

Accountants as Layoff Survivors: A Structural Equation Analysis of the Impact of Organizational Justice

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The beginning of the twenty-first century was witness to a wave of global forces and economic shocks that threatened the job security of accountants. Events such as the bursting of the stock market bubble, outsourcing, restructurings, and 9/11 created a dramatic rise in layoffs of white-collar workers. Drawing from theoretical and empirical research in the management and psychology literatures, the current study develops and tests a comprehensive, structural model of the relationship among layoff survivors' perceptions, psychological states, attitudes, and intentions. Our sample consisted of accountants/analysts who had survived recent workforce reductions at a large, U. S. aircraft manufacturer, in the wake of reduced demand following 9/11. The results of our structural equation models indicate that accounting survivors' perceptions of procedural and interactional organizational justice affected their post-layoff stress and job insecurity, which in turn directly and indirectly influenced job satisfaction, affective commitment, and turnover intentions. The results of this study suggest that if management of downsizing organizations are sensitive to fairness concerns in administering layoffs, the negative impact on surviving organizational accountants may be partially minimized.
