

Towards a further understanding of the relationship between job attitudes and employees' responses: the case of Greek banks in recessionary times

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Abstract

The 2008 global financial crisis is described as the deepest the world has experienced since the stock market crash in 1930s. This has led to a liquidity shortfall and solvency problems for most banking systems across the globe (Otero-Iglesias 2015; Soriano 2011). The crisis has mostly been concentrated on the financial systems of US and Europe, and although it did not affect all EU countries with the same intensity, its aftermaths were almost identical to all EU member states, including Greece (EC 2012). Precisely for the Greek case, due to the unprecedented Greek debt crisis and the subsequent recession, the domestic economy has been struggling against bankruptcy. In response to the political pressures from the International Monetary Fund, the European Commission and the European Central Bank, the Greek banking sector underwent a momentous structural transformation through tremendous business amalgamations, the rationalisation of most banks' branch network, and extensive retrenchment implementations, all of which radically changed the domestic banking landscape.

This paper examines the impact of employees work-related attitudes (namely their organisational commitment, job satisfaction and psychological contract breach) on their EVLN behavioural responses towards the organisational changes introduced in the Greek banking sector. The paper aims to advance our understanding on human behaviour within organisations operating under business and economic uncertainty and complexity. To serve its purpose, the study aims at addressing the following research question:

- What is the impact of work-related attitudes on employees' EVLN behavioural responses?

This paper adopts the positivism paradigm and a quantitative approach. A questionnaire survey distributed to 1,500 employees in Greek banks. Data collected from a sample of 1,259 responses returned, and data analysed by carrying out Structural Equation Modelling (SEM) using the AMOS statistical software. Contrary to prior research examined the process of planning and implementing organisational

change at organisational levels (Armenakis and Bedeian 1999; Weick and Quinn 1999), this study follows a more anthropocentric approach by focusing at a micro-level (individuals) within organisations to examine their attitudes, behaviours and cognitions (Vakola 2013; Oreg et al. 2011; Armenakis et al. 2007; Cunningham 2006; Rafferty and Griffin 2006;). The significance of understanding individuals' responses to organisational change is of a great importance as their responses are determined by the extent to which they embrace organisational change, and therefore these behaviours could determine its smooth and successful implementation.

The findings reveal that organisational commitment promotes positive responses, whilst employees who are not attached and committed to the bank, they are not entrapped by exit and economic costs; thus, they are likely to display negative responses, even against the background of unemployment and the deteriorating domestic economic conditions. Similarly, job satisfaction seems to promote positive responses, whilst employees who are not satisfied with their job are likely to Neglect. Finally, research findings suggest that psychological contract's breach leads to destructive responses.

Therefore, the findings of this paper are not of mere interest only to academics but also to practitioners. By establishing a better understanding of Greek bank employees' psyche and their behavioural responses towards organisational change, these findings can assist executives and policy makers in the area of reforms, to identify effective ways to retain employees, keep them engaged and improve their performance in times of crises. In relation to the academic contribution, contrary to psychological contract breach which has been widely used as a framework that explains the employment relationship (see Guest 2004; Morrison and Robinson 1997), less attention has been paid on the role of organisational commitment, job satisfaction and psychological contract breach in determining employees' behavioural responses towards organisational change. The current study significantly contributes to knowledge in this area by for example suggesting that high organisational commitment promotes employees' Voice and Loyalty behaviours and suppresses employees' destructive responses (Exit and Neglect).

The use of self-reported data and the fact that the research was conducted in a specific period of time implies that employees' intended responses were measured rather than their actual responses. Also, this study focused only on the psychological contract breach from employees' perspective, and not from banks managers' perspective. Future research would benefit by addressing these limitations and at the same time by adopting a qualitative approach with the inclusion of interviews in order to offer their insights as well and thus to achieve a holistic view of the phenomenon under examination.

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