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Introduction

This study was submitted as a thesis for partial fulfillment of a Master of Science in Industrial Technology to the Department of Technology at Northern Illinois University. In addition to being a graduate student, the author is also a full time employee of the Braidwood Nuclear Power Plant in Braceville, Illinois and is involved with refuel outage planning as well as other areas of project management. The purpose of this study was to determine if a relationship exists between job insecurity and resistance or receptiveness to an organizational culture shift in an organization where cultural-shift activities were being performed concurrently with downsizing efforts. The study focused on three hypotheses: "There is no significant correlation between the measure of learning organization attributes and the measure of job insecurity," "There is no significant correlation between the measure of learning- organization attributes and the measure of entitlement mentality," and "There is no significant correlation between the measure of job insecurity and the measure of entitlement mentality" (Wagner, 1996, p. 6).

Entitlement mentality is often generated by a work history of regular raises, scheduled promotions, and a secure job; it seems that over time, organizational members simply seem to become "entitled" or to expect this to continue for their career or job life. Based on the structure of the regulated monopolies and the researcher's observations it was believed that this would be true for electric utility employees. However, deregulation of the electric market is bringing the long era of guaranteed prosperity of electric utilities to a close. The electric utility where this study was completed envisions transforming to a competitive learning organization. Currently its culture is primarily static in nature. And, the entitlement mentality is deeply ingrained in its employees. Downsizing is taking place. This descriptive study examined the relationship of job insecurity to organizational culture change in one business unit of the electric utility. However, it did not attempt to establish a causal relationship between job insecurity and resistance to organizational culture shift.

Literature Review

Four areas of literature were reviewed: employee job insecurity, organizational downsizing, learning organizations, and entitlement mentality.

Job Insecurity

Ashford, Lee, and Bobko (1989) argue that the lack of empirical attention to job insecurity is an overlooked aspect of downsizing, restructuring, and mergers. The only previous attempt at developing a multidimensional job insecurity model seems to be the 1984 Greenhalgh and Rosenblatt study referenced by Ashford et al. (1989). That study divides job insecurity into five components: importance of job feature, likelihood of losing job feature, importance of job loss, likelihood of job loss, and perceived powerlessness. Using this model, Ashford et al. developed a Job Insecurity Scale for this 1989 study. The authors reported that job insecurity is associated with declines in commitment, trust in organization, and job satisfaction. They also reported positive relationships between job insecurity and both organizational change and role ambiguity, and that a significant negative relationship exists between job insecurity and power to control outcome.

McCarthy (1993) used Ashford et al.'s Job Insecurity Scale as a measurement tool for his study of job insecurity in a merger environment. He reported that the measure of job insecurity did show a significant difference between the three locations as hypothesized. In addition, his results indicated that both powerlessness and organizational trust were significantly related to job insecurity, further validating Ashford et al.'s study. The McCarthy study is relevant to the study being reported here. It suggests a relationship between the degree of organizational change and the measure of job insecurity. It also substantiates several of Ashford et al.'s results with a high return rate that supports the inferential validity of the Job Insecurity Scale. Koesterer (1994) further validated Ashford et al.'s Job Insecurity Scale. In her study, three variables emerged as significant predictors of job insecurity: management level, job changes, and relocation. Other studies are available in the literature. Based on the review of literature in this area, it appears that there is a relationship between the measure of job insecurity and organizational change. It also validates the use of the Ashford et al. Job Insecurity Scale and methods.

Organizational Downsizing

The literature on downsizing was important to this study. Lee (1992)

reported that 50% of the companies studied were not prepared for downsizing and a ripple effect reverberated throughout the various companies for months. There were neither policies nor programs in place to minimize the negative effects of cutting back. He argues that most downsizings fail to achieve their goals. He cited a study conducted by Wyatt Co. (1991) where 46% of 1,005 companies met their expense-reduction goals, less than 33% met their profit goals, and only 21% increased their shareholders' return on investment. Eighty-six percent of these companies had downsized three to five years before this study. Lee's study shows several tendencies detrimental to a cultural shift, especially the lack of policies. Also, multiple downsizings may tend to keep an organization in a perpetual state of anticipation.

Pedersen (1991) studied the effects of layoffs on work performance of engineers. He reported that a merit-based work-force reduction policy combined with timely communications about the layoff process may tend to improve the work performance of the survivors, enabling the organization to get back on track.

In 1994, Johns studied the effects of downsizing on middle managers. Those perceiving a significant role change or ambiguity reported a decline in work performance. This addresses the need for reduction by design, not number quotas and that restructuring requires new roles to be clearly defined. Duron (1994) reported that downsizing correlated negatively with both morale and productivity variables. She also reported that the management practices of clarity of expectations, communication, and recognition correlated positively with morale and had a greater impact on employees than the negative consequences of the downsizing event. Based upon the literature review on downsizing, it appears that there is adequate evidence to conclude that a relationship exists between organizational downsizing and morale. It would also appear that management methods in implementing downsizings may tend to positively or negatively affect the impact of downsizing on productivity, morale, and organizational perception. There does not seem to be any empirical evidence that would indicate a relationship between downsizing and cultural-shift capabilities.

Learning Organizations

Senge (1990a) and Denton and Wisdom (1991) referenced Dumaine (1989) who said, "The most successful organizations in the 1990s will be something called a learning organization, a consummately adaptive enterprise, with workers who think for themselves, identify problems and opportunities, and go after them" (p. 54). Senge (1990a) further clarified that the focus must be on generative learning that is about creating as well as on adaptive learning that is about coping. Senge cited the evolvement of the total quality movement in Japan as a transition from adaptive to generative learning.

Denton and Wisdom (1991) referenced Hayes of the Harvard Business Schools who stated, "Managers have to encourage workers' experimentation with finding better ways to do things" (p. 69). Senge (1990a) argued that business as well as other human endeavors are systems bound by fabrics of interrelated actions that may take years for the effects to be fully realized. Since the individual is part of it, it is difficult to see the whole pattern, and many individuals tend to focus on snapshots of isolated parts, wondering why problems never get solved. "Generative learning requires seeing the systems that control events. When we fail to grasp the systemic source of problems, we are left to push on symptoms rather than eliminate underlying causes, and the best we can ever do is adaptive learning" (Senge, 1990a, p. 8). Denton and Wisdom referenced a Hewlett-Packard study of 170 managers and argued that the most effective managers "had a willingness to challenge the same old way and had a belief that things could be done better...these leaders believed in continuous improvement" (p. 71). Senge (1990b) also referenced a study by Shell Oil Company and argued that the key to long-term organizational survival is the ability to "run experiments in the margin, to continually explore new business and organization opportunities that create potential new sources of growth" (p. 7). Finally, Senge writes that the primary institutions of our society are oriented toward controlling not learning, and toward rewarding for performing for others instead of rewarding for cultivating the individuals' natural curiosity. He further argues that focusing on obtaining someone else's approval creates the conditions that predestine corporations to mediocre performance. This focus on "worth proving" appears to be a detriment to systems thinking and, as such, a measure of the degree of this trail would appear to be appropriate for a systems-thinking measure construct.

Denton and Wisdom (1991) also argue that an understanding of the whole business is imperative in the learning organization. They cite the Springfield Remanufacturing Corporation where employees are told that 85% of their pay is for doing their job and the remaining 15% is for learning the business. They believe that it is the company's responsibility to teach their employees a basic understanding of the whole management area to develop a good understanding of how interdependent the world is. The literature further supports Senge's philosophies and constructs with studies. The systems-thinking traits (those mentioned above and others not mentioned for the sake of brevity), while not all-encompassing measures, seem to be suitable traits for inclusion into a systemic construct.

Entitlement Mentality

Bardwick (1991) describes entitlement mentality as an attitude. She identifies those who possess this attitude as individuals who believe that they do not have to earn what they get; they are owed it. In the work place, entitlement exists when people have so much security that they are not required to produce. They keep their jobs and get regular raises whether they do well or nothing. Promotions are based on length of time in the current position instead of competence or ability to perform in the new position. Some of the characteristics of an entitlement-mentality organization described by Bardwick include high levels of risk avoidance, depen-

dence, informal tenure, complacency, apathy, rules and rule checkers. She cites a study performed at a utility where employees were asked to characterize their company both before and after deregulation. Words such as "family oriented, " caring," and "loyal" were used to describe the "old" company. "Insecure," "chaotic," "fear," and "short-sightedness" were used to characterize the company after deregulation. Based on researcher observations it was determined that these characteristics also fit the utility under study and that they were appropriate for an entitlement mentality measure construct. For the purpose of this study, the following terms were defined:

Job Insecurity Measure. A construct used to determine the degree to which an individual is apprehensive about losing his/her present position in the organization, combining importance, perceived likelihood of occurrence, and perceived degree of powerlessness into a single-interval data number.

Systems Thinking Measure. A construct used to assess receptiveness to organizational culture shift, from static role to learning organization, consisting of seven traits: cross-department teamwork, innovation, worth proving, focus on whole, shared vision, trust, and move beyond blame.

Entitlement Mentality. A construct used to determine the degree to which a person perceives that the organization owes the individual security.

Methodology and Procedures

A questionnaire was mailed with an introductory letter to all management employees at an electric-generating station. A response rate of 50% was determined adequate. A response rate of 75% was required to preclude the need for implementation of nonresponse measures. The survey contained 19 questions, four of which were compound questions that resulted in a total of 35 answers. A one-time response required participants to answer the questions based upon their present personal experiences and attitudes.

There were three construct variables: Systems Thinking Measure (STM), Job Insecurity Measure (JIM), and Entitlement Mentality (EM). There were also four demographic variables. There were seven STM questions. The possible range of STM scores was a maximum of 35, which would indicate strong resistance to systems thinking, and a minimum of 7, which would indicate a high degree of acceptance of systems thinking. There were four EM questions. The possible range of scores was a maximum of 20, which would indicate a high degree of entitlement mentality, and a minimum of four, which would indicate a low degree of entitlement mentality. Two questions on the questionnaire were used to obtain importance factors in determining the JIM. These questions required respondents to assign an importance factor to them and then supply "a likelihood of future occurrence" value. For each of the ten items, the importance value (IV) was multiplied by the likelihood value (LV) to obtain a measure of an individual JIM component. The ten individual JIM components were then summed to produce a preliminary JIM. One question on the questionnaire was used to obtain an assessment of powerlessness. The JIM was obtained by multiplying the powerlessness assessment (PA) by the preliminary JIM. The possible range of scores for the JIM was a maximum of 1,250, which would indicate a high measure of job insecurity, and a minimum of 10, which would indicate a low measure of job insecurity. The remaining four questions represented demographic variables and were assigned ordinal values. These variables were used for stratification of the respondents to determine if they were factors in the correlation between the three constructs.

The results were plotted on scattergrams to determine if a curvilinear relationship existed. A curvilinear relationship was not suggested so the Pearson r correlation method was deemed appropriate. The following elements were correlated:
(a) JIM with STM, (b) JIM with EM, and (c) STM with EM. These correlations, as well as the scatter plots, were made using both the total response population and with stratification using the four demographic variables of age, gender, years with company, and time in current position.

The JIM was an abbreviated version of Ashford et al.'s Job Insecurity Scale. Several studies, after the initial study attested to its validity, thus its validity was accepted for the study being presented here. The STM and EM constructs were developed for the present study. Several steps were taken to establish construct validity for both. The traits of the constructs were selected by a review of the works of noted authors. Careful consideration was given to ensure the adequacy of traits without overloading on one particular characteristic. After the constructs were completed, they were forwarded to three subject-matter experts for review: Barry Wisdom, Professor, Department of Management, Southwest Missouri State University; Joseph Yaney, Professor, Department of Management, Northern Illinois University; and William Reckmeyer, Professor, Department of Leadership and Systems, San Jose State University. The results of the review were positive. A small pilot study was recommended which employed purposive sampling techniques in participant selection. Refinements were made accordingly.

Although reliability measures are not generally designed for a one-time, self-report attitudinal survey, and no specific statistical measures for reliability were used, several measures were taken to maximize reliability. Correlation of the pilot study, size of the sample population, and specifying a 75% response rate, were all intended to enhance reliability of the measurement instrument. The usable return rate was 78%.

Results

The correlation between the JIM and the STM and the correlation between the STM and the EM were both found to be significant at the .001 level when computed for the entire survey. The correlation between the JIM and the EM was found to be significant at the .01 level for the same group. When the data were stratified by a single demographic variable, significance at the .001 and .01 levels were found for various groups and are summarized in Tables 1, 2, and 3. Several single demographic variable

groups showed significance. To further explore the sample population, stratification was performed using two different demographic variables with "and" logic to determine if groups possessing several characteristics would show significance. The results are summarized in Tables 4 and 5. All correlations between the JIM and EM using two demographic variables stratification failed to achieve significance at the .01 level. A three- variable demographic stratification using "and" logic was performed. While overall correlation increased for the JIM to STM correlation, the reduction of N to 32 using this stratification lowered the t value to below that which was required for the .01 level of significance. A t value of 2.750 was required for the .01 level of significance with 30 degrees of freedom; the computed t value results were 2.667. However, significance, at the .01 level was identified for three correlations of the JIM and STM at the three demographic variables stratification level, and two correlations of STM and EM at the three demographic variables stratification level. The results are in summarized in Table 6.

For most of the single demographic variable stratification correlations that failed to achieve significance at the .01 level, the groups showed moderately low correlations that could have been significant had the group been of adequate size. The demographic groups that exhibited virtually no correlation are included in Table 7. These groups had correlation coefficients of less than .110, positive or negative, for the specified correlations. As an additional measure of data analysis, correlations between the three constructs were performed with exclusions made by demographic group. The exclusions were made at both the single demographic variable level as well as at the two- and three-demographic variables levels using "and" logic. Table 8 displays the results of those groups failing to achieve significance at the .01 level when a single demographic group was excluded from the sample population.

An analysis of the correlation results when excluding by two demographic variables and three demographic variables stratifications yielded several repeating patterns. Specifically the exclusion of the "years in company 11-20" demographic, in combination with any other demographic group or groups, always resulted in a correlation between JIM and STM that failed to achieve significance at the .01 level. The only other demographic group shows exclusion affected significance for the correlation between JIM and STM as "age group 40-49." When used in two demographic-groups' exclusion correlations, four of nine correlations failed to achieve significance at .01. When used in three demographic groups' exclusion, 28-40 failed to achieve significance at .01. Correlations between JIM and STM that did not exclude either of these demographics almost always achieved significance at .01 or above. Correlations between STM and EM using two and three demographic groups' exclusion also possessed patterns. The exclusion of either the "age group 40-49" or "males" in combination with any other demographic group or groups, always resulted in a correlation between STM and EM that failed to achieve significance at the .01 level.

Finally, to develop prediction equations based on the survey data, a linear regression analysis was performed. The results were compiled using the data for the entire sample population as well as stratifying by a single-level demographic group and excluding by a single- level demographic group. Table 9 contains the equations by which STM can be predicted from the JIM or EM. It also shows the calculated standard error of estimate.

Summary and Conclusions

This study was designed to test for the presence of a relationship between job insecurity and resistance to an organizational culture shift at an organization where cultural-shift activities were being performed concurrently with downsizing efforts. The organization was an electricity-production industry which was experiencing a period of rapid transition as market forces were working to deregulate the electric markets, bringing the long era of the regulated monopoly to a close. It was felt that members of the organization possessed a certain degree of entitlement mentality because of the nature of the regulated monopoly. The desired direction of the organizational cultural shift was toward that of a learning organization; the undesirable starting point was that of a static-role culture.

Table 1

JIM to STM Correlations at .01 or Above

Group Name	Group Size (N)	Level
Years with Company 11-20	165	.001
Years in Position 4-5	81	.01
Age Group 40-49	134	.01
Males	297	.01
Females	22	.001

Table 2

JIM to EM Correlations at .01 or Above

Group Name	Group Size (N)	Level
Years in Position 1-3	132	.01
Males	297	.01

Significance at the .001 level was found for the relationship between job insecurity and systems thinking, and also for the relationship between systems thinking and entitlement when correlated for the entire survey response population. The relationship between job insecurity and entitlement was found significant at the .01 level for the same group. Demographic groups of the sample population where results of correlation (when stratified by that group) were found significant were also identified. Years with company, 11-20; years in current position, 4-6; and age range of 40-49 were found significant for the relationship between job insecurity and systems thinking. Years in current position, 1-3, and gender of male were found significant for the relationship between job insecurity and entitlement. Years with company, 11-20; years in current position, 1-3; age range of 40-49; and gender of male were found significant for the relationship between systems thinking and entitlement.

Table 3

STM to EM Correlations at .01 or Above

Group Name	Group Size (N)	Level
Years with Company 11-20	165	.001
Years in Position 1-3	132	.01
Age Group 40-49	134	.001
Males	297	.001

Table 4

Two-Group JIM to STM Correlations at .01 or Above

Group Name	Group Size (N)	Level
Years with Company 11-20 and Age Group 40-49	66	.001
Years with Company 11-20 and Age Group 30-39	92	.01
Years with Company 11-20 and Years in Position 1-3	75	.001
Years with Com Ed 11-20 and Male	155	.001
Years with Com Ed < 5 and Years in Position 1-3	11	.01
Years in Position 1-3 and Female	8	.01
Years in Position 4-6 and Male	78	.01
Age Group 30-39 and Female	8	.01

Table 5

Two-Group STM to EM Correlations at .01 or Above

Group Name	Group Size (N)	Level
Years with Company 11-20 and Age Group 40-49	66	.01
Years with Company > 20 and Age Group 40-49	36	.01
Years with Company 11-20 and Male	155	.001
Years with Position 1-3 and Age Group 40-49	55	.01
Years in Position 1-3 and Male	123	.01
Age Group 40-49 and Male	123	.001

The study provided evidence that the possession of either a high degree of job insecurity or a high degree of entitlement mentality will tend to present an obstacle to an organizational culture shift in that organization's members. While the contribution of job insecurity and entitlement mentality, when used as a predictor for resistance to an organizational shift, account for only a fraction of the variance, the results clearly indicate that the three variables, as defined for the study, are related.

The information obtained in the present study may be useful for the prediction of organizational acceptance to cultural shift when either the levels of job insecurity or entitlement have been assessed. The equations in Table 9 can serve as the basis for prediction if a quantitative assessment of the characteristics has been performed. If only a qualitative assessment has been performed, the conclusions of this study—that is, job insecurity and entitlement mentality affect receptiveness to learning organizational attributes— may serve as a basis for postulating the effectiveness that cultural-shift initiatives will have when either of the traits are present.

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Table 6

Correlations Significant at .01 for Groups Stratified at the Three Demographic Variable Levels

Group Name	Group Size (N)	Constructs
Years with Company < 5 and Years in Position 1-3 and Male	10	JIM and STM
Years with Company 11-20 and Years in Position 1-3 and Male	71	JIM and STM
Years with Company 11-20 and Age Group 40-49 and Male	61	JIM and STM
Years with Company 11-20 and Age Group 40-49 and Male	61	STM and EM
Years in Position 1-3 and Age Group 40-49 and Male	52	STM and EM

Table 7

Stratified Groups that Exhibited Virtually No Correlation

Group Name	Group Size (N)	Constructs
Years with Company 5-10	70	JIM and STM
Years with Company > 20	49	JIM and STM
Years in Position < 1	56	JIM and EM
Age Group < 30	16	JIM and STM
Age Group > 30	16	STM and EM
Age Group 50 or More	25	STM and EM

Table 8

Correlations That Did Not Achieve Significance at the .01 Level

When a Single Demographic Group Was Excluded

Excluded Group Name (all except the group)	Group Size (N)	Constructs
Years with Company 11-20	156	JIM and STM
Age Group 40-49	187	STM and EM
Males	24	STM and EM
Years with Company 5-10	249	JIM and EM
Years with Company 11-20	156	JIM and EM
Years in Position 1-3	189	JIM and EM
Years in Position > 6	270	JIM and EM
Age Group 40-49	187	JIM and EM
Age Group 50 or more	187	JIM and EM
Males	24	JIM and EM