High-Commitment Work Practices and Downsizing Harshness in Australian Workplaces

RODERICK D. IVERSON and CHRISTOPHER D. ZATZICK*

This study examines the relationship between high-commitment work practices (HCWP) and downsizing. The results based on a large, representative sample of Australian workplaces supported our predictions. Consistent with previous research, HCWP was positively related to workforce reduction. However, workplaces with more HCWP used less harsh strategies (e.g., more employee-friendly approaches to downsizing) such as voluntary layoffs and early retirement than the harsher strategy of compulsory layoffs. The implications of these findings are discussed.

For the past decade, considerable attention has been paid to the benefits of high-commitment work practices (HCWP) (e.g., total quality management [TQM], training, and teams) (see reviews by Becker and Huselid 1998; Wood and Wall 2002). HCWP, also referred to as high-performance (Huselid 1995), high-involvement (Lawler 1992), flexible, and alternative work practices (Godard 2001a), have been linked to increased productivity (Datta, Guthrie, and Wright 2005) and lower occupational injury (Zacharatos, Barling, and Iverson 2005) and turnover for organizations (Arthur 1994; Guthrie 2001; Huselid 1995), as well as greater empowerment (Lawler 1992; Pfeffer 1998) and lower work–family conflict for employees (Batt and Valkouur 2003). However, recent research has highlighted the economic and political conflicts associated with such practices (Godard 2001a), including the financial costs that may offset productivity gains (e.g., Cappelli and Neumark 2001) and the intensification of work that results in greater burnout and stress for employees (e.g., Green 2004; Ramsay, Scholarios, and Harley 2001). Thus, many questions remain about the viability of high-commitment workplaces, particularly when organizations face external pressures to increase profitability.

* Faculty of Business Administration, Simon Fraser University, Canada. E-mails: riverson@sfu.ca; czatzick@sfu.ca. The authors wish to thank David Levine and the anonymous reviewers for the invaluable feedback on the manuscript. We also wish to thank Richard Williams for his guidance in the data analysis. An earlier version of this paper was presented at the 62nd Annual Meeting of the Academy of Management, Denver, Colorado, August 9–14, 2002.

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