



Moderating Effects of Organization-Based Self-Esteem on Organizational Uncertainty: Employee Response Relationships

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The present study examined the moderating effects of organization-based self-esteem on the relationship between two forms of organizational uncertainty perception and three outcome variables. The two forms of organizational uncertainty perception were job insecurity and anticipation of organizational changes, and the three outcomes were intrinsic motivation, organizational commitment, and absenteeism. Results supported the moderating effects of organization-based self-esteem. It was found that employees with high levels of organization-based self-esteem were less responsive to the perception of organizational uncertainty. Moreover, it was found that the moderating effects of organization-based self-esteem differed across outcome variables. © 2000 Elsevier Science Inc. All rights reserved.

The quest for certainty is not only a philosophical assumption behind many human activities, but has been adopted in many organizational studies. For example, researchers have argued that most people possess an intrinsic need for self-determination (Deci, 1975). Self-determination is the notion that a person is in control of one's own destiny. When this belief of control is threatened, one is motivated to restore such control, and failure to do so may lead to undesirable consequences. This sense of control has also been conceptualized as personal control (Greenberger & Strasser, 1986). Personal control was defined by Greenberger and Strasser as a psychological construct reflecting "an individual's beliefs, at a given point in time, in his or her ability to effect a change, in a desired direction, on the environment" (Greenberger & Strasser, 1986: 165). Low levels of personal control have been found to be related to undesirable emotional and

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behavioral consequences (e.g., Greenberger & Strasser, 1986, 1991; Greenberger, Strasser, Cummings, & Dunham, 1989; Greenberger, Strasser, & Lee, 1988).

In a meta-analysis conducted by Spector (1986) on perceived control (operationalized as the degree of autonomy or participation in decision making), perceived control was found to be associated with outcomes such as job satisfaction, organizational commitment, motivation, absenteeism, performance, physical and psychological symptoms of stress, among others. The current study examined three outcomes: the first two were attitudinal outcomes, intrinsic motivation (e.g., Mitchell, 1974; Vroom, 1964) and organizational commitment (Mowday, Steers, & Porter, 1979). Intrinsic motivation denotes the relationship between a person and his/her job itself and organizational commitment denotes the relationship between a person and his/her organization. The third outcome, absenteeism, was a behavioral outcome. The physical and psychological symptoms of stress or perceived control may relate to individual withdrawal behavior, such as absenteeism.

In this article, we propose that perceived control plays an important role on the relations of uncertainty perception and outcomes. Because of the need for certainty and control, perception of uncertainty is more likely to be interpreted as a negative experience than as an opportunity for employees. Thus, an important research issue deals with the nature of uncertainty perceptions and how to alleviate the negative effects of such perceptions. This study considered two sources of uncertainty perception that should be related to organizational outcomes. Uncertainty perception in an organizational context was operationalized as job insecurity (Greenhalgh & Rosenblatt, 1984) and anticipated organizational changes (Ashford, Lee, & Bobko, 1989; Greenhalgh & Rosenblatt, 1984).

Job Insecurity and Anticipated Organizational Changes

There are a number of sources of uncertainties for organizational employees nowadays. In his book *Future Shock*, Toffler suggested that change was sweeping through industrialized western society with "waves of ever accelerating speed and unprecedented impact" (Toffler, 1970: 9). Such changes had not stopped in this century. Instead, they seemed to be ongoing. Johnson and Packer (1987) observed the prevalence of organizational cost cutting, downsizing, or mergers now confront many modern-day organizations. In a study of layoff survivors, Brockner, Grover, Reed, & Dewitt (1992) found layoff-produced job insecurity influences survivors' work effort in an inverted-U shape fashion, especially among those with high economic need to work. Thus, two of the more important sources of uncertainty for organizational employees are related to organizational changes and job insecurity perceptions. These changes and perceptions can have many implications for employees, including their job security, and their perception of the organization's future, among others. In the present study, we examined two different forms of organizational uncertainty that are likely to be induced by organizational changes: job insecurity and anticipated organizational changes.

Consistent with Greenhalgh and Rosenblatt (1984), we defined job insecurity as the lack of control to maintain desired continuity in a threatened job situation.

Job insecurity is important because it deals with the continuing existence or survival of an organizational member within an organization (e.g., Greenhalgh & Rosenblatt, 1984; Jacobson, 1991). Loss of one's job implies loss of one's organizational membership. Underlying job insecurity is the notion that there is uncertainty in one's job situation, and that control over one's own destiny of the job situation is threatened. Despite its importance, it has been lamented that "academicians have not yet given [job insecurity] adequate theoretical or empirical attention" (Ashford et al., 1989: 804).

Research has found that uncertainty perception is related to attitudinal variables. For example, job insecurity has been found to be negatively related to job satisfaction (e.g., Ashford et al., 1989; Oldham, Julik, Ambrose, Stepina, & Brand, 1986; Van Vuuren, Klandermans, Jacobson, & Hartley, 1991) and organizational commitment (e.g., Ashford et al., 1989; Kuhnert & Vance, 1992; Rosenblatt & Ruvio, 1996; Steers, 1977; Van Vuuren et al., 1991). Even though job satisfaction is a much more inclusive construct than intrinsic motivation, both constructs represent a person's affect towards the job.

Research has also found that uncertainty perception is related to behavioral variables. For example, perceived job insecurity has been found to relate positively to somatic complaints, such as lack of sleep (e.g., Ashford et al., 1989; Taber, Walsh, & Cooke, 1979), and intent to quit (Ashford et al., 1989; Rosenblatt & Ruvio, 1996). Other than Schweiger and Lee (1993), no study has directly addressed the relationship between job insecurity and absenteeism. Job insecurity or assumptions about employment may be associated with employee's lack of trust in the formal and psychological contract (Nicholson & Johns, 1985). Absence may manifest as a withdrawn behavior from this negative work experience. Lastly, a threatened employee is likely to seek better opportunities and personal future by leaving the organization (Greenhalgh & Sutton, 1991; Jacobson, 1985). In the present study, we used absenteeism as the behavioral outcome because it signals employee withdrawal or coping behavior.

Similar to job insecurity, anticipated organizational changes involved the perception of uncertainty within organizational contexts. Anticipated organizational changes differ from job insecurity, however, in that the former deals with the global perception of uncertainty regarding the organization itself, whereas the latter deals with perception of uncertainty regarding the job one holds. Major organizational changes can take the form of, for example, downsizing, restructuring, and merging, and have been found to be related to anxiety and stress (e.g., Jick, 1985; Leana & Feldman, 1992; Romzek, 1985; Schweiger & Ivancevich, 1985). In interviewing middle managers of a downsized financial services firm, O'Neill and Lenn (1995) reported that the middle managers expressed anger, withdrawal and skepticism as they evaluate and implement the company's restructuring strategy. Further, in a longitudinal field experiment, Schweiger and DeNisi (1991) noted that with mergers, uncertainty perception increases. The increase in uncertainty perception is associated with a rise in stress, a decrease in satisfaction, commitment, intentions to remain with an organization, and perceptions of the organization's trustworthiness, honesty, and caring.

Anticipation of organizational changes is not identical to actual organizational changes. Furthermore, organizational changes may or may not have direct impact on one's job. We propose, however, that because the perception of uncertainty is not preferable by most people, anticipated organizational changes may have important and similar outcomes as perceived job insecurity. For example, feelings of anxiety and stress, as sources of uncertainty, have been found to have profound impact on employees' attitudinal and physiological outcomes (Doby & Caplan, 1995; Fox & Ganster, 1993; Ganster, 1991; Jick, 1985; Leana & Feldman, 1992; Matteson & Ivancevich, 1987).

Organization-Based Self-Esteem (OBSE)

When one perceives uncertainty in one's job (i.e., job insecurity) and in the organization (i.e., anticipated organizational change), there may be undesirable attitudinal and behavioral outcomes. A key objective of the present study is to review the moderating role of organization-based self-esteem on perceived uncertainty and employee response relationships. Pierce, Gardner, Dunham, and Cummings (1993) is the first study that proposed and examined organization-based self-esteem as an individual difference moderator. For example, Greenhalgh and Rosenblatt (1984) suggested that locus of control may be a moderator on the relationship between job insecurity—a specific form of perception of organizational uncertainty—and its outcomes. Greenhalgh and Rosenblatt proposed that people with an internal locus would be less likely to be affected by adverse external situations, such as threats to job security. Thus, to understand more fully the effects of the perception of organizational uncertainty on organizationally relevant outcomes, consideration of moderators on an individual level may be important.

An individual difference variable that may moderate the relationship between uncertainty perception and outcome is organization-based self-esteem (OBSE: Pierce, Gardner, Cummings, & Dunham, 1989; Pierce et al., 1993). OBSE represents self-esteem that is specific to organizational contexts and one's perception of an organization and is constructed from past experiences (e.g., task accomplishments and failures). OBSE reflects "the self-perceived value that individuals have of themselves as organization members acting within an organizational context . . . employees with high OBSE should perceive themselves as important, meaningful, effectual, and worthwhile within their employing organization" (Pierce et al., 1989: 625). Thus, individuals with high OBSE believe that "I count around here" and that "I am an important part of this place."

OBSE has been found to moderate the relationships between known organizational constructs, such as role uncertainty and outcomes (e.g., Pierce et al., 1993). Other than Pierce et al. (1989, 1993), Singer and Tang (1996), and Tang and Gilbert (1994), no attention has been paid to the role of OBSE in organizational studies. In a study of 155 employees from the Department of Mental Health and Mental Retardation in the State of Tennessee, Tang and Gilbert (1994) found OBSE was positively related to global self-esteem, need for achievement, organizational citizenship behavior, organizational commitment, motivating potential

score and education. In another study, Singer and Tang (1996) found a positive association between OBSE and organizational instrumentality. In their study, organizational instrumentality refers to employees' perception of the organization's effectiveness in securing desirable outcomes for themselves. Unfortunately, neither of these two studies examined the moderating role of OBSE in organizational contexts. According to Pierce et al. (1993: 272), finding support for the moderating effects of this construct "would suggest that if working conditions become increasingly *uncertain*, conflictual, and demanding and less supportive, steps taken by management to foster perceptions that facilitate the development of a healthy sense of self-esteem will be important." Specifically, we propose that OBSE should moderate the relationship between uncertainty perception and its effects on employees.

Moderating Effects of OBSE

Based on the behavioral plasticity concept advanced by Brockner (1984, 1988), we suggest that OBSE moderates the relationship between the perception of organizational uncertainty and the outcomes of intrinsic motivation, organizational commitment, and absenteeism. Researchers who study self-esteem have adopted this theory to explain the moderating effects of self-esteem on outcome variables (e.g., Campbell, 1990; Ganster & Schaubroeck, 1991; Mossholder, Bedeian, & Armenakis, 1981, 1982; Pierce et al., 1993). Behavioral plasticity refers to the extent to which individuals are affected by external factors. Brockner suggests that people differ in their attention and reactions to external cues. As a result, external factors affect their attitudes and behaviors differently.

Brockner's research focused on self-esteem as a major source of observed variation in plasticity. Brockner noted that people with low self-esteem should be relatively more behaviorally plastic (or reactive) than people with high self-esteem since they are more easily influenced by external cues. Therefore, these low self-esteem individuals tended to seek out and respond to events in their environment. Research (e.g., Ganster & Schaubroeck, 1991; Mossholder et al., 1981, 1982) using global self-esteem measures provided some support that low self-esteem individuals reacted more than high self-esteem individuals to the quality of their work environment (cf. Pierce et al., 1993).

Therefore, in organizational contexts, people with high self-esteem or high levels of OBSE may be less responsive to negative information than employees with low levels of OBSE. Perceived organizational uncertainty can be a salient form of negative information. When threatened by perceived organizational uncertainty, employees with low OBSE may cope more passively with negative stimuli than employees with high OBSE principally by increasing absenteeism, lowering organizational commitment and intrinsic motivation. It is likely that high OBSE employees engage in problem-focused coping or cognitive consistency behaviors by reporting higher intrinsic motivation and higher organizational commitment, and by being absent less than low OBSE employees. Low OBSE employees are expected to be more responsive to perceptions of organizational

uncertainty. They may report lower intrinsic motivation and organizational commitment, and be absent more than those with high OBSE.

Consistent with the notion that OBSE moderates the relationships between uncertainty perceptions and organizational outcomes, Pierce et al. (1993) found that OBSE moderated the relationships between role uncertainty (including role conflict, role overload and role ambiguity) and employee responses (including achievement satisfaction and role performance). Specifically, for employees with high OBSE, there was only a weak relationship between role uncertainty and employee responses. For employees with low OBSE, however, higher role uncertainty was related to more negative employee responses.

Therefore, we hypothesize that:

***H1:** OBSE moderates the relationship between job insecurity and intrinsic motivation, organizational commitment, and absenteeism: Individuals with low OBSE will react more negatively to job insecurity than those with high OBSE. They will have lower intrinsic motivation, lower organizational commitment, and higher absenteeism.*

***H2:** OBSE moderates the relationship between anticipated organizational changes in the organization and intrinsic motivation, organizational commitment, and absenteeism: Individuals with low OBSE will react more negatively to anticipated organizational changes in the organization than those with high OBSE. They will have lower intrinsic motivation, lower organizational commitment, and higher absenteeism.*

Method

Respondents and Procedures

This study was conducted at a consumer products company employing approximately 8,000 employees in jobs ranging from research and development, engineering, accounting/finance, marketing/sales, and administration to manufacturing. This company had recently changed its pay system, and was redesigning jobs at the factory level in addition to applying the total quality management training to all of the employees.

Employee names (10% of the company's population of each ethnic group and gender) were generated at random by a computer template. A letter written by the Chairperson of a task force (charged with the mission of examining the quality of internal work life) was distributed to all the employees whose names were selected. The letter explained the purpose of the survey and insured that the employees' participation would be voluntary. Respondents were assured that all findings would be kept completely confidential and that the company would see only data summaries. Because this survey was administered during the Christmas and New Year holidays, employees were instructed to mail the completed questionnaires directly to the second author. The response rate was 47 percent (or 378 completed surveys).

The random selection of participants resulted in a sample that had a similar demographic profile proportional to the company's employment profile. The average age of the respondents in our sample was 44 years (company mean = 45.38 years). Our respondents also averaged 16 years of tenure with the company (company mean = 16.87). Of our respondents, 69.4% were male and 30.6% were female.

Intrinsic Job Motivation measures the degree to which a person wants to work well in his or her job in order to achieve intrinsic satisfaction. The original 6-item scale developed from Warr, Cook, & Wall (1979) resulting in an alpha coefficient of .56. After deleting the two negatively worded items, the resulted alpha of the 4-item scale was .63. Each employee rated, on a 5-point scale, the extent to which: "I take pride in doing my job as well as I can;" "I try to think of ways of doing my job effectively;" "I feel a sense of personal satisfaction when I do this job well;" and "I like to look back on the day's work with a sense of a job well done."

Organizational Commitment was measured with Mowday et al.'s organizational commitment short scale (Mowday et al., 1979). Organizational commitment reflects the degree to which respondents feel loyal, care about, and are proud of the employing organization. Mowday and his colleagues discussed the psychometric properties of this 9-item scale. This 9-item version omits the negatively worded items from the original 15-item scale. The items were measured using a 7-point, strongly agree (=7) to strongly disagree (=1), scale format. The alpha coefficient in this sample was .87.

Absenteeism data were provided by the company one year after the completion of the survey. Absenteeism was operationalized as the percentage of hours absent in a year (July through June of the following year). In our study, absenteeism excluded scheduled holidays, vacation, bereavement leave, jury duty, and military leave. This absence measure was collected from archival records that were matched to employees' internal identification numbers, and 76 respondents did not provide us with their identification numbers. Thus, fewer cases were used for analyses involving absenteeism. This measure was skewed (skewness = 5.42) because many employees had low levels of absenteeism, including a number of employees with zero level of absenteeism. To correct for the skewness so that the multiple regression estimations would be more accurate, we used the square root transformation (see Afifi & Clark, 1984; Watson, Driver, & Watson, 1985). After the transformation, skewness was reduced to 2.59.

Job Insecurity was assessed using four items developed by Caplan, Cobb, French, Van Harrison, and Pinneau (1975), which reflect the amount of certainty a person has about his/her future job and career security. The items, using a 5-point very uncertain (=5) to very certain (=1) response format, include: "How certain are you about what your future career picture looks like?" or "How certain are you about what your responsibilities will be six months from now?" The higher the score, the higher the perceived job insecurity.

Anticipated Organizational Change was operationalized in terms of the uncertainty about positive changes in the organization. This measure was adapted from Ashford et al.'s anticipated organizational change scale (Ashford et al.

1989). The Ashford et al. scale items were all negatively worded. The company's task force members considered the Ashford et al. scale inappropriate for their situations (e.g., "ask you to undertake dangerous work;" "accept new technologies that may eliminate jobs in the organization"). We, therefore, wrote two items to specifically reflect the company's possible changes. Respondents rated, using a 5-point very uncertain (=5) to very certain (=1) response format, the likelihood of two potential changes, including whether their employing organization "will change for the better" and "will survive and grow in the tough economic times" in the next year or so. These two items indicated employees' perception of the direction of change for the organization itself.

Organization-based Self-esteem (OBSE) was developed and validated by Pierce et al. (1989). OBSE is defined as the degree to which an organizational member believes that he or she can satisfy their personal needs by participating in roles within the context of an organization (Pierce et al., 1989: 625). OBSE was measured by 10 items using a 5-point, strongly agree (=5) and strongly disagree (=1), scale format. Sample items include: "I count around here," "I am taken seriously around here," or "I am an important part of this place." Coefficient alpha was .88 for this study. Pierce et al. (1989, 1993) reported alpha coefficients of .86 to .96. The strength of these internal consistency estimates provides evidence for the homogeneity of the scale items.

Control Measures

We used three demographic variables as control measures in this study: age, gender (1 = male; 2 = female), and tenure in the company. Mitchell argued that researchers should "actively try to conceptualize and measure those variables that may serve as potential confounds" (1985: 196). Even though researchers have not included the effects of demographic variables on uncertainty or risk perceptions (e.g., Sitkin & Pablo, 1992), these variables may affect uncertainty perceptions. For example, individuals varying across age, gender (1 = male; 2 = female) and tenure may respond differentially to perceived organizational uncertainty. Older employees and those with longer organizational tenure perceive fewer job alternatives and thus may respond less favorably to perceived uncertainty than employees who were younger and with shorter tenure. Males may respond more strongly than females to perceived uncertainty if they perceive higher social pressure to succeed in the work place. Thus, we controlled for such demographic differences. Respondents were asked to report their age and tenure in the company in years.

Results

In order to detect the presence of common method variance, we conducted the confirmatory factor analysis using LISREL 8.12a (Jöreskog & Sörbom, 1993). To judge the goodness-of-fit of these various CFA models, we relied on the Comparative Fit Index (CFI) and the Incremental Fit Index (IFI). Gerbing and Anderson (1993) recommended these fit indices because they take into account the comparison of a test model to a baseline model. In this analysis, we first

examined the factor model with five latent factors: organizational commitment, intrinsic motivation, job insecurity, anticipated organizational change, and OBSE. Both the CFI and the IFI were .83, indicating marginal fit. The poor model fit may be due to the error variances or the unreliability of the indicators. To examine this possibility, we conducted another CFA with reduced number of indicators for the latent variables. To reduce the number of indicators, we followed the procedure used by Mathieu and Farr (1991). Specifically, we first fitted a single factor solution for each latent variable and averaged the indicators with the highest and the lowest loading to form an indicator until either three or four aggregate indicators remained. This procedure reduced the number of indicators for each construct in much the same manner that parallel test forms are developed (Nunnally, 1978). Using this procedure, three aggregate indicators for organizational commitment, four for intrinsic motivation, four for job insecurity, and three for OBSE were resulted. Because anticipated change had only two items, we did not reduce the number of indicators for this construct. The resulting CFA with reduced number of indicators yielded much improved and acceptable fit, with both CFI and IFI at .96. In the actual test of the hypotheses multiple regression was used, which implied that in effect only one aggregate indicator would be used for each construct. Thus, the use of multiple regression further reduced the concern of the error variance or unreliability among the indicators of the same construct.

Because both job insecurity and anticipated organizational change are uncertainty perceptions, we next conducted a confirmatory factor analysis to examine the discriminant validity of the two constructs, following the procedure used by Mathieu and Farr (1991). We combined these two uncertainty perceptions into one latent factor and compared its model fit to the model that treated these two constructs as distinct factors. Both the CFI and the IFI for this 4-factor model were .80. The χ^2 difference for the 5-factor and the 4-factor model was 124.34 ($df = 6$), and was highly significant. This indicated that the two uncertainty perceptions were distinct factors. Finally, to examine whether participants could distinguish the five latent factors, we combined the two latent factors with the highest inter-factor correlation into one factor. In this case, the two factors were organizational commitment and OBSE ($r = .58$). Both the CFI and IFI for this 4-factor model were .69. The χ^2 difference for the 5-factor and 4-factor models was 573.25 ($df = 4$), and was highly significant. Because combining the two latent factors with the highest inter-factor correlation yielded a confirmatory factor model that was much worse than the 5-factor model, further combining latent factors would yield even worse models. The results of the confirmatory factor analysis indicated that participants could distinguish the five factors relatively well.

The descriptive statistics, internal consistency reliabilities, and correlations for the variables used in the present study were reported in Table 1. With the exception of intrinsic motivation, all of the multi-item scale reliabilities exceeded the .70 value recommended by Nunnally (1978). Examination of Table 1 indicates that, as in Pierce et al. (1989), OBSE was positively related to intrinsic motivation ($r = .17, p < .01$) and organizational commitment ($r = .53, p < .01$), respectively. The Cronbach alpha of .63 for intrinsic motivation, though low for practical application, was sufficiently high for research use (Pierce et al., 1993).

Table 1. Descriptive Statistics, Reliabilities, and Intercorrelations

	Mean	SD	1	2	3	4	5	6	7	8	9
1 Age	43.74	9.28	—								
2 Gender	1.31	0.46	-.08	—							
3 Tenure	16.59	8.75	.69**	-.15**	—						
4 Job Insecurity	3.11	0.81	.02	.14**	.16**	—					
5 Uncertainty of Positive Change	3.34	0.96	-.02	-.05	.03	.43**	—				
6 OBSE	3.99	0.58	.13*	-.04	.12*	-.32**	-.26**	—			
7 Intrinsic Motivation	3.94	0.36	.00	-.05	.09	.03	.07	.17**	—		
8 Organizational commitment	5.65	0.95	.18**	.03	.17**	-.30*	-.39**	.53**	.15**	—	
9 Absenteeism	.45	.88	-.13*	.10	-.04	.00	-.05	-.11	.02	-.04	—

Alphas in parentheses

* $p < .05$; ** $p < .01$; Gender: 1 = male; 2 = female; OBSE = organization-based Self-esteem.

Moderated hierarchical regression analysis was employed to examine the moderating effects of organizational-based self-esteem (OBSE) on the relationships of job insecurity and anticipated organizational changes in an organization. According to Baron and Kenny (1986) and James and Brett (1984), the test for moderation should include a term for the direct effect of the predictor (job security and anticipated organizational changes in the organization), a term for the direct effect of the moderator (OBSE) and the interaction term (or product) of the two. The moderator hypothesis is supported if the interaction term is significant. Because our independent variables were correlated, we centered the predictor, moderator and the outcome variables to reduce multicollinearity. In the following moderated hierarchical regression analyses, we used the standardized scores for the variables. We checked the results of the analyses that used centered scores against that used raw scores. These two sets of analyses yielded identical patterns.

Results of the moderated hierarchical regression analysis are shown in Table 2. Regarding H1, OBSE moderated the relationship between job insecurity and intrinsic motivation ($\beta = -.12$, $\Delta R^2 = .01$, $\Delta F = 4.43$, $p < .05$), and the relationship between job insecurity and absenteeism ($\beta = -.17$, $\Delta R^2 = .03$, $\Delta F = 7.42$, $p < .01$). However, the moderating effect of OBSE on the relationship between job insecurity and organizational commitment was not supported. In support of H2, OBSE moderated the relationship between anticipated organizational changes and intrinsic motivation ($\beta = -.11$; $\Delta R^2 = .01$, $\Delta F = 3.66$, $p < .05$), the relationship between anticipated organizational changes and organizational commitment ($\beta = .10$, $\Delta R^2 = .01$, $\Delta F = 4.74$, $p < .05$), and the relationship between anticipated organizational changes and absenteeism ($\beta = -.22$, $\Delta R^2 = .05$, $\Delta F = 13.69$, $p < .01$). Overall, the data provided some support

Table 2. Results of Moderated Hierarchical Regression Analyses

Independent Variables	Dependent Variables								
	Intrinsic Motivation			Organizational Commitment			Absenteeism		
	β	ΔR^2	ΔF	β	ΔR^2	ΔF	β	ΔR^2	ΔF
(1) Controls:									
Age	-.13			.06			-.21**		
Gender	-.04			.10*			.12*		
Tenure	.13	.01	1.62	.12*	.04	4.65**	.11	.03	3.05*
Job Insecurity	.09	.00	.18	-.20**	.12	46.84**	.00	.00	.07
OBSE	.19**	.03	9.02**	.45**	.18	89.81**	-.08	.01	2.26
Job Insecurity*OBSE	-.12	.01	4.43*	.03	.01	.41	-.17**	.03	7.42**
(2) Controls:									
Age	-.12			.06			-.22**		
Gender	-.02			.05			.10		
Tenure	.15*	.01	1.62	.09	.04	4.65**	.13	.03	3.05*
Positive Change	.13*	.00	1.65	-.29**	.15	63.13**	.00	.00	.13
OBSE	.20**	.03	9.77**	.43**	.18	98.16**	-.06	.01	2.22
Change*OBSE	-.11*	.01	3.66*	.10*	.01	4.74*	-.22**	.05	13.69**

* $p < .05$, ** $p < .01$; Gender: 1 = Male; 2 = Female; OBSE = organization-based self-esteem.

for the moderating effects of OBSE on the relationships between perceptions of organizational uncertainty and its outcomes.

To interpret the direction of the moderated relationships between job insecurity and the outcome variables, we followed the procedure suggested by Stone (1988). Because a moderating effect implies a family of equations with slopes varying as a function of the moderator, we estimated different equations for two levels of OBSE, low versus high. OBSE was dichotomized using a median split to yield a group of participants high and another group low on OBSE. The mean and one standard deviation above and below the mean were used for illustration. Results of this analysis are shown in Figures 1 and to Figure 5.

Examination of Figure 1 to Figure 5 indicates that for employees with high OBSE, in general, the slopes were less steep than those with low OBSE, supporting the notion that employees with low OBSE were more responsive to uncertainty than employees with high OBSE were. It is interesting to note, however, that the moderating effects of OBSE on the relationship between the perception of uncertainty and intrinsic motivation were in the opposite direction of our prediction. For employees with low OBSE, the more insecure they were about their job, the higher the level of intrinsic motivation they reported. Similarly, for employees with low OBSE, the more uncertain they were about the positive organizational changes, the higher their intrinsic motivation. However, the more uncertainty about positive changes in the organization the low OBSE employees perceived, the less organizationally committed they were. Regarding absenteeism, for employees with low OBSE, there was an increase in absenteeism when job insecurity was perceived and when uncertainty in positive organizational changes was anticipated. For employees with high OBSE, there was a decrease in absenteeism when job insecurity was perceived and when uncertainty of positive organizational changes was anticipated.

In sum, the moderating effects of OBSE on organizational commitment and absenteeism were in the predicted direction. However, the moderating role of OBSE on intrinsic motivation was supported but in the opposite direction of our prediction.

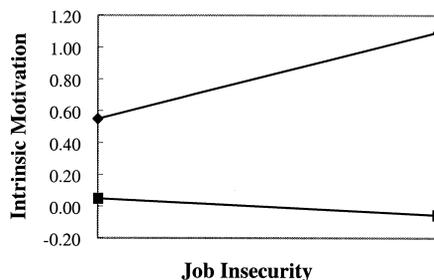


Figure 1. Interaction of Job Insecurity and OBSE on Intrinsic Motivation

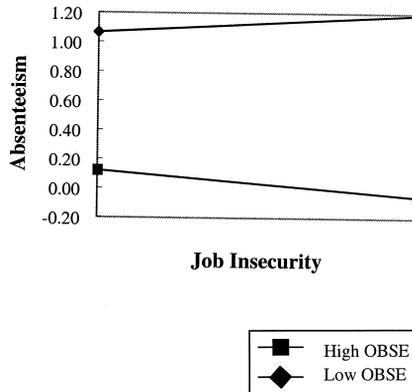


Figure 2. Interaction of Job Insecurity and OBSE on Absenteeism

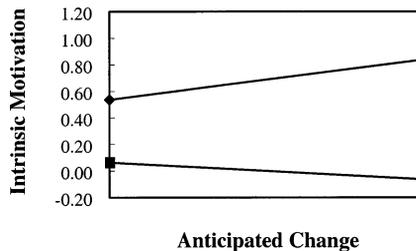


Figure 3. Interaction of Change and OBSE on Intrinsic Motivation

Discussion

Results of the present study provided some support for the moderating effects of OBSE. Specifically, OBSE moderated the relationship between job insecurity and intrinsic motivation, and between job insecurity and absenteeism. OBSE also moderated the relationship between intrinsic motivation and anticipated change, organizational commitment and anticipated change, and absenteeism and anticipated change. Importantly, these dependent variables included attitudinal as well as behavioral variables.

A finding concerning the moderation effects identified in the present study merits further discussion. There was a difference in the nature of the moderation of OBSE between the intrinsic motivation and other outcomes. Specifically, for intrinsic motivation, employees with low levels of OBSE actually reported higher levels of intrinsic motivation relative to employees with high level of OBSE when either job insecurity was perceived or when uncertainty about positive organizational changes was anticipated. On the other hand, employees with low levels of OBSE displayed lower organizational commitment and higher absenteeism (relative to employees with high levels of OBSE) when uncertainty about anticipated organizational changes was perceived or when job security was threatened.

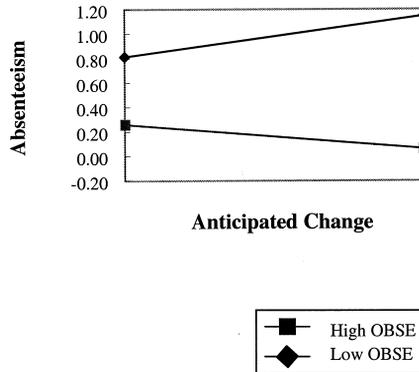


Figure 4. Interaction of Change and OBSE on Absenteeism

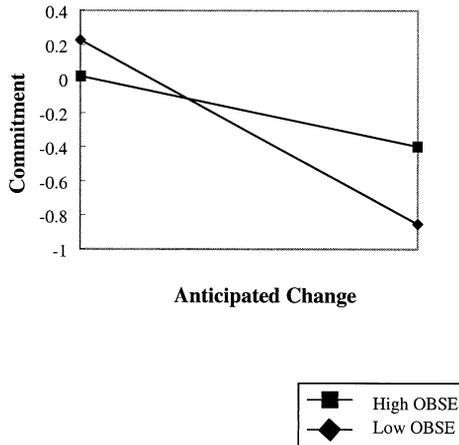


Figure 5. Interaction of Change and OBSE on Organizational Commitment

Earlier, we argued that employees with low OBSE were behaviorally more plastic than those with high OBSE. That is, they were more likely to seek out, as well as respond to, environmental or external events. In the absence of salient positive external factors and consistent with the cognitive dissonance theory, the search for justification may turn inward. Cognitive dissonance theory predicts that in situations where external justification for the cause of behavior was insufficient, one would attribute the behavior to internal causes (Festinger, 1957). In the present study, to the extent employees needed to justify their existence in the organization, they, therefore, made internal attributions. Thus, when job insecurity and uncertainty about positive organizational changes were perceived, employees with low OBSE might actually report higher intrinsic motivation. But organizational commitment is directed towards the organization. When the organization threatens the employee with job insecurity or uncertainty in future changes,

employees would not be likely to perceive or develop high levels of organizational commitment.

Results of the present study have important implications for future research on organizational uncertainties and OBSE. As organizational uncertainties are becoming more and more salient, a strong sense of self may help organizational members cope with the high levels of change and uncertainty as organizations engage in further cost cutting, downsizing, or merging (cf. Johnson & Packer, 1987). Organizational uncertainties may threaten an individual's sense of self-worth and feelings of competence. Thus, reporting higher intrinsic motivation may be a way of restoring one's own identity (Kuhnert & Palmer, 1991). According to Jahoda (1982), our jobs not only define what we do, but they identify who we are and our place in the society. To the extent that OBSE is an important moderator, managers can focus on fostering an employee's sense of self-worth and self-esteem to ameliorate the negative effects of uncertainty.

Regarding OBSE, results of the present study lent support to the utility of OBSE as an important individual-level moderator of relationships between important organizational variables. Specifically, Pierce et al. argued that "low-self-esteem employees may well cope passively with the problems in their work environment" (Pierce et al., 1993: 283). The question raised in the present study, based on the results, is "cope with what?" It appeared that depending on the type of outcome variables, employees with low OBSE may be more reactive than employees with high OBSE. Further, people with high OBSE may also respond to organizational uncertainty, as demonstrated by the interaction effect for absenteeism. Although behavioral plasticity theory suggests that individuals with low OBSE may be more responsive than individuals with high OBSE, it is not necessarily the case that the latter are not responsive at all to organizational changes. Employees with higher OBSE may respond to such changes particularly when the environmental information has significant personal implications. Since job insecurity affects work attitudes negatively and threatens an individual's sense of self-worth and identity, management should identify ways to minimize the negative impact of organizational changes by engaging in realistic communication during a merger process (Schweiger & DeNisi, 1991). Alternatively, top management can manage the change processes by implementing fair procedures (Lee, Law, & Bobko, in press).

The generalizability of our findings is limited by the cross-sectional design and by the reliance on data gathered from a single company; and, therefore, our findings should be interpreted with caution. We also relied primarily on self-report measures. However, data were collected during a time when information about cost cutting or downsizing was available on a daily basis provided by the news media. The limitations of this study suggest directions for future research. That is, we suggest a longitudinal study or studies designed to reduce organizational uncertainty and to foster a healthy sense of organization-based self-esteem. In pursuit of this objective, managers may model "pygmals" by raising the performance expectations of their subordinates. According to Eden and Kinnar (1991), the Pygmalion effect, an increase in performance that results from raising managers' expectations about subordinate performance, is firmly established in

educational psychology. In a meta-analysis study, Kierein and Gold (1998) found the same positive effect in organizational settings, especially when the initial performance was low.

In conclusion, we found partial support for the moderating effects of organization-based self-esteem and have replicated the independent effects of OBSE on organizational commitment and intrinsic motivation.

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