relatively stable and unchanging environment. If you wanted a safe and secure job, one that you could plan your retirement with, this was the place for you. However, having to change one's expectation of having a job for life to a realisation that your job may only last for five years is a radical departure for these people.

Change
Boyd (1992) argues in the preface to his book, that organisations are compelled to change in order to keep up with the demands of the market. Those organisations that 'cling to structures and practices of the past' will have difficulty surviving into the future (Boyd, 1992:ix). The changes occurring in many organisations today are not only forcing organisations to be at the fore-front of change, they have 'transformed the nature of...the psychological contract between the employing organisation and the employee' (Carnall, 1999:8). Carnall (1999) argues that no one can expect to have a job for life any more. He maintains that people now take it for granted that they will be working in 'more than one organisation and expect to have more than one career' in their working lives (Carnall, 1999:8). Carnall's (1999) position notwithstanding, the concept of change for respondents revolves around what had happened to the SECV. The majority of respondents had worked for the SECV at some point in their lives (13 out of 19 were ex-SECV employees). Although a few of the younger respondents, and

the more recent arrivals to the area, had never worked for the SECV, they were still aware of the changes that had occurred in the Latrobe Valley and had a family member who had worked for the SECV.

Underscoring the accounts of some of the respondents was the recognition that *'it's no different wherever you go. You could just be jumping from one set of problems to another'* (Karen, a team leader). The constant changes occurring around these people have instilled in them a fearful expectation about the job market. Karen's situation may be a fair indication of the powerlessness of those with less desirable skill sets to improve their lot elsewhere, and so one can understand their reason for wanting job security. However, it does not adequately reflect the position of those with more desirable skill sets. For Shane, a senior manager in one of the engineering organisations, leaving the SECV had been a good move:

> I'm great to be out of it. The out-workings of that approach to business for me...was that I ended up pretty bored and restless...and had a fairly low opinion of my professional skills at the end of the 10 years that I was employed with the SECV. The way I view it now is that those skills...technically...were above average...it was only the business and commercial skills that go with engineering in the private world that were untested and lacking.

Shane now felt *'more in control'*. When he found out that he did not have a *'job for life'* with the SECV, it suddenly dawned on him that *'the only guarantees you've got are the ones that you make yourself'*. Since leaving the SECV that was precisely what Shane had set out to do: *'it's a self-driven thing you know'*. Shane was more committed to his own personal agenda than he was to the organisation. His long-term goal was to develop his professional skills as much as possible with an eye on moving up the corporate ladder. However, as soon as the organisation fails to meet his expectations by providing him with the *'challenges'* he requires he remarked that this will be the time for him to *'get out'*.

The difference between Karen's situation and that of Shane's is their ability to influence their own destiny. Karen's low level of status in the organisational hierarchy limits her ability to control, not only her work environment, but also her capacity to find another job elsewhere. Whereas, for Shane, his high level of status as a senior manager provides him with a greater chance of influencing his work environment and his capacity to find a better job elsewhere.

Privatisation

For the majority of respondents, going from a government owned utility to one that was privately owned was a radical change that has had an enormous impact on their lives. Shane provides us with an example of someone who has flourished under the new work order. During his time in the SECV, Shane was only able to use *'10 percent'* of his abilities. He maintained that there were *'no clear guidelines'* surrounding what he *'could or couldn't achieve'*, and that he had to be constantly aware of *'what chain of command'* he might *'upset'* if he said something *'out of turn'*. Whereas, since privatisation, Shane has discovered a *'much clearer focus'*, and that the *'only thing'* he has to do is *'make sure the bottom line is attended to'*. Unfortunately, the low level of satisfaction with their profit line by the owners of the company is undermining Shane's personal feelings of self-achievement:

> ...I don't think they're happy...I think what they want is more and more profit. That message comes down fairly clearly...it's stated and restated in things like budgets and personal memos...and that sort of stuff.

This is something that many other respondents could also relate to. Trevor (a technician at the power station) believed that the overarching emphasis placed on profit is something that privately owned companies are too focussed upon. This focus on profit has also undermined Trevor's commitment to the organisation. Trevor felt that he would prefer to be employed by a government-run organisation rather than with a private organisation because: 'under the government...we would have been less susceptible to the industry wanting to get as much out of their employees as possible'. Trevor felt that 'the government would be less likely to be wanting to pull a swifty over us as are private industry'. Bill, another technician, also believes that the move to privatisation was not a good idea and would prefer it to be back the way it was before. However, he also understands that it was the SECV's diminished capacity to make enough profit that was at the heart of the sell-off:

> I didn't feel very good about the break up of the SECV. I don't think it's done the electricity industry any good. They haven't got the people now to fix breakdowns and they're having more breakdowns than they've ever had before...I think it's all part of this privatisation of the industry...I think it should have stayed in the State Government. It was making money for me and they could have made more profit. (Bill)

Although it has taken a while for some of the employees who work in the larger organisations to realise that the old days are gone, it is beginning to take hold.

> There's a slow and growing realisation that it really has been sold...it's no longer part of the public service. There's nothing you can do about it any more, it's gone...people are slowly starting to realise that the market matters and the plant maintenance matters and getting the job done on time and the budget matters...we'd never had any of that culture [before]. (Joel, a supervisor)

Respondents were very much aware of the importance for their organisation to be successful in terms of making a profit. This has resulted in many of these individuals feeling compelled to worry about their contribution to the bottom line. However, 14 of the 19 respondents felt that (in their relentless pursuit of more and more profit) their organisation's commitment to them had fallen. This situation also contributed to a decline in individual commitment overall. For example, the pressure to deliver more profit by those individuals who were in a position to do so was never rewarded effectively, while the pressure to keep on delivering did not let up. This eventually resulted in these individuals feeling as though they could never fully satisfy their organisation's expectations, and so many decided that it was time to look around for another job. As for those individuals who were not in a position to win contracts or to increase the organisation's profit line, they were aware that the organisation considered them as a burden on the company. Although the jobs these people performed were necessary to the operation of the organisation, the awareness that they were a burden to the company significantly undermined their commitment. The high expectations placed on *all* respondents have had a detrimental effect on the individual's commitment over the long-term, no matter whether they are a worker or a manager.

This is of particular interest because, in their quest for profit, the organisations in this study seem to have instilled in some respondents a personal sense of responsibility for making the company successful. While it is reasonable to expect that this level of responsibility would be associated with those individuals high on the corporate ladder, it is unusual to expect it from the workers at the bottom as well. However, the awareness by these people of their greater responsibility, rather than empowering them, has only served to make them aware of their inability to meet the high expectations of the organisation. This realisation has resulted in compounding the frustration and feelings of helplessness and inadequacy that these respondents are currently experiencing. The departure from a public service culture, to having a stronger emphasis placed on profit, has also resulted in a push by organisations for *more* from their personnel. This conversion has seen a decrease in trust by these people towards their organisations. Although this appears to have led to increased levels of commitment in the short-term, over the long-term it seems to have resulted in an overall decrease in the individual's commitment.

Contracts

Although not all respondents were on individual contracts, all were aware of the push by organisations to go in this direction. However, many respondents were hesitant to take up an individual contract. Trevor's aversion to contracts may shed some light on why this might be the case:

> ...we look at what has happened in other areas, other industries, and [are] warned by it. Their track record has proven that anyone who goes onto a contract...they get screwed.

However, Enterprise Bargaining Agreements are not always the better option, as Peter (a manager) points out:

> At the moment we're under a workplace agreement, what they actually called it made me laugh a little. Enterprise Bargaining Agreement as they called it. But really, we as workers didn't have an opportunity to bargain. It was this is what you're gonna get, sign it or don't.

Although Peter is a manager, he clearly acknowledges that, in the face of an insecure work environment, he considers himself an employee who has to accept whatever the company decides to dish up to him. It seems that the real issue is the power of individuals to negotiate a better deal for themselves, not whether they are on contracts or collective workplace agreements. With the sell-off of the SECV, the power of the employee – manager or worker – through union representation also disappeared. In Trevor's case, employees in the larger organisations are more able to negotiate from a stronger position than are those, such as Peter, who work in one of the smaller engineering organisations. This may have something to do with the idea that there is strength in numbers. The smaller companies are able to exert more pressure on their employees, who have little or no representation, and have to take what is on offer. However, the larger organisations have greater numbers of employees who are also more likely to be part of a union, and so their power to negotiate is much better. Nonetheless, even Peter (a manager) who was dismayed at his treatment on a recent EBA would still prefer this form of representation than to go on an individual contract:

...I think, in the end I'd probably move towards a workplace agreement. Contracts seem very final. Once your contract comes up...you have to basically renegotiate it, you know what I mean? You may have a falling out with the company around the time your contract has to be renewed...well it could be disastrous for you really. You know with the workplace agreement there's no expiry date...you feel a little more comfortable.

Trevor revealed how some of his workmates were treated poorly by the organisation after entering a contract, which has left a bad taste in Trevor's mouth ever since:

It was a very nice contract. It was everything you need plus a car sort of thing...12 month contract ran out here's your next contract. No car, your superannuation's cut in half, no pay increase or anything like that...it was a poor contract so they left and took up employment elsewhere.

The effect of this sort of treatment has not been lost on those who remained. As Steve (a manager) remarked: '*I think the big challenge is employers are saying we want maximum productivity, maximum commitment, we'll put you on a two year employment contract and we'll put you off when we're ready*'. Although Steve is not on a contract himself, he felt that if he were, then his attitude would be to do only the minimum amount of work required to get the job done. As Steve saw it: '*why bust your gut for a company and sell yourself for the shareholders who want everything out of you and will turf you as soon as look at you*'.

Pressure
James (1997:305) points out that in many workplaces of the 1980s and 1990s a 'modern intensification' has occurred whereby people are expected to 'work longer hours and under more pressure'. Most respondents gave the impression that this was what was happening in their organisations. Shane (a senior manager) likened work to a huge container: '*[It doesn't matter] how many jobs you pull out of it*', there always seemed to be '*a great excess left behind*'. Julie (a team leader) agrees with Shane: '*It doesn't matter how hard you work you just don't get anywhere*'. The pressure to perform at a high level was a constant source of frustration for the majority of respondents (17 out of 19 people).

However, working hard, as an attempt to alleviate the pressure, has not delivered the expected results for many people. Gillian (a team leader) has become desperate to find an answer to this problem and her failure to do so has undermined her commitment:

...I'm lost, I am truly lost. I thought that if you work hard and if you are polite...and if you're as human as you can be, and if you're enthusiastic about your job, and if you're loyal about your job, then what could go wrong? That eventually something [someone?] would say thanks. I thought it was all about that.

Although Gillian's organisation is currently part of the public service, it too is undergoing restructuring and downsizing. She notes that the pressure to work harder and to '*achieve much more for so much less* [is] *just shocking*'. Gillian's workload is becoming increasingly untenable for her. It is escalating to the stage where she may

have to start *'taking work home'*, but Gillian knows she will not be *'rewarded or recognised for it'*. Although Gillian is personally experiencing feelings of 'guilt' for the predicament of her organisation, she also realises that *'ultimately it's not about me'*. Gillian believes the problems her organisation is currently facing are the result of a much wider global problem:

> ...I think we've enjoyed a fairly good run...but stuff that we've enjoyed we've really worked hard for, and now we're supposed to be feeling guilty for having four weeks rec leave when other countries only have two. Are we supposed to be feeling guilty because Mexico only works for 53c an hour or Indonesia works for $1 a day or something, when we work for more?

The pressure does not appear to let up. Gillian, like many others, felt it was just going to *'get harder'*. Gillian remarked that she ended up *'very sick'* at the end of a particularly stressful period of work. This situation resulted in her transfer to another team. Although Gillian initially thought that it would provide her with a *'bit of a breather'*, she discovered that it was not much different to her original job:

> ...I've had to create results almost overnight. I just didn't get a reprieve from the first day I walked into that team, and I've had no rewards. That's why I'm frustrated with work.

The constant challenge of having to work harder for little or no reward is taking its toll. While Julie is coping with the pressure so far, she would like to feel that her contributions are *'appreciated'*. However, it seems that no amount of reward, even if it were forthcoming, would make a difference. What are needed are more personnel to alleviate the pressure. As Julie (a team leader) remarked:

> ...as time goes on we've been asked to do more and more and more...our job's sort of become more involved...there's more pressure and we're all downsized, but we still do the same amount of work...so everyone's feeling that extra pressure.

For the majority of people, the only alternative is to consider leaving the organisation altogether. Bill, who has been in the industry for most of his working life, explains that the pressure to perform is subtly different now to how it was in times past:

> ...most people here, if you ask them how they felt now compared with four or five years ago, even though you were frantically busy four or five years ago, would say there's sort of just subtle pressures all the time...about cost squeezes, and just little things that sort of indicate that, no matter how well you're performing, life is just not gonna be very comfortable. The way it is at present, I wouldn't stay here longer than three or four years.

The relentless drive for profit, in conjunction with the pressure of having to perform with no relief in sight, is having a detrimental effect on these people. Although Peter is sympathetic with the organisation's concern for profit, he pointed out that: *'sometimes they're not very humane about it...they're not very loyal'*.

Individuals need to be appreciated for their hard work, and to know that at the end of a project they have achieved their goals and can feel good about their

achievements. This does not appear to be happening for some respondents. These people were given the impression that no matter how hard they worked, or how successful they may have been in attending to the bottom line, their achievements were not enough. In the face of this no-win situation, they indicated the need for a break. In their eyes this means more than just a holiday, it means they want to move on to another organisation where the pressure is less intense and less focussed on unrealistic expectations. In fact, Bill would be prepared to make a huge sacrifice, in terms of income and status, for a much less stressful environment:

> ...I don't need too much stress...I'd rather say 'alright thanks, I'm going', and then I'd pick a job up just pulling petrol at a service station. That's good enough for me...as long as I have a little bit of money coming in. (Bill)

Of the three types of change - privatisation, contracts, and pressure – the one that seems to have the greatest effect on commitment is pressure. For the respondents, the move to privatisation and the introduction, impending or otherwise, of contracts were manageable to a degree. However, the pressure to perform was almost relentless, and often involved no tangible form of reward. When faced with the prospect of having an increased workload, longer hours, and more responsibility with no perceived relief in the near future, and no or little positive feedback or appreciation, may have irrevocably affected the commitment of these people for the worse. Let me explain.

With privatisation, there is an expectation from the organisation and the individual that work is somewhat 'different' to a public service organisation – there is a different culture and different pressures or outcomes. The same goes with contracts. People generally understand the nature of a contract, as short-term and involving little job security. In other words, faced with privatisation and contracts there are expectations that both parties understand and who set out from the beginning to accommodate these new arrangements. The commitment of both parties is somewhat different – good or bad (for the individuals involved in the study, they were perceived to have more negative connotations rather than positive) - because there are different expectations involved. However, the pressure to perform at an increased level and often with reduced resources and rewards, often left the individual feeling there was no way to cope, except to leave altogether. Therefore, pressure more so than privatisation or contracts, appears to have the greatest effect on the individual's commitment to the organisation.

Job Security
Many respondents would have chosen to work for the SECV because it was perceived as a stable source of job security in comparison to employment in the private job market, which is often considered unstable and insecure (Armstrong-Stassen, 1998). A study by Kets de Vries and Balazs (1997:27) into the *Down-side of Downsizing,* showed that job insecurity has an 'enormous impact on organisational effectiveness', and that many survivors of downsizing have become more aware of the tenuousness of their own security. Kets de Vries and Balazs (1997:27) note that those who survive the process generally acknowledge that there is a 'significant and lasting change in their relationship with the organisation'; in terms of their having a constant 'fearful expectancy' of their own positions in the organisation. The ramifications of downsizing on employee commitment and loyalty to the organisation are often devastating for those who remain. Kets de Vries and Balazs (1997:28) found that when downsizing was used

as a way of simply cutting back personnel rather than as part of a 'continuous corporate transformation process...[then]...commitment and loyalty to the employer disappeared'.

Job security is the single most important factor that nearly every respondent was concerned about in one way or another, and who agreed no longer existed. This was the case even for those who worked at the power station where they were on an Enterprise Bargaining Agreement, which should have provided these people with a reasonable amount of job security:

> There's no security here, it's an illusion. (Gillian, a team leader)

> Job security these days is pretty rare...it was a fallacy to believe that I had job security and that's been proven out. I mean it wasn't a secure job as it turned out. It was just presented that way. (Shane, a senior manager)

> The reality is now in any job there is no such thing as job security. (Michael, a manager)

> I don't think there's really any true job security these days. No one's secure in their jobs like they used to be...it's not like when my dad started at the SECV he knew he was gonna work there for 30 years you know...there's nothing to say that my husband's gonna be at [his company] in 30 years time. I think it's just something that we accept today. (Michelle, a technician)

Job security, as Joe (a senior manager) sees it, is more important for those individuals who come from 'a public service background' and who have worked for 'large companies where security is really just taken for granted'. However, Joel (a supervisor) believes that people in general are feeling very insecure, which he puts down to the fact that they have 'seen so many people go' in recent times:

> ...they've been able to watch lots of people pushed out of the organisation...They have the perception that they're openly under threat...if management could reduce their numbers or get rid of their numbers they would.

Although Howard (a technician) has a public service background, he felt that: 'It doesn't matter where you work, since privatisation's come into it, job security would be [a] number one priority in any one's mind'. Without job security Howard believed that the worker only has 'the dole' to fall back on:

> ...if you've got job security you can plan for the future, buy a car, buy a boat, go for a holiday, or whatever. If you've got irregular work you can't...it's very hard to plan so far ahead to buy bits and pieces...'cause of the amount of money...you have to have job security.

Although all respondents were concerned about job security, it was much more important for some than it was for others. For example, while Michelle (a technician who is in her mid 20s and has no real ties to the area), felt that job security was important, she remarked that she was 'not that concerned about it'. Michelle was more concerned for her husband's security rather than her own. Whereas for someone like Ben, a manager who is in his late 30s and has a child about to enter university, job

security is crucial. Unfortunately, Ben's job is about to disappear due to his organisation's most recent round of restructuring:

> ...if I was in different circumstances maybe I wouldn't care you know. If it was in three years time I'd say: "well, so what, I'll take the package and go". But I've got a kid who's just finishing year 11 this year, who has to go to year 12 next year, and he'll go to uni. He's bright and I'm gonna have to look after him for another four or five years...I've got a few things that I could do outside that would earn a little bit of money maybe...not a full salary. I'd get a little bit of superannuation from here, and I've got superannuation rolled over from the SECV. I wouldn't starve, but I wouldn't have the quality of life that I planned for...I'm not somebody who's just sort of let it happen willy nilly. I've had a plan, and then to see the rug pulled out from under my feet...sort of three or four years before it's due to come to fruition, is very frustrating.

The respondents' definitions of job security have seen two discrete categories emerging: self-reliant and other-reliant. Those who were confident in their abilities to achieve and to find work outside of their organisation are considered self-reliant. The majority of respondents fit into this category (16 out of 19 people). Although they considered that job security was an important issue for them, its importance was marginal in comparison to those deemed other-reliant. Those who were dependent on the support of others, such as a spouse, or a colleague, or even on the success of the organisation itself, are deemed other-reliant. Job security for these people was much more important.

Self-Reliant

Through Lynne's (a technician) account we can see that one of the defining features of self-reliant individuals is their confidence at getting another job: 'I've got plenty of opportunities to move away, or I could go back to uni. At my age I've probably got a pretty good chance of getting another job' (Lynne, age 21). Peter, who has been through a process of downsizing in the past and managed to find another job, remarked that it was a reassuring process of discovery. Although Peter considers job security an important issue, given the fact that he has 'all sorts of things to pay for', he maintains that he is not as 'scared now to move on to another company':

> ...I've had a look in the market place at other jobs and I believe I'm pretty capable of getting another job. My qualifications and my experience I think hold me in good stead to get other positions, and I just don't have that fear any more.

While Peter felt confident in his abilities to 'get another job', Shane bases his security on his ability to perform at a high level; performance that he believes 'means something to the company', even though the company would still like more profit. Not only does Justin (a manager) agree with Peter and Shane, he also gets enormous satisfaction from knowing that 'people rely on you and your expertise'. Justin thrives on 'the challenge, the independence, [and] the feeling of importance' he gets from his position, which instil in him feelings of security. Underscoring each of these accounts, are the unique experiences of the individual that he or she recognises makes them more valued by the organisation, and in the wider market place.

Without the necessary experience, job security is that much more uncertain and thus, more sought after. Jodie felt that experience was not enough on its own, it has to be augmented by a higher academic qualification. For Jodie, improving on her qualifications was not just about increasing job security where she works, although this was important for her, it was about '*securing the ability to get another job*':

> The competition now outside the organisation is too great. There are too many people with degrees...when you look at a job ad now, it's preferred that you have a degree, or even a CPA [Certified Practicing Accountant] on some of them. You look at it years ago in the SECV you know. You were doing the same work and you worked your way up through the ranks basically, to get to that position...and you got the job because you knew the work and how to do it. Now, that doesn't seem to apply...experience doesn't count for that much. You need that piece of paper these days.

The fundamental criteria, on which Jodie bases her security, is her ability to make herself more valuable as an employee and thus more sought after in the market place:

> The only thing I'm concentrating on at the moment is getting that degree, and once I've got that, then I probably will feel secure and think; 'oh yeah, I haven't got anything to worry about', you know. Even if this place did go down.

Job security for Karen is '*important to a degree*':

> At the end of the day...I've got a lot of skills, got a lot of computer skills...and I know that I could get another job tomorrow if I was serious about looking for another job. So whether I feel secure or not here isn't all that important any more.

Karen's view of job security notwithstanding, she realises that job security is important because without it, it becomes very hard to '*plan or budget, [or to] look forward to a holiday*'. Yet, she also realises that there is very little that can be done to change this situation. The solution, as Karen sees it, is to '*make yourself as marketable as possible and be constantly looking out for other things to do*'. Those who are self-reliant tend to be more committed to one-self than to the organisation in the first instance. Their commitment involves a pragmatic view of job security that translates into commitment in the short-term. While they are at work they are 'committed', but they are very conscious of the tenuousness associated with their positions and with the commitment of the organisation to them. Consequently, they focus on developing their personal value in order to sever their dependence on the organisation and to increase their ability to control their future.

Other-Reliant

These people tend to rely on factors external to themselves and their own abilities to bolster their feelings of security. For example, Michelle derives her security in terms of a joint effort between her and her husband, with an emphasis on the security of her husband's job:

> ...we don't so much have a concern about my security as we do more about his. He's in the position where...the work he does there's not a great deal of it

outside of...the fields that he's in now. So if he does lose his job it's a bit of a concern...we might have to move away to look for work...we've held off buying a house only for [the] fact...that there's been a couple of unsteady years for him in particular that well, we don't want to buy a house here, get tied into a mortgage and then have to move.

Although Michelle's job appears to be more secure than does her husband's, she/they place a greater emphasis on his job as the main breadwinner. Therefore, Michelle's commitment to the organisation very much depends on the security of her husband's situation, even though her husband works in a different organisation to Michelle. If her husband lost his job and had to move outside of the area for work then Michelle would not hesitate to leave her job and follow him. Michelle's commitment clearly reveals how factors outside of her organisation's control influence her commitment in the workplace.

While Michelle derives her feelings of security from her husband's work situation Bill hangs it on the success or failure of the organisation where he works. Bill felt that job security was not something that had previously been of a concern for him. However, his company had recently experienced a setback in terms of not winning a contract. This had given Bill an enormous shock because, up until then, the company's contracts were guaranteed as part of the original management buy-out from the old SECV. Unfortunately, these original contracts had recently run out and now they were faced with the real test of having to go out and win new contracts on their own:

> At the moment I feel secure in that they will keep me on as long as they can...but you don't know what comes. If the company goes down then you're not secure are you? So I think while the company's going I feel fairly secure here. (Bill)

Phillip (a manager in another of the smaller organisations) also derives his sense of security from the success or failure of the organisation:

> I'm mindful that, you know, your position is subject to the company being successful. If not it's quite possible that your job security is not there...where originally with the SECV you know, you've got a job for life...now it really depends on the company being successful...and if it doesn't well, I'll be out of work.

Underscoring Phillip's dependence on the survival of the organisation is his 'need to work':

> I've got a family of six, including myself. I've got three daughters in year 12 about to go to university. I've got another daughter in year nine. I've got some fairly heavy commitments ahead of me...so from that sort of level I've gotta work...I need employment.

At no time had Phillip considered that his skills as a manager would hold him in good stead to get another job.

Perceptions and Expectations:

Reciprocity: The commitment of the organisation to its people.

'Organisations can't afford to be too committed and loyal today...'

(Ben, a manager)

The above quote from Ben, a manager in the government department, raises an interesting question – does an organisation have a duty to 'commit' to its employees? Ben's statement gives the impression that a commitment from the employer to the employee in the past was taken for granted, but is now somehow being questioned. Understanding the way in which the organisation is perceived to commit to its employees may be an important factor affecting the commitment of employees to the organisation. It is generally accepted that people's perceptions help to determine their behaviour (see especially Martinko, 1995 and attribution theory). Therefore, understanding the effects of each individual's perceptions in shaping his or her responses to the wider social and organisational environment contributes to our understanding of the dynamics involved in the employee/employer relationship. So, it is the individual's *perceptions* of the organisation's commitment to him or her that are of paramount importance here.

The Organisation's Commitment

From the discussion on respondents' perceptions of how the organisation had committed to them, two fundamental issues of importance emerged. First, many respondents felt as though they were simply a means to an end to their organisation. In other words, they believed that the organisation was only interested in the individual's worth as a commodity. The term just a number seemed most appropriate in describing the way it treated these people. Second, five respondents felt that the organisation was doing all that it could for its employees. Although they too could relate to the cold and uncaring side of their organisation, these people felt they were accepted as part of the family.

Just a Number

A view held by every respondent was that the most important concern for the organisation was its profit line:

> ...it's [the organisation] a corporate entity. It's not something you can touch...it's designed to achieve a profit line. (Shane, a senior manager)

> ...it's a company and it's set up to make money and make a profit for the owners and the shareholders, that's the aim of it... (William, a manager)

> ...in many respects it's a lot like the old SEC but with a new focus on dollars and what it costs. (Joel, a supervisor)

> The company wants loyalty and commitment, [but] they're in it for money. You know that and I know that... (Howard, a technician)

Although respondents understood how important it was for their companies to be financially successful, '*otherwise the business is going broke and we wouldn't have a job anyway*' (Peter, a manager), the single-minded focus on making money often had a detrimental affect on its personnel. As William maintained, '*...it's not willing to satisfy the individual, it's to satisfy the corporate masters really*'. Some respondents thought that the organisation, in its often-relentless pursuit of profit, had been remiss in providing adequate training and professional development for its workers. As Steve (a manager) remarked, '*if the organisation's fully committed, training would be great*', while Peter thought that his organisation did not seem to be '*very interested*' in assisting its employees '*in regards to further education*'. Still others felt that they were not getting enough 'recognition' for the work that they did. A lack of adequate '*feedback*' was a major concern for Joel, who remarked that it had seriously undermined his '*self-esteem*'.

Ben (a manager) blames this lack of commitment from the organisation on the '*increasing pace of change*' which, according to Ben, had brought about a general feeling of '*uncertainty [and] frustration*' amongst employees. Feelings of uncertainty and frustration may help to explain why 14 out of the 19 respondents had developed a global view of their organisations as uncaring, corporate entities: one that was often cold and heartless in the way it treated its employees. For example:

> ...upper management's job [is] to get as much out of the workers as possible, as far as I can see it. (Trevor, a technician)

> It [the organisation] doesn't really care about whether I'm there or not. (Shane, a senior manager)

> ...their commitment to maintaining our employment is probably fairly low... (Gillian, a team leader)

> No-one...has ever said you're doing a good job...or given any feedback at all...you tend to get ignored...I think the organisation's got zero commitment to its people. (Joel, a supervisor)

> ...if I put in for the package now, they'd say see you later cunt, and that's it...[the workers here] have been back-stabbed, used up, rooted up the arse...They don't give a *%#@ about the workers. You know that and I know that. (Howard, a technician)

> ...well you've got the runs on the board, you've done a lot of hard yacka and you've got there, you've got some achievements. *But it doesn't sort of seem to count for anything.* (Karen, a team leader; my emphasis)

Underscoring the brief descriptions outlined above was an impression that the organisation was always at arms length from the individual. All of these particular respondents felt that they had done everything that they could to elicit adequate commitment from their employers, but that they had failed in their attempts. Many could not fully understand why they were unable to extract the sort of commitment they wanted from their organisation. And so, these people adopted a similar stance that they perceived the organisation had adopted towards them; they became more

active in the managing of their own commitment by distancing themselves from the organisation and channelling their commitment onto some other aspect in the organisation. This process manifested itself through the development of an image by these respondents that portrayed the organisation as an abstract and impersonal entity. Constructing an abstract image of the organisation seemed to help them to accept their lot, and to carry on in their daily working environment. However, as a coping mechanism, this did not enhance their commitment to the organisation itself, nor did it instil in them a sense of loyalty to remain with the company over the long-term.

Part of the Family

Not all respondents felt that their organisations were cold and uncaring. Five individuals felt that their organisations were doing all that they could to support them. Although these individuals could relate to the darker side of their organisations, their overall view of the organisation was much more positive and personalised:

> I would give them a higher rating to myself. Under my current boss, '9'. Its a pretty laid back operation...you just sort of amble along and you get there...I think, yeah, they reward you suitably for what you do, and some other personal things you get out of it. (Steve, a manager)

> I think the other directors are committed to me...I've been re-elected to the board...I've got respect in the organisation. So I think it's very high. (Joe, a senior manager)

> I'd say '10' in terms of the managing director's commitment to me. (Phillip, a manager)

> ...a '9'. I think they've been good to me and they've encouraged me in, like my external schooling and things like that, and they've always been encouraging me to learn new things and whatever I've wanted to do. (Michelle, a technician)

> ...an '8'. I think I'm well regarded in the organisation. They allow me a fair bit of latitude...they seem to rely on me for my expertise...I've got any amount of flexibility that I need... (Justin, a manager)

The accounts cited above clearly show a different pattern emerging from the accounts cited by those who felt they were just a number in their organisations. While the accounts from those considered as being just a number give the impression that the organisation is an abstract and impersonal entity, whereby individuals are often anonymous, these accounts from those thought to be part of the family impart a more personalised view of the organisation. This view magnifies the importance of the individual to the stature of representing the organisation.

The high degree of organisational commitment given to those considered part of the family seems to be related to a high degree of employee commitment, while the low degree of organisational commitment given to those considered just a number appears to be related to a low degree of employee commitment. This suggests that one form of commitment may be related to the other form of commitment. Therefore, a perceived high degree of commitment from the organisation may be an essential ingredient in developing a high degree of commitment in the individual, while the

converse also seems to be true, a low degree of commitment from the organisation may be instrumental in undermining the commitment of the individual. This scenario is presented in figure 1 below.
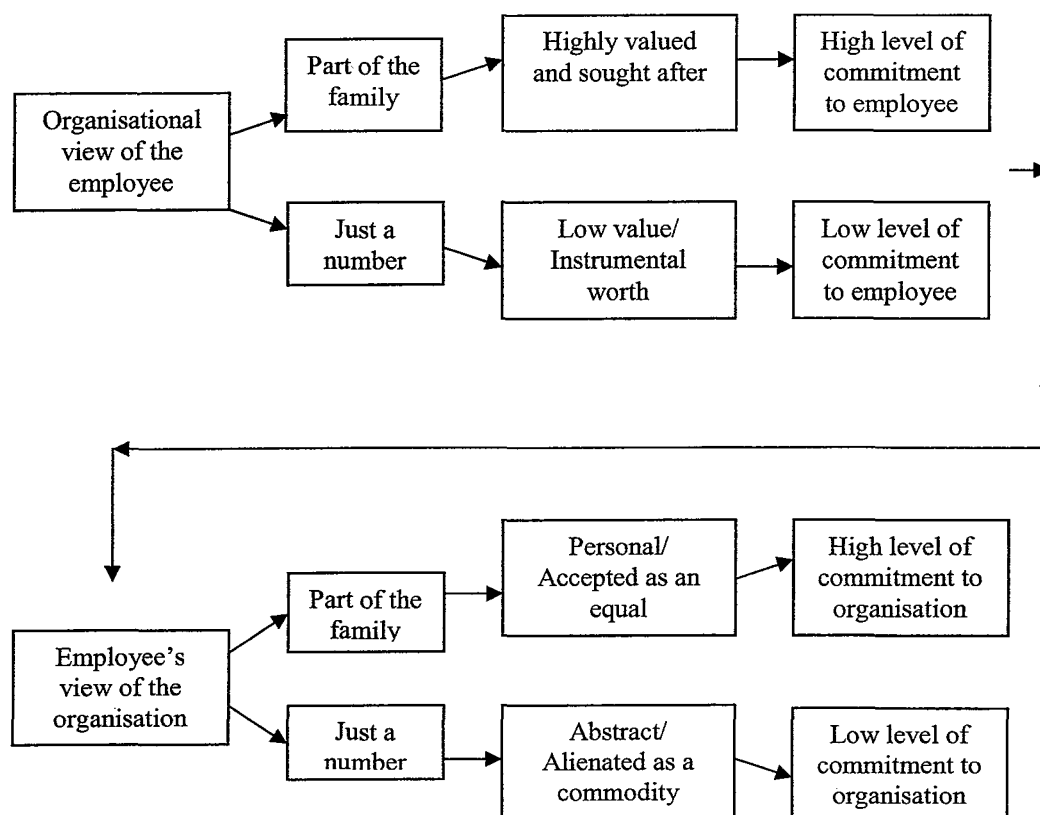

Figure 1: Commitment and organisational versus employee viewpoints.

One of the immediate differences to emerge from Figure 1 is the way people relate to the organisation. For example, many respondents feel the organisation places too much emphasis on 'the money' and, consequently, treats them poorly. Additionally, others feel the organisation only regards its employees as 'numbers'. In these organisations, the individual tends to become anonymous, and the organisation an abstract entity whereby people think about their organisations in abstract terms, such as 'they' and 'it'. Whereas those who feel their organisations are doing all they can to support them, tend to think about the organisation in ways that give the impression they were less detached, and more personal. These people often spoke about the organisation by referring to a particular person or persons, rather than as some sort of entity. In essence, then, we can say that people's affiliation with the organisation manifests itself in two forms: the abstract and the personal.

From an abstract perspective, many of those individuals considered 'just a number', attempted to improve their commitment to the organisation, in the hope of eliciting a more favourable response from their organisation. Unfortunately, for these people, their attempts to do so failed, as they were unable to alter the organisation's view of their ultimate worth to the company - no matter how hard they tried.

Consequently, the level of commitment of those deemed to be just a number was not as high as that of those considered part of the family. This suggests a reciprocal relationship between the individual's commitment to the organisation and the perceived commitment of the organisation to the employee. More specifically, the individual's perception of how the organisation commits to its people affects the commitment made by the individual towards the organisation. In the case of those deemed just a number the low level of perceived commitment from the organisation to the individual has resulted in undermining the individual's commitment to the organisation.

Coming from a personal perspective – those considered part of the family – the perceived high degree of commitment from the organisation to the individual resulted in strengthening the individual's commitment to the organisation. The stories from these people, about their organisation's commitment to them, resonate with terms that impart a sense of positivism, and support, which has reinforced their own levels of commitment to the organisation. It could be argued that the converse could also be true, such that the high degree of commitment from those considered part of the family might have been responsible for eliciting the high degree of commitment from the organisation. However, this is less likely given the failed attempts from those deemed just a number to do just that.

The organisation's commitment to its employees depends therefore, on the value it places on each employee. Those whom the organisation regards as very important are perceived to be given more commitment than those it deems are less important. Those whom the organisation regards as of 'greater importance' have more flexibility, autonomy, and equality, than those deemed of 'lesser importance'. Consequently, a high degree of commitment from the organisation goes far beyond monetary rewards and includes such things as respect, compassion, understanding, flexibility, and autonomy.

Discussion and Analysis

The individual's perceptions, about the organisation's commitment to him or her, are a crucial factor in the construction of the individual's commitment to the organisation. As Meyer and Allen (1997:66) note:

> ...*perceptions* play an important role in the development of employees' commitment to the organisation...employees who believe that their organisations are supportive tend to become affectively committed. Those who recognise that they have made substantial investments [in the company] develop continuance commitment. Those who think that "loyalty" is expected of them become normatively committed (their emphasis).

Meyer and Allen (1997:66) argue that in order to 'manage' commitment, organisations must influence the individual's perceptions. In accordance with Meyer and Allen's observations, if the respondent felt that the organisation was highly committed to him or her, then that person framed commitment in a positive context. For example, Michelle, who stated that her commitment to the company was very high, also spoke very highly of the company's commitment to her: *'they've been good to me...they've encouraged me in my external schooling...they've always been encouraging me to learn new things...really good'*. However, individuals also actively manage their commitment.

This aspect became most clear in the stories of those who felt that the organisation was not committed to them. The commitment of these individuals was of a similar nature as the organisation's commitment to them, such that they were more committed to themselves rather than to the organisation. Howard understood this relationship very well: *'they're [the company] in it for the money...that's what I'm here for [too]'*.

The numerous accounts provided in this research indicates that commitment in the workplace hinges on two important perceptions: how the organisation views its employees *and* how the employee views the organisation (figure 2).
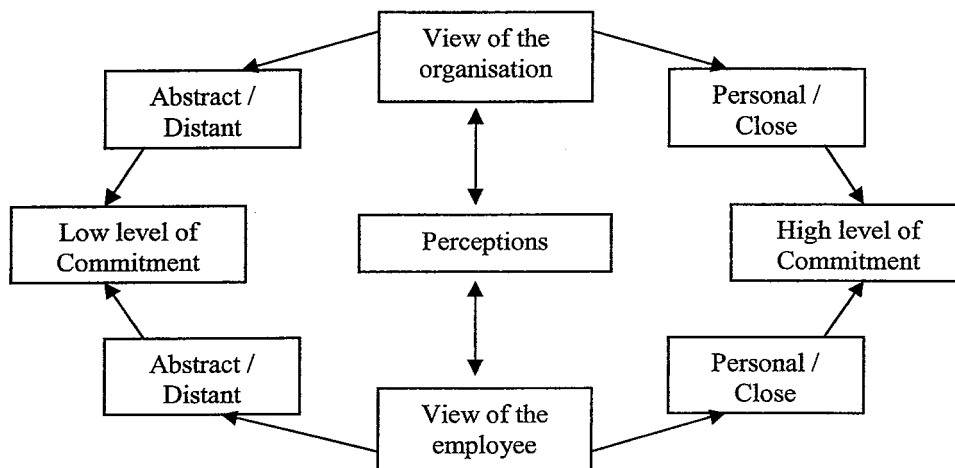

Figure 2: Perceptions: a cyclical model of commitment

Figure 2 shows that commitment is dependent on one's view – of the organisation and of the employee – both of which hinge on the perceptions of the individual concerning his or her status as an employee. This situation has divided respondents into two camps: those who feel they are valued by the organisation and those who feel they are not. Those individuals, who think that the organisation only values them in a means to an end sense, tend to view the organisation in like manner. This was the case no matter what the individual's position in the organisation either as a manager or a worker. These people are inclined to see their company as an abstract entity, one that is cold, hard, and only concerned about the bottom line. This view of the organisation also translated into a low level of commitment to the organisation. Many respondents gave the impression that the organisation's pursuit of profit seemed to be incompatible with its commitment to its personnel. This in turn helped to shape the individual's perceptions of the organisation's level of commitment to him or her.

Many respondents also tended to personalise their view of the organisation. In these cases, the organisation was hardly ever referred to as an abstract entity, or corporate body. Instead, they viewed the organisation in a more personalised light by describing the good relationships they had with certain individuals; individuals that they felt represented the organisation. These people believed that their organisation's level of commitment to them was very high. Their organisations also seemed to view these unique individuals more positively than it did the rest of its personnel.

However, if individuals felt that the organisation was 'not committed' to them, then they framed commitment in negative terms. For example: *'No-one...has ever said*

you're doing a good job...or given any feedback at all...you tend to get ignored...I think the organisation's got zero commitment to its people' (Joel). These respondents tended to demonise the organisation, and to present it as some sort of inhuman machine. In the first instance, these stories suggest that managing or building commitment, is a top-down process, whereby the organisation sets the benchmark for commitment and the employee appears to respond accordingly – either positively or negatively. In other words, when the organisation is perceived to be highly committed to the individual then that individual returns that same level of commitment to the organisation. Here, we can see how a high level, positive type, of commitment is managed interactively – by the organisation and by the individual. However, this relationship changes in times of instability and/or when the value of the employee is only marginal in comparison to their highly valued colleagues. For example, when individuals perceive that the organisation is uncommitted to them, then the commitment of these people towards their employer will also be modelled in the same manner. At this level though, the individual, not the organisation, is revealed as the final architect of the level and type of commitment. The organisation tends not to care as much about these individuals' commitment: it is taken for granted by the company rather than managed by the company. In this climate, individuals adopt a more active role in the managing of their own commitment by redirecting their commitment away from the organisation to some other entity. The work of Larkey and Morrill (1995) support this proposition.

Larkey and Morrill (1995) argue that employees' perceptions of the organisation's commitment to them, effects their level of commitment to the organisation. Although their argument is placed in the context of 'downsizing', the focus of their research is the nature of employees' perceptions about the organisation's commitment to them. This focus gives it a broader application. As Larkey and Morrill (1995) point out, the perception of individuals, that the organisation is not committed to them, is instrumental in the redirection of their commitment to another entity or entities. However, the stories in this research reveal that this does not occur in a 'controlling' context, as Brewer (1993) argues is the role of managers, but through neglect!

The Struggle for Recognition and Equality
Most respondents remarked that they had never been given positive feedback for the work that they did. This often resulted in undermining the individual's feelings of self-worth and gave them the impression that they were simply being used up like some sort of possession. Joel (a supervisor) has also experienced a lack of proper feedback, and said that this often made him feel unimportant: *'No one has ever said "you're doing a good job". No one's ever sat down and said "I actually expect you to do this", or given any feedback at all about whether we're doing a good job'*. Those rare instances when he did 'get noticed' were *'when you're very bad and do something terrible'*. Joel explains: *'if you do a good consistent job and you actually achieve the ends, nobody comes back and says that was good, you tend to get ignored'*. Lynne interprets this attitude of seeing staff as possessions in a more positive light. She has noted that in her organisation: *'[the boss] seems very big on ownership of his staff. So I think he looks at us all as important because we're just possessions'*. However, Lynne provides a succinct account of how her 'low' position in the organisation can influence the way others see her in her organisation:

> [Our general manager] said to [George], my boss that he's not to speak to me because I'll talk to other people. I mean [George] isn't telling me any secrets, obviously he knows things, because he's in a higher position than me and he

does, he's good in that he tells me a lot of what's going on, but not management secrets, if there are any. But [the GM] says to [George] "you're not to speak to her, she's not worth it, she's below you and she's not to know anything I say", and that really irritated me. I'm a part of this company too, I think I should be aware of what's going on.

The corporate view of Lynne's position in the organisation has undermined her commitment to the organisation by making her feel *'unimportant, it really does'*. Lynne would like to have *'more of a role in this company'* and would be willing to *'put in overtime'*, but only if she was given *'some responsibility'* and acknowledgment that what she was doing was worthwhile. However, Lynne felt that *'they just want me to sit there and not think. So I'll work from 8 till 4:30 and go home, and bugger them!'*.

Maintaining Importance

Failure to meet the expectations associated with being a high profile organisational member can also result in a devaluation of that person's level of importance. It is here that we get a glimpse into the pressure of having to manage one's worth to the company. Joe, a Director of one of the smaller organisations, has had to make some adjustments by retrenching some of his staff. These individuals were once considered core people. However, they had not been able to deliver the goods:

> It's a very competitive tough environment out there now and not all people are really cut out to operate in that tougher environment. So people that can't cut it need to find a job in an industry where it's more to their liking. (Joe)

Joe rationalises his decision to trim his staff by referring to them as 'overheads', and in terms of trying to *'improve our efficiency. Because of the cost pressures, the rates of pay for our work have been driven down, so we need to be more efficient'*. Getting rid of these 'overheads' sends a clear message back to the rest of Joe's staff, that they need *'to be more smarter and more commercially aware'*. Joe felt that: *'some people are not commercially aware, they don't want to be, they never will be, and so they're not suited to this company'*. Not being 'commercially aware' really means not being able to 'generate money for the company'. As Joe remarked: *'unless we have people that can focus on tendering for work and being put under pressure to deliver jobs within budgets, if people can't cope with that pressure, well then they're not suited to this company'*.

Shane, a self professed *'company man'*, is also aware of the need to remain *'current'* and to keep himself: *'...enthused and operating at the right level of vibrancy. If I was to back off and just plod along and do everything that I did in the SECV, I wouldn't be very relevant to the organisation. I think that this company has no need for people like that'*. Shane provides an account of how he also had to retrench two of his management colleagues recently which has had a negative affect on his own commitment. Shane felt that that *'was tremendously stressful you know'*:

> I'm not just trying to pretend that I've got a socialist conscience or something like that...what it amounted to was that one guy was a pain in the neck and needed to go, and another guy was what I deemed a perfectly good, valid employee. I actually felt there was enough work there to sustain him...he got caught in the middle, and I didn't make all the decisions, so he went too.

Shane felt that the callous treatment by the organisation of those that he felt were of value, has had a '*negative reinforcement*' effect on the rest of the employees, him included: '*I think there are some tough decisions that I'll have to make, and that's part of the job, I've thought about leaving the company at these stressful times*'.

However, Shane understands that when push comes to shove no-one's position is safe. This is revealed by the way Shane interprets employee importance in terms of accountability. For example, although Shane believed that his regional manager was the most important person in his local branch of the organisation, he also knows that he was also the most accountable:
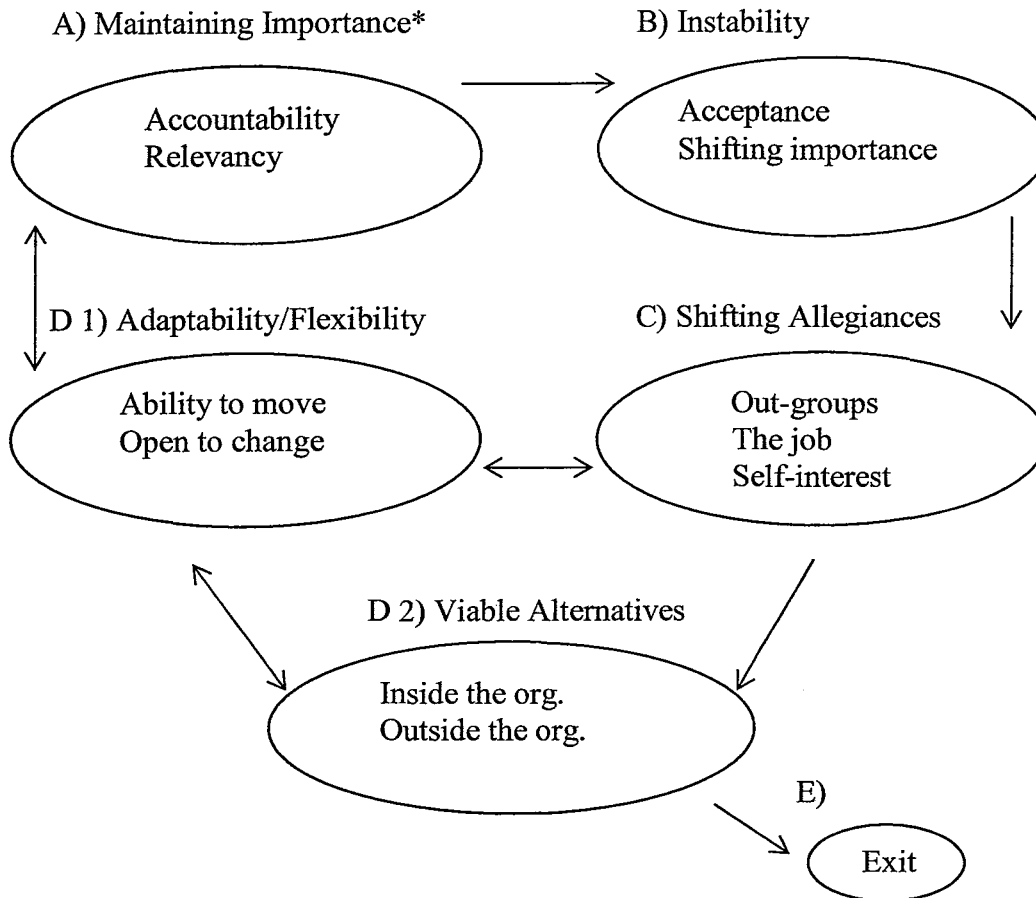
> Ultimately it's the decisions that he's making you know. It's gonna be his butt that's kicked. I make no secret of that fact. Rightly or wrongly, I'm always conscious that at the end of the day I'm only carrying out his instructions. It'll be him that goes if there's a stuff up, not me.

The tenuous nature attached to the employee's importance at both Shane's and Joe's organisations are not position specific. Those who hold important positions are also subject to the same corporate treatment, as those deemed less important. The higher one's position the higher the expectations surrounding one's ability to deliver the goods, and so, a subsequent failure to live up to these expectations can have immediate and often disastrous consequences for that individual.

The primary feature distinguishing someone as either core or non-core, was his or her level of importance to the organisation. The need to be recognised and to achieve a sense of equality was a driving force for those on the margins. It is here that the plight of the non-core was most salient. Many of these people were too powerless to do anything about their situation, and had to accept whatever the organisation dished out. This meant that job security was vital to those whose importance to the organisation was negligible, whereas it was not as important for those considered core and who understood that they were highly valued by the organisation. However, an important lesson which has been learnt by those once considered core, was that importance to the organisation hangs on each person's ability to remain relevant.

Transitions
The following diagram depicts a transition cycle through which many of the people in this study moved when they managed their personal importance, both with the organisation and with others in the organisation.

A) Maintaining Importance* B) Instability

```
  ┌─────────────────┐           ┌─────────────────┐
  │  Accountability │ ────────► │  Acceptance     │
  │  Relevancy      │           │  Shifting importance │
  └─────────────────┘           └─────────────────┘
          ▲│                              │
          ││                              ▼
```

D 1) Adaptability/Flexibility C) Shifting Allegiances

```
  ┌─────────────────┐           ┌─────────────────┐
  │  Ability to move│           │  Out-groups     │
  │  Open to change │ ◄───────► │  The job        │
  └─────────────────┘           │  Self-interest  │
                                └─────────────────┘
```

D 2) Viable Alternatives

```
        ┌─────────────────────────┐
        │  Inside the org.        │
        │  Outside the org.       │
        └─────────────────────────┘
```

E)

```
        ┌────────┐
        │  Exit  │
        └────────┘
```

* This property is the key component in the cycle and is most likely to be the starting point for all individuals.

Figure 3: A transition cycle of the employee's personal importance to the organisation

The notion that one's importance was not static but could change at any time was most prominent with those individuals considered to be on the fringes of importance in terms of status and instability (B). During periods of instability, the accounts of these people revealed that one's status, as core, did not guarantee that one would always remain core. Depending on how well the core was able to manage their high level of importance (A) determined their ultimate worth to the company. For example, Joe and Shane dismissed some of their core personnel because these individuals failed to live up to expectations. In fact, Joe rationalised his decision to offload these people by referring to them as 'overheads'. It is at this point that we see how easy it can become for one's status to change from core to non-core. Therefore, failure to live up to a standard resulted in that person not only becoming an outsider of the group, but ultimately meant complete rejection by the company, in terms of being retrenched.

Although maintaining one's level of importance was necessary for all respondents – regardless of their status as core or non-core – it was much more imperative for the core. For example, if non-core individuals did not perform their duties to a standard expected of them, they were more likely to be reprimanded rather than dismissed, whereas the higher one's importance then the more likely they were to be dismissed. This reveals that being core has its limits. This was especially so in the

smaller organisations. In the two larger organisations, dismissal was extremely rare, with the most likely option being rejection by the group. For those ex-core who remained with the company, their allegiances shifted from acceptance with the core group to an affiliation with others where they were able to fit in (B). Glaser and Strauss (1971) refer to this transition from rejection in one group to acceptance in another as a form of 'status passage'. An essential component of a status passage is the 'centrality of the passage to the person' (Glaser and Strauss, 1971:5) which, for many respondents, was bound up in their need for recognition, acceptance, and a sense of equality. Failure on the part of the individual to elicit these particular needs from significant others in the organisation was the mechanism that highlighted the individual's transition from one status to another.

Maslow (1943) argues that the need for recognition, acceptance and equality, are essential components in the development of a person's motivation and commitment to the organisation. He further argued that when employees are unable to satisfy these 'belongingness needs' their commitment to the organisation would decrease. Failure by the organisation to meet these needs has resulted in many individuals actively managing their commitment, by becoming less attached to the organisation and more committed to other aspects, such as to the job or to work relationships, regardless of organisational size (C). However, an important point of clarification needs to be made here. The need to belong was more of a concern for those in the organisations who were regarded as less important – including those who had been rejected by the core group. However, it was not a major concern for those people considered most important. In fact, many of the most important people did not necessarily want to belong to the organisation. These people seemed to be more self-assured about their ultimate worth outside of the company, and so were reluctant to be tied down for the long-term.

Elias and Scotson (1994) also shed some light on the issue of employee importance in terms of a 'struggle for recognition and acceptance' between 'established and outsider relations'. They argue that 'the more powerful groups look upon themselves as the *better* people, as endowed with a kind of group charisma, with a specific virtue shared by all its members and lacked by others' (Elias and Scotson, 1994:xvi). The established group, or in this case those considered core, actively promote this 'belief' by 'excluding' and 'stigmatising' the 'outsiders'. Referring to the non-core as 'overheads' is a good example of how this stigmatising process operates in the organisations used in this study. Using Foucault (1980), this argument could be extended by couching employee importance in the context of 'status' and 'knowledge'. Foucault argues that one's status is crucial because status is congruent with 'legitimation'. In-groups, such as the engineers in Jodie's situation, represent the 'legitimate' knowledge base and are subsequently a 'mechanism of power' which serves to sideline the importance of those outside of the group (Foucault, 1980a/b). Unfortunately, Jodie's inferior position is also an example of someone who is doubly deviant such that she is a woman trying to compete in a male-dominated industry. This is of particular significance given the fact that all six of the female respondents felt they were less important than their male counterparts. Kanter (1977) argues that when men far outnumber women in a group, or whenever there is only one woman in the group, as in Jodie's case, they are actively secluded and treated as insignificant.

While Foucault's argument does shed some light on certain aspects of the dynamics underpinning employee importance, it does not adequately explain the situation of those who were once core (B). Although these fringe dwellers were no longer part of the core, they were not exactly non-core either. In addition, the relative size of the organisation to which they belonged was an important element involved in

determining their ultimate worth to the company. For example, those who worked in the smaller companies were likely to be stigmatised as an overhead and then dismissed, whereas those who worked in the larger companies, although they were also stigmatised in the same way, were more likely to be kept on.

A lack of acceptance by the insiders has also undermined the commitment of those deemed less important regardless of their gender. A study by McDonald (1997) shows that if the contributions of individuals are continually devalued at work, these people will eventually re-evaluate their perceived worth to the company, or work-group, and will look for approval or recognition elsewhere. However, as was shown by the individuals in this study, this will depend on:

1. The individual's ability to increase their perceived importance in the organisation;
2. Acceptance by another group in the organisation and;
3. Their ability to find work elsewhere.

This has important implications, because, regardless of their status as core or non-core, the majority of respondents felt they were only of marginal importance to their organisation. Although many of these people had made attempts to improve their lot by becoming more flexible and open to change (D1), the often harsh reality of workplace restructuring and downsizing did not afford them much scope for change. In the short-term, these people generally found acceptance with other groups within the organisation (C), and were able to refocus their commitment to 'the job'. However, their low sense of importance to the organisation itself was a strong factor implicated in their decision to stay or leave the company (E). This decision was often based on the viability of alternatives (D2), either within the organisation or outside in the market-place. However, as noted above, the alternatives within the organisations were often not available, or were not to the individual's liking. Where they were available, they usually involved a decrease in pay and/or privileges, and so many people were unwilling to go down this path. The preferred option was to find a better job elsewhere (E).

Helen Ebaugh's (1988:87) work on 'Becoming an Ex' revealed that looking for alternatives is a 'conscious step in the exiting process'. Although Ebaugh's work was primarily about 'voluntary exits', her work is important here because it reveals that 'seeking alternatives' is a marking point that also highlights a person's transition from one status to another. This transition process was regarded by many respondents, as a decline in personal importance, which was generally *forced* on the individual through a rejection of his or her perceived worth by the company, and/or by the core group. As for those few who were able to adapt, and maintain a certain level of importance, they were never able to regain their status as core but remained on the fringes (B). This was also the case for those people considered non-core, who were not able to transcend their low status positions: No matter how flexible they were willing to become.

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