

RESTRUCTURING AND ITS IMPACT ON PSYCHOLOGICAL CONTRACT: A PERSPECTIVE

DR JAIDEEP KAUR

ASSISTANT PROFESSOR
AMITY BUSINESS SCHOOL.

ABSTRACT

Today the companies are in need of restructuring. The restructuring is important to make the organization more profitability. Improve efficiency, prevent bankruptcy, solving problems, making better decisions, keep technology up to date, or implement strategic or governance of change to sustain in competitive environment on the other side employees are not ready for the change so the psychological contract of the employees is effected because of challenges employees faces during the change process as job insecurity, downsizing and adapting to new environment.

KEY WORDS: Restructuring, Psychological Contract.

References

- Anderson, N. & Schalk, R (1998), "The psychological contract in retrospect and prospect", *Journal of organizational behavior*, Vol. 19, pp. 637-647.
- Cummings, T.G. & Worley, C.G. (1993). *Organization development and change*. St. Paul: West.
- Carbery, R., & Garavan, T. N. (2005). Organisational restructuring and downsizing: Issues related to learning, training and employability of survivors. *Jnl Euro Industrial Training Journal of European Industrial Training*, 29(6), 488-508. doi:
- Emmerik, I. H., & Euwema, M. C. (2008). The aftermath of organizational restructuring. *Journal of Managerial Psychology Journal of Managerial Psych*, 23(7), 833-849.
- Farrell, M., & Mavondo, F. T. (2004). The effect of downsizing strategy and reorientation strategy on a learning orientation. *Personnel Review*, 33(4), 383-402.
- Gandolfi, F. (2008). Downsize survivor's syndrome. *Monash Business Review*, 4(2), 10-11.
- Gilson, Stuart C. "How To Make Restructuring Work for Your Company."
<http://hbswk.hbs.edu/item/2476.html>.

- Kotter, J. P. (1973), "The psychological contract: managing the joining-up process", *California Management Review*, 15(3), 91-99
- Levinson H, Price C, Munden K, Mandl H, Solley C. (1962). *Men management and mental health*. Cambridge, MA: Harvard University Press.
- Rousseau, D.M. (1995). *Psychological Contracts in Organizations: Understanding Written and Unwritten Agreements*, Sage, Thousand Oaks, CA.
- Robinson, S.L. (1996), "Trust and breach of the psychological contract", *Administrative Science Quarterly* , Vol. 41, pp. 574-99.
- Schalk, R., Campbell, J.W. & Freese, C. (1998),"Change and employee behavior", *Leadership and Organization Development Journal*, 19 (3), 157–163
- Schalk, R. & Roe, R. A. (2007),"Towards a dynamic model of the psychological contract", *Journal for the theory of social behavior*, 37, 167–82.
- Schalk MJD, Freese C (2007), "The impact of organizational changes on the psychological contract and attitudes towards work in four healthcare organizations" In: Isaksson K, Hogsted C, Eriksson C, Theorell T, editors. *Health effects of the new labour market*. New York
- Sitlington, H., & Marshall, V. (2011). Do downsizing decisions affect organisational knowledge and performance? *Management Decision*, 49(1), 116-129.
- Turnley, W.H. and Feldman, D.C. (1998), "Psychological contract violations during corporate restructuring", *Human Resource Management*, Vol. 37, pp. 71-83.