

# Organizational Health, Stress & Commitment during Global Financial Crisis

Urmi Nanda Biswas & Saswata Narayan Biswas

---

*This paper presents results of a study on the impact of organization type (foreign exposure) on the employees' perception of organizational health, stress, and organizational commitment by 244 employees drawn from information technology, financial services, railways, and manufacturing organizations. Results suggested that employees from railways perceived better organizational health and scored significantly higher on organizational commitment than their counterparts from other organizations. The results are discussed in the light of the differential impact of the global melt down on different sectors.*

*Urmi Nanda Biswas* is Reader in the Department of Psychology, M.S. University of Vadodara, Vadodara 390002. Email: [urmi\\_biswas@hotmail.com](mailto:urmi_biswas@hotmail.com). *Saswata Narayan Biswas* is Professor in the Institute of Rural Management, Anand 388001. Email: [saswata@irma.ac.in](mailto:saswata@irma.ac.in)

## Impact of the Global Crisis

The year 2008-09 was a period of uncertainty due to the financial meltdown, which led to decreasing productivity, pricing challenges and volatility in currency market (Gopalkrishnan 2009) that hit many organizations very badly. Though the crisis originated in the USA due to the bursting of the boom in the housing sector, it also affected the Indian economy; it was felt, that the spillover effects of the financial crisis would affect certain sectors of the economy more. For example, Prasad & Reddy (2009) observed that the financial and information technology sectors will be the worst hit followed by sectors that were more exposed to the economy of United States of America. Employees in various industries were nervous and experienced tension consequent to the global recession led slow growth of domestic economy. It is important to understand the impact of the recession on the employees as it has a direct bearing on employee morale and well-being, which may have important consequences for early revival of the industry. The stimulus package provided by the policy makers will be effective when the cli-

mate within organizations become conducive for enhanced performance.

The economic slowdown also brought the spectre of downsizing and lay-offs. Earlier research suggests that downsizing negatively affects trust (Buch & Aldrige 1991), increase in fear, high level of uncertainty, and chaos (Tombaugh & White 1990). Apart from the adverse changes in work characteristics and a long lasting decline in self rated health it also led to decreased job control, high job insecurity, increased physical demands and the general health of employees (Kivimaki et al. 2001), negative effect on the affective commitment of employees (Lee & Corbett 2006). Burke and Cooper (2000) observed that organizational restructuring, downsizing, and privatization in developed world have had devastating effect on a large number of employees.

**Organizational restructuring, downsizing, and privatization in developed world have had devastating effect on a large number of employees.**

The present paper investigates the impact of financial meltdown, which had increased uncertainty, and fear of downsizing and lay-offs on the perception of organizational health, stress and commitment among the personnel from two broad sectors. Based on the analysis provided by Prasad and Reddy (2009) we may broadly categorize organizations into two sectors. First, organizations that were directly hit by the recession (e.g.,

information technology, business process outsourcing, financial, export oriented small and medium sized firms, etc.) because of their strong linkages with international financial sectors and the clientele base. These organizations formed the vulnerable sectors both in popular opinion and by experts. Second, organizations which were relatively immune to the international financial crisis because of very low linkages with international finance or clientele and are concentrated on largely the domestic clientele and internal finance (e.g., railways).

### **Perceived Organizational Health**

Organizational health implies that an organization is able to optimize the effectiveness and the well-being of its employees, and cope effectively with both internal and external changes (Lindstrom et al. 2000). Healthy organizations have a congruence of values and rules with everyday practices reflecting these values and rules (Cooper & Cartwright 1994, Cox & Leiter 1992). The healthy organization model has included personal job satisfaction related to the effectiveness of the organization. Lim & Murphy (1997) found two pathways leading to organizational health; organizational climate and values had an influence on organizational effectiveness, and organizational practices explained job satisfaction and stress. Thus, organizational health determines an organization's ability to function effectively within the business environment, to cope adequately with the changes imposed by the external environment, and

to grow from within. Shoaf et al. (2004) in their study of improving performance and quality of working life focused on the promotion of worker well being. Contemporary business improvement initiatives have sought to optimize effectiveness through work processes. In a study of small and medium sized organizations, Lindstrom et al (2000) found that employees' perception of their job and organizational characteristics and wellbeing was associated with company effectiveness.

**Contemporary business improvement initiatives have sought to optimize effectiveness through work processes.**

### **Organizational Commitment**

Organizational commitment is the degree to which an employee identifies with a particular organization and its goals, wishes to maintain membership in the organization, and expresses willingness to invest personal effort for the sake of the organization (Mowday, Porter, & Steers 1982, Cook & Wall 1980). Meyer & Allen (1997) have categorized the factors affecting organizational commitment into three classes, personal characteristics, work experiences, and organizational characteristics. Job stress is one of the constituents of work experience factor and negatively affects commitment (Morris & Sherman 1981). Similarly, organizational climate, which is part of the organizational characteristics, significantly affects organizational commitment (Tao et al. 1998). When

members of the organization are satisfied with their organizational environment, they report greater organizational commitment (Andolsek & Stebe 2004). In a transnational survey of the manufacturing plants of three large automobile companies across 42 countries organizational climate and organizational commitment showed strong relationship (McMurray, Scott & Pace 2004). Panag (2008) in a study of 247 middle level managers from Indian organizations reported that variables of HRD climate, namely career planning, appraisal, job enrichment and organizational development significantly predicted employee commitment whereas variables like participation, succession planning, counselling, training and reward and welfare do not predict organizational commitment. In a similar effort, DeClercq & Rias (2007), from a survey on 863 small and medium sized Mexican firms, found that employee commitment significantly related to their perception of organizational climate. The research also revealed a positive relationship between organizational commitment and employee effort. In a significant meta-analytic review Meyer et al. (2002) found that the three forms of commitment (affective, continuance, and normative) are related yet distinguishable from one another. All three forms of commitment related negatively to withdrawal cognition and turnover. Affective commitment had the strongest and most favourable correlations with attendance, performance, organizational citizenship behaviour, and stress and work-family conflict. Normative commitment was also associated with desirable outcomes, albeit not as strongly.

In the Indian context, Patel (1998) reported a positive relationship between organizational health and organizational commitment among employees of private sector manufacturing organization. Mankanjee, Hartzler, & Uys (2004) tried to determine the extent to which perceived organizational support influenced commitment of radiographers to the organization, to reduce turnover intent and quality of service rendered. A positive correlation was found between various antecedents of perceived organizational support and organizational commitment indicating that perceived organizational support positively influenced radiographers' organizational commitment. Tang et al. (2006) in their study of the mediating roles of perceived organizational support and procedural justice found that there is a positive relationship between effective Human Resource Management (HRM) practices and procedural justice perceptions, perceived organizational support and organizational commitment. Michael et al. (2005) suggest that management commitment to safety is positively related with job satisfaction, organizational commitment, and job related performance. The findings suggest that low organizational stress is related to the organizational commitment. Moreover, the different aspects of organizational health and climate also determine the organizational commitment of the employee.

### **Organizational Stress**

Stress faced by professional workers is substantial. For many professionals, it is intrinsic to the job itself, where

competing demands and pressures cannot be escaped. The sheer volume of work can also be overwhelming at times, whether one is a social worker, teacher, doctor or manager. Anyone in this kind of job knows, either from their own direct experience or from observing colleagues, that stress can have very serious consequences. It can develop into a living nightmare of running faster and faster to stay in the same place, feeling undervalued, feeling unable to say 'no' to any demand but not working productively on anything. The signs of stress can include sleeplessness, aches, pains and often, other physical symptoms of anxiety about going to work. Chronically stressed people do not make pleasurable co-workers (Cordes & Dougherty 1993). They may be irritable, miserable, lacking in energy and commitment, self-absorbed. They may find it hard to concentrate on any one task and consequently lose the trust reposed by co-workers and superiors.

**Stress faced by professional workers is substantial.**

Kang and Singh (2006) in their effort to identify frequently reported stress symptoms among employees and to assess the magnitude of various organizational stressors found poor interpersonal relationship as the biggest source of stress, followed by poor organizational structure and climate, work inhibitors, rigid rules, and inconsiderate supervisors. Aziz (2006) found two aspects of the management of occupational stress; one, is coping, which is the individual

effort of the employees to manage stress at a personal level; and the other is the organizational intervention - efforts of the organization to manage stress among its employees. Modekurti and Chattopadhyay (2008) studied the relationship between organizational role stress and life satisfaction level among nurses. The result shows that intense work climates contribute to higher stress and lower life satisfaction levels. Organizational interventions in terms of proactive leader behaviour may help developing intrinsic reward system, focusing on personal importance and integrating the individual and organizational goals, which may be the key in changing organizational climate and consequently the perceived stress (Dale & Fox 2008).

**In terms of vulnerability during the melt down IT/Finance companies were the most vulnerable as they had maximum exposure to foreign businesses and funds.**

During the last financial crisis, there was a differential impact on Indian organizations. Organizations that had exposure to US markets were more vulnerable. The present study aimed at measuring employee stress across sectors during the period of global financial crisis and its impact on the perception of organizational health, commitment across different types of organizations (Information Technology (IT)/finance, manufacturing, and railways). In terms of vulnerability during the melt down IT/Finance companies were the most vulnerable as they had maximum exposure

to foreign businesses and funds. The second most vulnerable organizations were the subsidiaries of foreign (US/European) manufacturing companies that were fully dependent on their companies for resources. The third vulnerable set of organizations was the domestic small and medium industry that depended to a little degree on foreign funds or buyers. The least vulnerable was the group which neither depended on foreign funds nor foreign customers (e.g., railways). We wanted to compare the impact of meltdown on the perception of organizational health, organizational commitment, and stress levels across these sectors.

Based on the review of the literature we developed the following hypotheses:

1. Dimensions of perceived organizational health and organizational commitment will have significant negative relationship with organizational stress.
2. Dimensions of perceived organizational health will be significant predictors of organizational commitment.
3. Dimensions of perceived organizational health will be significant predictors of organizational stress.
4. There will be significant differences across sectors on the dimensions of perceived organizational health, organizational stress, and organizational commitment. More vulnerable the sector is greater will be perceived employee stress, lower commitment

and lower level of perceived organizational health.

### **Sample**

The organizations covered in this study were; three firms in software development, one firm in share broking and related financial services (these were IT/finance sector and constituted the most vulnerable group). The second group characterized a vulnerable group were subsidiaries of multinational manufacturing companies (in the automobile and precision engineering business). The third group, considered as moderately vulnerable group comprised three small and medium-scale manufacturing organizations. The last group was different units of western railways. All these organizations have their units in and around Vadodara, Gujarat.

The sample consisted of 244 respondents from all the four categories of organizations, namely Indian SMEs in the manufacturing sector (n = 52), IT/Finance (n = 67), foreign subsidiaries in the manufacturing sector (n = 63), and railways (n = 62). The age of the employee varied between 22 and 59 years, out of which 56% are below 30 and 22% above 50. The total sample consists of 75% of males and 25% of females. Almost half of the employees are married (55.5%). Considering the number of years they have spent with the organization, 58.8% said they have less than 5 years of experience whereas, 38.8% reported they have more than 5 years of job experience with the present organization.

### **Measures**

The questionnaire consisted of three measures, apart from the section containing questions on demographic information. The three measures included in the questionnaire were Organizational Health, Organizational Stress, and Organizational Commitment.

*Organizational Health Measure:* Sayeed's (1997) questionnaire consists of 30 items to measure seven dimensions of the organizational health. All items are rated on a five-point scale ranging from 5 (definitely true) to 1 (definitely false). The seven dimensions were; Managerial Efficiency (ME), Practicality and Problem Solving (PPS), Organizational Adequacy Vs Slack (OAS), Amicable Power Relation (APR), HRD Orientation and Practice (HRDOP), Team Orientation (TO), Organizational Values (OV). Total scores on each dimension were calculated by adding the scores on the items in each dimensions divided by number of items in the dimension. The dimensions exhibited moderate to high level of internal consistency (reliability) as measured by Cronbach alpha (Table 1).

*Organizational Stress Questionnaire:* The inventory constructed by Singh (1997) consists of 33 items covering 10 dimensions of stress, namely, lack of group cohesiveness, role conflict, feeling of inequality, role ambiguity, role overload, lack of supervisory support, constraints of change and rule regulations, job difficulty, job requirement-capability mismatch, and inad-

**Table 1: Correlation, Means & Standard Deviations, and Cronbach alpha of all Variables**

Variables	1	2	3	4	5	6	7	8	9
1. Organizational Stress	1.00								
2. Managerial Efficiency	-0.31	1.00							
3. Practicality and Problem	-0.48	0.36	1.00						
4. Organizational Adequacy vs Slack	-0.25	0.20	0.17	1.00					
5. Amicable Power Relation	-0.26	0.12	0.26	0.02	1.00				
6. Team Orientation	-0.35	0.59	0.50	0.29	0.18	1.00			
7. HRD Orientation and Practice	-0.35	0.43	0.57	0.18	0.09	0.57	1.00		
8. Organizational Values	-0.23	0.13	0.25	0.09	0.36	0.17	0.07	1.00	
9. Organizational Commitment	-0.46	0.33	0.35	0.21	0.18	0.40	0.35	0.13	1.00
Mean	2.51	3.94	3.86	3.55	3.49	3.88	3.69	3.46	3.65
Std. Deviation	0.38	0.86	0.70	0.64	0.61	0.72	0.79	0.68	0.51
Cronbach alpha	0.85	0.58	0.76	0.64	0.72	0.74	0.68	0.67	0.82

Note - All correlations are significant ( $\alpha = .01$  level) except the figures in italics

equacy of role authority. The responses are recorded on a five point scale ranging from 1(true to almost no extent) to 5 (true to very great extent). All the dimensions showed moderate to a high degree of reliability ranging from 0.63 to 0.90. The total scale had a reliability of 0.85. To calculate the total scores all items were added and divided by total number of items in the dimension.

*Organizational Commitment Instrument:* This measure consisted of 15 items on a five point rating scale that measures organizational commitment (Balaji 1986) and is widely used in organizational behaviour research in India. The items were rated on a five-point scale ranging from 1 (completely disagree) to 5 (completely agree). The score on organizational commitment was derived by dividing the total score by number of items. The scale exhibited a very high degree of reliability as measured by Cronbach alpha (Table 1).

## Procedure

The organizations were approached for permission and after securing permission, employees were contacted personally. Most of the participants were willing to fill up the questionnaire. In case of queries, researchers took time to explain the points. Overall 244 questionnaires were collected which included executives, managers, and workers, etc. The respondents were told that there was no right or wrong answers. The average time required to fill up the questionnaire was 30-35 minutes.

Apart from the survey data collected, to gain an insight of the situation existing in these organizations 20 top management executives (mostly Managing Directors or General Managers) in decision making positions in these organizations were interviewed before the survey data collection. These executives had seven broad questions regarding the meltdown, its impact on the organization, and organizational reactions.

**Results**

Data were analyzed using SPSS package. Means, Standard Deviations, and Inter-correlations of the study variables are presented in Table 1. Results suggest that Organizational Stress has strong negative correlation with all the dimensions of Organizational Health and Organizational Commitment. Irrespective of the sector from which the respondents are, their positive perception of organizational health is significantly correlated to employees' organizational commitment.

**Three dimensions of perceived Organizational Health contributed significantly to the predictor of stress; namely Practicality and Problem Solving, Organizational Adequacy vs. Slack and Amicable Power Relation.**

To test the relationship of the dimensions of perceived Organizational

Health and Organizational Stress a regression analysis was carried out with the dimensions of perceived Organizational Health as predictors and Organizational Stress as the dependent variable. Using dimensions of a single construct as predictors in regression analysis is often fraught with the problem of multi-collinearity. We examined the Value Inflation Factors (VIFs) of all predictor variables to judge the extent of multi-collinearity. The VIFs were much below the acceptable maximum limit of 10 recommended by Haire et al. (1998). The multiple R was significantly different from zero;  $F(7, 236) = 13.81, p < .001$ . Three dimensions of perceived Organizational Health contributed significantly to the predictor of stress; namely Practicality and Problem Solving, Organizational Adequacy vs. Slack and Amicable Power Relation. The negative Beta Coefficients suggest that higher the scores on perceived Practicality and Problem Solving skills present in the organization, higher degree of perceived organizational adequacy to meet challenges of the external environment, and greater is the amicable Power Relation within the organization lower will be the Organizational Stress experienced by the employees. All the seven dimensions together explained about 30% of the total variation in Organizational Stress. The results are presented in Table 2.

**Table 2: Regression Analysis: Organizational Stress as Dependent Variable and Dimensions of Organizational Health as Predictors**

Variables (Constant)	Beta	Tolerance	VIF
Managerial Efficiency	-0.098	0.636	1.572
Practicality and Problem Solving	<b>-0.316</b>	0.585	1.709
Organizational Adequacy vs Slack	<b>-0.144</b>	0.911	1.098
Amicable Power Relation	<b>-0.122</b>	0.830	1.206
Team Orientation	-0.007	0.484	2.064
HRD Orientation and Practice	-0.086	0.550	1.818
Organizational Values	-0.079	0.831	1.203
Dependent Variable: Organizational Stress			
R	<b>0.547</b>		
R Square ( $F = 13.81, df = 7, 226$ )	0.300		

Note: Bold figures are significant at 0.05 level.

A regression analysis was carried out with the dimensions of perceived Organizational Health as predictors and Organizational Commitment as the dependent variable. There was no problem of multi-collinearity as the VIFs were all below 2.3. The multiple R was significantly different from zero;  $F(7, 236) = 11.83, p < .001$ . Only two dimensions of perceived Organizational Health contributed significantly to the predictor of Commitment; namely Organizational Adequacy vs. Slack and Team Orientation. The positive Beta Coefficients suggest that higher the scores on perceived Organizational Adequacy to meet challenge of the external environment, and greater the Team

Subsidiaries (Manufacturing), and Railways a one-way analysis of variance test was carried out on all the variables. Of the nine variables, there was a significant difference of mean score on seven variables. A post-hoc New-man Keuls test suggests that employees of Western Railways had significantly higher scores on perceived Managerial Efficiency, Practicality and Problem Solving, Organizational Adequacy vs. Slack Team Orientation, Organizational Commitment and were significantly lower on Organizational Stress. The results are presented in Table 4.

**Table 3: Regression Analysis: Organizational Commitment as Dependent Variable and Dimensions of Organizational Health as Predictors**

Variables (Constant)	Beta	Tolerance	VIF
Managerial Efficiency	0.053	0.666	1.501
Practicality and Problem	0.131	0.574	1.741
Organizational Adequacy vs Slack	<b>0.135</b>	0.892	1.121
Amicable Power Relation	0.119	0.826	1.211
Team Orientation	<b>0.180</b>	0.476	2.099
HRD Orientation and Practice	0.136	0.531	1.882
Organizational Values	0.022	0.809	1.236
Dependent Variable: Organizational Commitment			
R	<b>0.51</b>		
R Square ( $F = 11.83, df = 7, 226$ )	0.26		

Note: Bold figures are significant at 0.05 level.

Orientation within the organization higher will be the Organizational Commitment experienced by the employees. All the seven dimensions together explained about 26% of the total variation in Organizational Commitment. The results are presented in Table 3.

### Comparison across Organizations

In order to understand the difference in the perception of Organizational Health, Organizational Stress and Organizational Commitment of employees of Indian SMEs (Manufacturing), IT/Finance, Foreign

### Responses to the Open-ended Interviews

The results of the open-ended interview are presented in Table 5. When the respondents were asked whether their organization was affected by the global meltdown, a majority (87.5%) answered in the affirmative. When questioned about their organizational response about 80% of the respondents said that they are trying to cope with it

**Table 4: Results of One-way Analysis of Variance (ANOVA)**

Organizational Type	INDIAN SME (Manufacturing) n = 52		IT/Finance n = 67		Foreign Subsidiaries (Manufacturing) n =63		Railways n = 62		F Values (df = 3,238) N=244
Variables	Mean	SD	Mean	SD	Mean	SD	Mean	SD	
Managerial Efficiency	3.86	0.79	3.81	0.94	3.90	0.75	<b>4.40</b>	0.66	<b>5.499</b>
Practicality and Problem	3.72	0.85	3.78	0.79	3.80	0.61	<b>4.17</b>	0.57	<b>3.843</b>
Organizational Adequacy vs Slack	3.64	0.56	3.51	0.65	3.42	0.73	<b>3.80</b>	0.43	<b>3.799</b>
Amicable Power Relation	3.36	0.52	3.45	0.79	3.40	0.59	3.70	0.39	2.598
Team Orientation	3.66	0.75	3.86	0.79	3.81	0.68	<b>4.26</b>	0.59	<b>5.398</b>
HRD Orientation and Practice	3.50	0.66	3.47	0.87	3.72	0.73	<b>4.18</b>	0.61	<b>9.055</b>
Organizational Values	3.37	0.92	3.48	0.77	3.42	0.60	3.47	0.59	0.220
Organizational Commitment	3.72	0.44	3.58	0.52	3.51	0.58	<b>3.98</b>	0.39	<b>8.802</b>
Organizational Stress	2.58	0.35	2.52	0.40	2.59	0.40	<b>2.31</b>	0.27	<b>5.451</b>

Note: Bold figures are significant at 0.05 level (New-man Keul's test)

Indian SMEs in the manufacturing sector (n = 52), IT/Finance (n = 67),

Foreign Subsidiaries in the Manufacturing sector (n =63), and Railways (n = 62)

and about 63% said that their organization has implemented some form of strategy or brought in policy level changes to cope with the demands of global meltdown. Almost everybody agreed that their organizations need to take good care of the employees during the time of recession and that the HR department

has specific role during the recession for enhancing employee morale (94%). A large majority (65%) also agreed that the HR considered to be important in the current global scenario. Interestingly, none of these organizations were contemplating downsizing immediately as a response to the financial crisis.

**Table 5: Responses to Exploratory Questions**

Seven Major Exploratory Questions

A. Is your organization affected by the Global meltdown? (87.5%)

Ways in which it has affected the organization

1. Production Decrease
2. Risk factors of export business has increased widely
3. There has been decrease in product price and selling

- 
4. Negatively affecting the target profit and decrease in profit
  5. Decrease in employee's salary, cost cutting and facility
  6. Expansion has been stopped and no new business plan
  7. There is decrease in Job security
- 

B. How are you trying to cope up with it? (80%)

---

Coping Mechanisms

1. Increase our quality and marketing
  2. More domestic business
  3. Arranging the business strategies
  4. Decrease in other cost
  5. Starting training programs to cope with situations
  6. Increase the employee efficiency and make the employee aware regarding the situation
- 

C. Has your organization implemented any strategy or policy level changes to cope with the demands of global meltdown (63%)

---

Policy level changes implemented

1. Focusing more on domestic business
  2. Transaction only with minimum risk
  3. Cost-cutting & saving money
  4. Cutting down employee's salary
  5. Decrease in the production
  6. Changing the existing policy
  7. Giving fixed targets to employees to achieve
- 

D. Do you think that the organization needs to take good care of the employees during the time of recession? (100%)

---

E. Do the HR department has specific role during the recession for enhancing employee morale? (94%)

---

F. Is the role of HR considered to be important in the current global scenario? (65%)

---

Role that HR should play in the current scenario

1. To train the employees in such a way that they can easily adopt to the change
  2. Make the employees aware and appraise the current global situation
  3. Cost-cutting
- 

Note: Figures in parenthesis indicate percentage of affirmative response.

**None of these organizations were contemplating downsizing immediately as a response to the financial crisis.**

## Discussion & Conclusion

Our first hypothesis that dimensions of perceived Organizational Health and Organizational Commitment will have

significant negative relationship with Organizational Stress was examined through correlation coefficients, which confirmed our hypothesis. The findings are in line with recent findings that dimensions of Organizational Stress (i.e., Role Conflict, and Role Ambiguity) had a significant impact on the Organizational Commitment (Lambert et al. 2005). Similar studies by Andolsek and Stebe (2004) suggest that employees'

positive perception of organizational climate and environment is correlated with organizational commitment. In line with earlier studies the present study suggests that employees who believe in Managerial Efficiency, Practicality and Problem Solving Ability of the organization, Organizational Adequacy and, Values, HRD and Team Orientation in the organization and Amicable Power Relation show high Organizational Commitment. Similar findings were also reported by Patel (1998).

The second hypothesis that the dimensions of perceived Organizational Health will be significant predictors of Organizational Commitment was confirmed through the regression analysis. However, we found that only two variables uniquely contributed to the overall regression coefficient; namely, Organizational Adequacy vs. Slack, and Team Orientation. This suggest that when employees perceive that organization is adequately capable of anticipating problems, dealing with the issues of employee conflict, or other forms of slackness within the organization, they tend to exhibit a higher level of commitment. Similarly, Team Orientation, which involves, team spirit a collaborative environment, and healthy competition among employees contributes to Organizational Commitment.

The third hypothesis that the dimensions of perceived Organizational Health will be significant predictors of Organizational Stress was also confirmed through regression analysis. The result suggested that problem anticipation

within dealing with slackness, practicality and problem solving skills within the organization uniquely contributed to lowering of stress.

**More vulnerable the sector is greater will be perceived Employee Stress, lower Commitment and lower level of perceived Organizational Health.**

We had hypothesized that there will be significant differences across sectors on the dimensions of perceived Organizational Health, Organizational Stress, and Organizational Commitment. More vulnerable the sector is greater will be perceived Employee Stress, lower Commitment and lower level of perceived Organizational Health. The results confirmed our hypothesis. Except Team Orientation and Organizational Values the organizations differed significantly on all other dimensions of Organizational Health as well as Organizational Commitment and Organizational Stress. We were successful in demonstrating empirically that more the organization is perceived to be vulnerable in the face of a crisis the greater is the degree of stress experienced by the employees and it also contributes to the lowering of Organizational Commitment. It should be noted that none of these organizations had gone for restructuring and downsizing, the top managers reiterated that there was no plan for downsizing in the wake of the global financial crisis. However, the employees in the perceived vulnerable organizations showed lower level

of Organizational Commitment, experienced higher degree of stress, and perceived their organization to be lower on different dimensions of Organizational Health.

## References

- Andolsek, D. M. & Stebe, J. (2004), "Multinational Perspectives on Work Values and Commitment", *International Journal of Cross Cultural Management*, 4 (2): 181-209.
- Balaji, C. (1997), "Organizational Commitment Instrument (OCI)", In D. M. Pestonjee (Ed.) *Third Handbook of Psychological and Social Instruments*, New Delhi: Concept Publishing.
- Bruke, R.T. & Cooper, C. L. (2000), *Downsizing, Restructuring and Privatization*, New York, Wiley-Blackwell.
- Buch, K. & Aldrige, J. (1991), "OD under Conditions of Organization Decline", *Organization Development Journal*, 9(1): 1-5.
- Cook, J. & Wall, T. (1980), "New Work Attitude Measures of Trust, Organizational Commitment and Personal Need Non-fulfilment", *Journal of Occupational Psychology*, 53(1): 39-52.
- Cooper, C. L. & Cartwright, S. (1994), "Healthy Mind, Healthy Organization: A Proactive Approach to Stress Management", *Human Relations*, 47(4): 455-71.
- Cordes, C. L. & Dougherty, T. W. (1993), "A Review and an Integration of Research on Job Burnout", *The Academy of Management Review*, 18(4): 621-56.
- Cox, T. & Leiter, M. (1992), "The Health of Healthcare Organizations", *Work & Stress*, 6: 219-27.
- Dale, K., & Fox, M. L. (2008), "Leadership Style and Organizational Commitment: Mediating Effect of Role Stress", *Journal of Managerial Issues*, 20(1): 109-30.
- Declercq, D., & Kius, I. B. (2007), "Organizational Commitment in Mexican Small and Medium Sized Farms: the Role of Work Status, Organizational Climate and Entrepreneurial Orientation", *Journal of Small Business Management*, 45: 467-90.
- Gopalkrishnan, S. (2009), Personal Interview Given to IANS on 16th April, 2009
- Hair, J. F., Anderson, R. E., Tatham, R. L. & Black, W. C. (1998), *Multivariate Data Analysis* (fifth edition), New Jersey: Prentice-Hall.
- Kang, L.S. & Singh, C.R. (2006), "Stress at Work: an Assessment of the Magnitude of Various Organizational Stressors", *Indian Journal of Industrial Relations*, 42(2): 190-202.
- Kivimäki, M., Vahtera, J., Pentti, J., Thomson, L., Griffiths, A., and Cox, T. (2001), "Downsizing, changes in work, and self-rated health of employees: A 7-year 3-wave panel study" *Anxiety Stress, and Coping*, 1 (14), 59-73.
- Lambert, E. G., Hogan, N. L. Paoline, E. A. & Clarke, A. (2005), "The Impact of Role Stressors on Job Stress, Job Satisfaction and Organizational Commitment among Private Prison Staff", *Security Journal*, 18(4): 33-50.
- Lee, J. & Corbet, M. (2006), "The Impact of Downsizing on Employees' Affective commitment", *Journal of Managerial Psychology*, 21(3): 176-99.
- Lim, S. & Murphy, L. (1999), "The Relationship of Organizational Factors to Employee Health and Overall Effectiveness", *American Journal of Industrial Medicine*, 36(Suppl. 1): 64-65.
- Lindstrom, K., Schrey, K., Ahonen, X. & Kaleva, S. (2000), "The Effects of Promoting Organizational Health on Worker Well-being and Organizational Effectiveness in Small and Medium-sized Enterprises", in L. Murphy & C. Cooper (Eds.), *Healthy and Productive Work*, London: Taylor & Francis.

- Makanjee, C. R., Hartzler, Y.F. & Uys, I. L. (2004), "The Effect of Perceived Organizational commitment of Diagnostic Imaging Radiographers", *Radiography*, 2(2): 118-26.
- McMurray, A. J., Scott, D. R. & Pace, W. (2004), "The Relationship between Organizational Commitment and Organizational Climate in Manufacturing", *Human Resource Development Quarterly*, 155 (4): 473 - 88.
- Meyer, J. P. & Allen, N. J. (1997), *Commitment in the Workplace: Theory, Research and Applications*, Thousand Oaks, C. A., Sage Publication.
- Meyer, J. P., Stanley, D. J., Herscovitch, L. & Topolnitsky, L. (2002), "Affective, Continuance and Normative Commitment to the Organization: A Meta-Analysis of Antecedents, Correlates, and Consequences," *Journal of Vocational Behavior*, 61(1): 20-52.
- Modekurti, M. & Chattopadhyay, R. (2008), "The Relationship between Organizational Role Stress and Life Satisfaction Levels among Women Employees: An Empirical Study", *The Icaifan Journal of Management Research*, 5: 25-34.
- Morris, J.H. & Sherman, J.D.(1981), "Generalizability of an Organizational Commitment Model", *Academy of Management Journal*, 24: 512-26.
- Mowday, R. T. Porter, L.W. & Steers, R.M. (1982), *Employee Organizational Linkage: The Psychology of Commitment, Absenteeism and Turnover*, SanDiego, C.A. Academic Press.
- Sayeed, O. B. (1997), "Organizational Health Inventory", in Dalpat S.Sarupria, T.V.Rao, & P.Sethumadhavan (Ed.), *Measuring Organizational Climate*, Ahmedabad: Academy of Human Resources.
- Panag, P. (2008), "Dimensions of HRD Climate Enhancing Organizational Commitment in Indian Organizations", *Indian Journal of Industrial Relations*, 43(4): 528-46.
- Patel, M. K. (1998), "A Study of Organizational Health and Organizational Commitment among Industrial Employees", *Journal of Indian Association of Applied Psychology*, 24(1-2): 63-7.
- Prasad, A. & Reddy, C. P. (2009), "Global Financial Crisis and Its Impact on India", *Journal of Social Science*, 21(1): 1-5.
- Sayeed, O. B. (1996), "Organizational Health Questionnaire", in, T.V. Rao, D. Sarupria & M. P. Sethumadhavan.(Eds.), *Organizational Culture & Climate*, HRD Academy Publications, Ahmedabad.
- Shoaf, C., Genaidy, A., Karwowski, W. & Huang, S.H. (2004), "Improving Performance and Quality of Working Life: A Model for Organizational Health Assessment in Emerging Enterprises", *Human Factors in Ergonomics & Manufacturing Archive*, 14(1): 81-95.
- Singh, S. (1997), "Organizational Stress Questionnaire (OSQ)", in D. M. Pestonjee (Ed.) *Third Handbook of Psychological and Social Instruments*, New Delhi: Concept Publishing
- Tang, R., Restubog, S., Rodriguez, J. & Cayayan, P. (2008), "The Impact of Human Resource Management Practices on Organizational Commitment: Investigating the Mediating Roles of Perceived Organizational Support and Procedural Justice", *Philippine Journal of Psychology*, 39(1). Retrieved January 26, 2010, from <http://philjol.info/philjol/index.php/PJP/article/view/107>
- Tao, M., Takagi, H., Ishida, M. & Masuda, K. (1998), "A Study of Antecedents of Organizational Commitment", *Japanese Psychological Research*, 40(4): 198-205.
- Tombaugh, J. R. & White, L. P. (1990), "Downsizing: An Empirical Assessment of Survivors' Perceptions in a Post Lay off Environment", *Organizational Development Journal*, 8: 32-43.