

MASTER THESIS

Ranking the stars. A study into the effect of downsizing on firm reputation.



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Abstract

In the last few decades, downsizing has become a common business practice worldwide. While downsizings are undertaken for its potential benefits, it can also have far reaching negative consequences. Previous studies have mostly focused on the effect of downsizing on performance and individuals. Studies into the effect of downsizing on reputation are limited and have only been conducted with the use of a criticized measurement method and among financially focused stakeholders. This is problematic as a favorable reputation is a strategic asset that brings along many (non-)financial benefits. Therefore, this study aims to confirm and extend prior research by examining the effect of downsizing on reputation amongst both financially focused and non-financially focused stakeholder groups and by using another measurement method, namely the Reprtrak, that includes both financial and non-financial oriented dimensions in its measurement of reputation. Moreover, this study extends prior research by not only examining the effect of downsizing on overall firm reputation, but also on each dimension of reputation and for each stakeholder group, and by examining the influence of downsizing motive. A survey-based experiment was conducted and t-test analyses were used to test for significant differences in reputation before and after reading a fictional newspaper article announcing a downsizing. The findings indicate that downsizing has a negative effect on overall reputation. This effect was also found for each dimension of reputation and for every stakeholder group. Support for the hypothesis that downsizing motive influences the effect of downsizing on reputation was also found, which indicated that reactive downsizings are regarded less favorably than proactive downsizings. Management should bear this negative effect on reputation in mind when making the decision whether they should downsize or not.

Keywords: *downsizing, firm reputation, downsizing motive, stakeholder groups, dimensions, measurement method, t-test, experiment, survey, AMAC, Reprtrak.*

Table of contents

1. Introduction.....	5
2. Theoretical background.....	9
2.1. Reputation	9
2.1.1. Defining reputation	9
2.1.2. Strategic advantages of reputation	12
2.2. Downsizing.....	14
2.2.1. Definition	14
2.2.2. History.....	15
2.2.3. Previous studies into the effects of downsizing	16
2.2.3.1. The psychological contract.....	16
2.2.3.2. Organizational justice theory.....	17
2.2.3.3. Effects on firm performance.....	19
2.2.3.3.1. Effects on firm performance: positive effect.....	19
2.2.3.3.2. Effects on firm performance: no or negative effect.....	20
2.3. The effect of downsizing on reputation.....	22
2.3.1. Previous studies	22
2.3.2. Limitations of previous studies	25
2.3.3. Measuring reputation: measurement method.....	28
2.3.4. Measuring reputation: stakeholder groups.....	29
2.3.5. Downsizing motive	29
3. Methodology	31
3.1. Research method.....	31
3.2. Experimental design	32
3.3. Pretest	33
3.4. Survey design	33
3.5. Population.....	34
3.6. Sample selection and data collection.....	36
3.7. Measuring reputation.....	37
3.8. Data analysis.....	37
3.9. Research ethics	38
4. Results.....	39
4.1. Response.....	39
4.2. Effect of downsizing on reputation	40
4.2.1. Assumptions	40

4.2.2.	Results	41
4.3.	Effect of downsizing on reputation per dimension of reputation	42
4.4.	Effect of downsizing on reputation per stakeholder group.....	47
4.5.	Effect of motive on the effect of downsizing on reputation	50
4.5.1.	Assumptions	50
4.5.2.	Results	51
5.	Conclusion and discussion	53
5.1.	Conclusion	53
5.2.	Theoretical contributions	54
5.3.	Practical implications	55
5.4.	Limitations and recommendations for further research.....	56
6.	References.....	58
7.	Appendices.....	64
7.1.	Survey	64
7.2.	Reactive and proactive articles	69
7.3.	Reprtrak dimensions	70
7.4.	Demographics	71
7.5.	Outlier removal computed variable AH	73
7.6.	Normality (computed variable) Albert Heijn	74
7.7.	Paired-samples t-test Albert Heijn.....	75
7.8.	Outliers computed variable Rabobank	76
7.9.	Normality (computed variable) Rabobank	76
7.10.	Paired-samples t-test Rabobank	77
7.11.	Testing for outliers Albert Heijn and Rabobank (H2)	78
7.12.	Testing for normality (H12).....	80
7.13.	Independent samples t-test for Albert Heijn (reactive/proactive).....	83
7.14.	Independent samples t-test for Rabobank (reactive/proactive).....	85
7.15.	Paired-samples t-test for the stakeholder groups of Albert Heijn and Rabobank..	86
7.16.	Paired-samples t-test for dimensions of reputation.....	92

1. Introduction

A favorable reputation is an important strategic asset (Barney, 1991; Fombrun & Shanley, 1990; Rindova, Williamson, Petkova, & Sever, 2005; Roberts & Dowling, 2002; Shapiro, 1983). According to the resource based view, firms can gain sustained competitive advantage when it has valuable, rare, inimitable and non-substitutable resources (Barney, 1991; Eberl & Schwaiger, 2005; Fombrun & Shanley, 1990; Roberts & Dowling, 2002). A firm's reputation can be such a resource: a favorable reputation creates value, is rare and is hard to replicate and substitute (Barney, 1991; Eberl & Schwaiger, 2005; Roberts & Dowling, 2002).

Furthermore, a favorable reputation serves as a signal of the quality of a firm's products, services and strategies (Deephouse, 2000; Fombrun & Van Riel, 1997; Roberts & Dowling, 2002). This leads to strategic advantages, as external stakeholders, such as customers and outside investors, are not as informed as managers about a firm's actions and commitments (Deephouse, 2000; Fombrun & Van Riel, 1997). Since a favorable reputation signals quality, it can enable firms to charge premium prices for its products and services, and it can help to attract investors and employees (Fombrun & Shanley, 1990; Fombrun & Van Riel, 1997).

A good reputation also signals to contracting parties that a firm is trustworthy, cooperative and will not behave opportunistic (Bergh, Ketchen, Boyd, & Bergh, 2010; Fombrun & Shanley, 1990; Shapiro, 1983). Consequently, transaction costs will be lower, making well reputed firms attractive contracting parties (Bergh et al., 2010; Deephouse, 2000; Roberts & Dowling, 2002).

Reputations are derived from value the firm has added in the past and "*are built through consistent behaviors that produce valued outcomes*" (Pfarrer, Pollock, & Rindova, 2010, p. 1134; Podolny & Phillips, 1996). Therefore, it takes time for reputations to build up (Fombrun & Van Riel, 1997). Once built up, reputations are known to be 'sticky', meaning they are durable and reproduce itself over time (Schultz, Mouritsen, & Gabrielsen, 2001). However, while reputation is possessed by a firm, it must be granted by the public on an ongoing basis and the public can change its evaluation of a firm (Flanagan & O'Shaughnessy, 2005; Love & Kraatz, 2009; Podolny & Phillips, 1996). Therefore, after having constructed and being granted a good reputation, firms will also need to focus on maintaining their reputation (Love & Kraatz, 2009).

Consequently, when strategic decisions are being made, possible consequences on not just firm performance and the firm's competitive position, but also on the firm's reputation should be considered. One of those strategic decisions is the decision to downsize, which is the

intentional reduction of personnel in the effort to improve efficiency, productivity and/or effectiveness (Freeman & Cameron, 1993; Guthrie & Datta, 2008; Love & Kraatz, 2005).

During the 1980s, downsizing became a trend, as many firms faced economic downturn (Freeman & Cameron, 1993; Guthrie & Datta, 2008). Nowadays, downsizing is commonplace in the world of business and many studies have been conducted on the effects of downsizing, for example the effect on firm performance and the effect on remaining employees, the so called ‘survivors’ (Cascio & Wynn, 2004; Datta, Guthrie, Basuil, & Pandey, 2010; Guthrie & Datta, 2008; Kinnie, Hutchinson, & Purcell, 1998; Maertz Jr, Wiley, LeRouge, & Campion, 2010; Trevor & Nyberg, 2008; Vollmann & Brazas, 1993).

However, despite the importance of firm reputation, relatively few studies have been conducted on the effect of downsizing on reputation (Djordjevic & Djukic, 2008; Flanagan & O’Shaughnessy, 2005; Karake, 1998; Love & Kraatz, 2005, 2009; Schulz & Johann, 2018; Zyglidopoulos, 2004, 2005). While these studies generally found a negative effect of downsizing on reputation, serious criticism has been expressed in literature about the reliability and limitations of these studies as they all use the same – criticized – measurement method of reputation: the Fortune’s America’s Most Admired Companies (AMAC) Survey (Flanagan & O’Shaughnessy, 2005; Karake, 1998; Love & Kraatz, 2005, 2009; Schulz & Johann, 2018; Zyglidopoulos, 2004, 2005). In this survey, executives, directors and financial analysts are asked to rank the ten largest companies in a particular industry on eight dimensions: quality of management, quality of products or services, innovativeness, long-term investment value, financial soundness, ability to attract, develop and keep talented people, responsibility to the community and the environment, and wise use of corporate assets. The scores on each dimension are then averaged into an overall reputation score. By comparing the overall reputation scores of two consecutive years for firms that downsized between the conduction of the surveys and for firms that did not, the effect of downsizing on reputation was measured.

This measurement method has been criticized as a firm’s reputation in the survey is granted only by executives, directors and financial analysts, who make up the business community, instead of being granted by all – or at least *more* – relevant stakeholder groups, including stakeholders such as customers and employees (Logsdon & Wartick, 1995; Love & Kraatz, 2009; Schulz & Johann, 2018; Walker, 2010; Wood, 1995). As reputation can vary between different stakeholders, the AMAC survey is set to only measure the reputation among the business community (Eberl & Schwaiger, 2005; Logsdon & Wartick, 1995; Podolny & Phillips, 1996; Wood, 1995). Therefore, the survey does “*not capture the opinions of all relevant publics*” and misses perceptions of other important stakeholder groups in their

construction of reputation (Love & Kraatz, 2009, p. 322; Schulz & Johann, 2018; Walker, 2010; Wood, 1995).

A second point of criticism on the AMAC survey is that the measurement method is overly focused on financial performance (Brown & Perry, 1994; Chun, 2006; Eberl & Schwaiger, 2005; Fryxell & Wang, 1994; Walker, 2010). The eight dimensions in the AMAC are said to be highly multicollinear with firm profitability, meaning that profitability influences each dimension score (Fryxell & Wang, 1994; Wood, 1995). This means that instead of being the proper measurement tool for a dimension, such as quality of management, each dimension is mainly measuring firm profitability (Fryxell & Wang, 1994; Wood, 1995). Therefore, the reputation of the firms studied in the AMAC survey is largely determined by how attractive the firm is as an investment and is therefore not a measurement of reputation, but a measurement of the perception of the business community about a firm's financial performance (Brown & Perry, 1994; Fryxell & Wang, 1994; Walker, 2010).

The limited amount of studies on this particular topic in combination with the fact that the same, criticized measurement method is used, and is only used on stakeholders from the business community – i.e. financially focused stakeholders – throughout all these studies, is problematic given that a firm's reputation is an important strategic asset that can provide several financial and non-financial strategic benefits. Therefore, this study aims to contribute to and extend prior research by answering the research question “*What is the effect of downsizing on reputation?*”

To answer this question and thereby extend prior research, this study examines the effect of downsizing on reputation by means of a survey-based experiment. In this survey-based experiment, stakeholders' perceptions about a firm's reputation are measured before and after a manipulation, which consists of an article that manifests a firm's intention to downsize. The Reprtrak method is used to measure reputation, as it measures reputation on financial *and* non-financial dimensions. Through comparing stakeholders' perceptions about reputation before and after reading the article, it can be examined whether downsizing has an effect on reputation.

The survey is conducted among three stakeholder groups, namely employees, customers and the general public. While this is – like the AMAC – a limited number of stakeholder groups, it does entail a wider variety of stakeholders than only stakeholders from the business community, thereby contributing to prior research by including perceptions of non-financially focused stakeholders in the analysis. This research design also allows for the examination of the effect of downsizing on reputation for *each* stakeholder group individually, as stakeholders can differ in their perceptions, and for *each* dimension of reputation, since some dimensions of

reputation can be especially impacted while other dimensions might not. As the article that is presented to the respondents has two versions, a reactive and a proactive version, the effect of downsizing on reputation in the group that was shown the proactive version can be compared to the effect in the group that was shown the reactive version. This allows examination of whether the motive for downsizing – proactive or reactive – influences the effect of downsizing on reputation.

This research has scientific and societal relevance. Through answering the research question, this study contributes to existing literature by researching the impact of downsizing on not only stakeholder groups from within the business community – as previously studied – but also on non-financially focused stakeholders. By using a different measurement method than the AMAC, the impact of downsizing on non-financial dimensions of reputation can also be studied. Since there can be differences in perception between stakeholder groups, this study also allows for a comparison of these stakeholder groups to provide additional insights into the effect of downsizing on firm reputation for each stakeholder group. This study also provides strategic decision makers with a more extensive view of the impact of downsizing on reputation, on its dimensions – such as workplace, and products and services – and its stakeholders – such as customers. These insights should be taken into account by decision makers when deciding upon whether to downsize or not, and during the implementation of a downsizing.

In the next chapter the theoretical background is provided regarding downsizing, reputation and the effect of downsizing on reputation, which includes an overview of prior studies on this topic and the hypotheses. After this, the methodology of this study is elaborated on, which includes the experiment and survey design, and research ethics. Then the results of this study are presented. Finally, the results will be reviewed and discussed in the conclusion and discussion.

2. Theoretical background

2.1. Reputation

As described in the introduction, a favorable reputation is considered an important strategic asset, which can provide a firm with numerous strategic benefits. To get a deeper understanding of why reputation renders these benefits, first, a literature review is conducted on the definition and characteristics of reputation. Second, the strategic importance of reputation is elaborated on.

2.1.1. Defining reputation

Chun (2005, p. 92) describes reputation from a strategic perspective as “*the accumulated impression that stakeholders form of the firm, resulting from their interactions with and communications received about the firm*”. Reputation has also been defined as “*stakeholders’ perceptions about an organization’s ability to create value relative to competitors*” (Rindova et al., 2005, p. 1033). Barnett et al. (2005, p. 11) described corporate reputation as “*observers’ collective judgments of a corporation based on assessments of the financial, social, and environmental impacts attributed to the corporation over time*”, and Deephouse (2000, p. 1093) defined reputation as “*the evaluation of a firm by its stakeholders in terms of their affect, esteem, and knowledge*”. Finally, Fombrun defines reputation as “*a perceptual representation of a company’s past actions and future prospects that describes the firm’s overall appeal to all of its key constituents when compared with other leading rivals*”, and in 2000 as “*a collective assessment of a company’s ability to provide valued outcomes to a representative group of stakeholders*” (Fombrun, 1996; Fombrun, Gardberg, & Sever, 2000) .

Even though Fombrun’s definition of reputation is widely used (Chun, 2005; Flanagan & O’Shaughnessy, 2005; Love & Kraatz, 2009; Schulz & Johann, 2018; Walker, 2010), many variations on the definition of reputation can be found in literature. Several studies have looked into this definitional divergence (Barnett et al., 2005; Chun, 2005; Fombrun & Van Riel, 1997; Walker, 2010; Wartick, 1992). These studies found that while definitions differ in the used terminology, there are many underlying similarities, or attributes, between them (Barnett et al., 2005; Chun, 2005; Fombrun & Van Riel, 1997; Walker, 2010).

One of those attributes is that reputation is based on perceptions (Walker, 2010). This highlights the idea that reputation is a social construct, meaning reputation is not necessarily what a firm *is*, but what a firm is *perceived* to be (Pfarrer et al., 2010; Walker, 2010). Another attribute is that reputation can be positive or negative, favorable or unfavorable, good or bad

(Walker, 2010). A third attribute is that reputation is stable and enduring (Schultz et al., 2001; Walker, 2010). This is closely linked to another attribute of reputation: its historical dimension (Bennett & Rentschler, 2003; Chun, 2005; Fombrun & Van Riel, 1997; Hall, 1993; Rindova et al., 2005). Reputations are built on the basis of previous actions (Fombrun & Van Riel, 1997; Rindova et al., 2005). When stakeholders interact with a firm, stakeholders accumulate experiences and create perceptions about a firm's characteristics (Fombrun & Van Riel, 1997; Rindova et al., 2005). When these interactions are perceived as favorable by the customer, the firm will be perceived as having a good reputation. Consistent good behavior of a firm therefore contributes to a favorable reputation (Pfarrer et al., 2010). Because it takes time for a reputation to build up, even when confronted with negative information, stakeholders resist changing their perception (Wartick, 1992). This shows the enduring, or inertial, nature of reputation, which is beneficial for firms (Fombrun & Van Riel, 1997).

A fourth attribute in the definitions of reputation is that reputation is based on the perceptions of all relevant stakeholder groups (Chun, 2005; Walker, 2010). This means that reputation is not based on the perception of just one or a couple of stakeholder groups, such as customers, but on the perception of *all* relevant stakeholder groups. Stakeholders can be internal, such as employees, or external, such as customers and shareholders (Chun, 2005; Van Dierendonck & Jacobs, 2012). A multitude of stakeholder groups, including both internal and external stakeholders, should be included in the assessment of a firm's reputation as different stakeholders have different sets of criteria and self-interests on which they base their evaluations of a firm, thereby providing diverse points of view (Mahon, 2002). By for example only including one internal stakeholder group such as employees, not the firm's *overall* reputation is assessed, but merely the firm's relative standing to its employees, i.e. the firm's reputation *according to its employees*. Therefore, to construct a firm's *overall* reputation, the perception of all relevant stakeholders should be involved to ensure different points of views are included (Chun, 2006).

This brings us to last common attribute of reputation, namely that reputation is the *aggregate* perception of the perceptions of all relevant stakeholders of a firm (Bennett & Rentschler, 2003; Chun, 2005; Fombrun & Van Riel, 1997; Love & Kraatz, 2005; Schultz et al., 2001; Walker, 2010). This means that the perceptions of all relevant stakeholders are summed, i.e. aggregated, and are put together to construct a firm's overall reputation (Barnett et al., 2005; Fombrun & Van Riel, 1997; Walker, 2010).

However, two problems are identified with viewing reputation as an aggregate perception, stemming from the fact that reputation is often issue specific (Chun, 2005; Walker,

2010). For instance, a firm can have a reputation for being very profitable, but can at the same time have a reputation for not being environmentally friendly. Aggregating these reputations can result in problems, according to Walker (2010) and Chun (2005), as the aggregation can result in a neutral net reputation, disregarding several good and bad perceptions at play. However, among others, Fombrun and Van Riel (1997) do support the idea of reputation as an aggregated perception as this produces the overall reputation of a firm, and provides valuable insights about the overall attractiveness to different stakeholder groups (Eberl & Schwaiger, 2005). They argue that when firms are interested in their reputation on a specific issue, such as profitability, a firm's reputation on that specific topic can be studied further by specifically focusing, for example in a survey, on the effect of downsizing on a firm's reputation for firm profitability or by exploring a respondent's underlying perception in depth by conducting qualitative research, such as an interview. Walker (2010) also provides a solution for this problem. He states that aside from studying the overall reputation, dimensions of reputation, such as a firm's reputation as an employer and as being environmentally friendly, should be distinguished (Walker, 2010). By not only studying the effect on overall reputation, but by also studying the dimensions individually, the effect on each dimension can be assessed. This provides additional insights into the effect of downsizing on reputation. Therefore, in this study not only the effect of downsizing on a firm's overall reputation as an aggregate perception is studied, but also the effect of downsizing on each dimensions of reputation.

A second problem with the aggregation of perceptions is that a firm can have a different reputation per stakeholder group. Each stakeholder group has its own self-serving interests that will influence a particular stakeholder's perception of a firm's reputation (Walker, 2010). For instance, an employee will be more interested in job security, while a shareholder is mainly interested in profitability. This shows that reputation is not a homogeneous construct and can differ between stakeholders (Lewellyn, 2002; Zyglidopoulos, 2004). This is not seen as problematic, since reputation is based on perceptions, which are subjective by definition, leaving room for individual interests to differ (Walker, 2010). However, when aggregating the perceptions of stakeholders, details on their differences are lost. While it is not possible nor feasible for a quantitative study as this to study all relevant *individual* stakeholders and their self-serving interests, it is possible to study the aggregated reputation for a specific stakeholder group. Therefore, this study will also examine the effect of downsizing on reputation for each stakeholder group individually. This provides additional insights into the collective perceptions of each stakeholder group (Walker & Dyck, 2014).

Taking into account these discussed attributes, Fombrun's 1996 and 2000 definitions are combined to form this study's definition of (firm) reputation: *a collective perception of a firm's past actions and future prospects that describes the firm's overall appeal to a representative group of stakeholders* (Fombrun, 1996; Fombrun et al., 2000). This definition is used in this study as it comprises the common attributes of reputation as discussed in literature. It takes into account the fact that reputation is based on perceptions of relevant stakeholders and that those perceptions are aggregated to determine a firm's overall appeal to those stakeholders. It also allows reputation to be favorable and unfavorable, and takes into account reputation's historical dimension.

Lastly, reputation should not be confused with identity and image. Identity looks *internally* at what a firm itself believes it is, it is a firm's presentation of itself to stakeholders (Barnett et al., 2005; Walker, 2010). Contrarily, image looks *externally* at what a firm wants others to think the organization is, and therefore underlies communication and marketing efforts (Barnett et al., 2005; Walker, 2010). Reputation looks at what the firm is perceived to be by both internal and external stakeholders (Barnett et al., 2005; Walker, 2010).

2.1.2. Strategic advantages of reputation

As described in the introduction, a favorable reputation is seen as an important strategic asset for a firm. It is an intangible asset that can lead to sustained competitive advantage and other competitive advantages (Eberl & Schwaiger, 2005).

For reputation to lead to competitive advantage, it has to be a so called VRIN-resource (Barney, 1991). VRIN stands for valuable, rare, inimitable and non-substitutable (Barney, 1991). For reputation to be qualified as a VRIN-resource it has to 'check all the boxes'. First of all, the resource has to be valuable, meaning it supports a firm's exploitation of opportunities or neutralizes threats (Barney, 1991; Bergh et al., 2010). A favorable reputation is such a valuable resource, as it reduces the uncertainty faced by stakeholders when evaluating firms as potential suppliers of products or services (Bergh et al., 2010; Rindova et al., 2005).

The resource must also be rare, to the extent that other firms do not have the same resource (Barney, 1991). This is difficult to evaluate (Barney, 1991; Deephouse, 2000). However, as a favorable reputation is built up through a complex process of interactions among a firm and its stakeholders, there is much variety in reputations of firm, hinting at the rarity of a firm's reputation (Barney, 1991; Bergh et al., 2010; Deephouse, 2000).

A favorable reputation is also difficult to imitate since reputations are built up through the accumulation of firms' interactions with stakeholders (Barney, 1991; Bergh et al., 2010;

Deephouse, 2000; Fombrun & Van Riel, 1997; Roberts & Dowling, 2002). As reputations are subject to causal ambiguity and social complexity, it is difficult to determine how reputations originate and develop, which reduces the extent to which competitors are able to imitate them (Bergh et al., 2010; Roberts & Dowling, 2002).

Lastly, the resource has to be non-substitutable (Barney, 1991). A favorable reputation can be seen as a psychological contract between a firm and its stakeholders, and is different from a formal commitment such as a contract or a guarantee (Barney, 1991; Deephouse, 2000). It is not something a firm can easily obtain, but it is something a firm “*must cultivate and nurture*”, as reputation is formed over time (Lee & Jungbae Roh, 2012, p. 650). Therefore, there are no good substitutes for a favorable reputation and thus a favorable reputation is a non-substitutable resource (Bergh et al., 2010; Deephouse, 2000; Lee & Jungbae Roh, 2012).

In conclusion, a favorable reputation is a VRIN-resource that can provide a firm with sustained competitive advantage (Bergh et al., 2010; Deephouse, 2000; Roberts & Dowling, 2002).

However, besides resulting in competitive advantage, a favorable reputation brings along a wide array of other strategic benefits. Well reputed firms have the strategic benefit of being able to ask higher prizes for its products, as consumers estimate the quality of a firm’s products on its reputation (Deephouse, 2000; Eberl & Schwaiger, 2005; Fombrun & Shanley, 1990; Fombrun & Van Riel, 1997). Reputation serves as a risk-reducing mechanism for potential buyers, which leads to a willingness to pay a price premium for the offerings of the highly reputed firm (Eberl & Schwaiger, 2005; Fombrun & Shanley, 1990). When a buyer is satisfied with the purchase, this is an experience that accumulates, thereby maintaining the good reputation (Roberts & Dowling, 2002). As these customers will stay with the firm, more customers will be attracted by the experiences of other stakeholders and therefore the good reputation which will lead to a larger customer basis (Eberl & Schwaiger, 2005; Roberts & Dowling, 2002). This also brings along the advantage of being attractive to investors (Caruana, 1997; Deephouse, 2000; Fombrun & Shanley, 1990).

Furthermore, a favorable reputation is beneficial as an employer, because potential employees are more inclined to work for a well reputed firm and therefore a favorable reputation will attract better applicants (Eberl & Schwaiger, 2005; Fombrun & Shanley, 1990). Also, current employees will be more motivated to work for a well reputed firm, which leads to higher productivity and lower employee turnover (Eberl & Schwaiger, 2005; Roberts & Dowling, 2002). Therefore contracting and monitoring costs are reduced (Eberl & Schwaiger, 2005).

A good reputation also signals to contracting parties that a firm is trustworthy, cooperative and will not behave opportunistic (Bergh et al., 2010; Fombrun & Shanley, 1990; Shapiro, 1983). The costs associated with negotiating, drafting and enforcing contracts are therefore lower, and parties will feel less of a need to include safeguards and other protective measures in the agreements (Bergh et al., 2010). Consequently, transaction costs will be lower, making firms with good reputations attractive contracting parties (Bergh et al., 2010; Deephouse, 2000; Roberts & Dowling, 2002).

2.2. Downsizing

Downsizing is a concept that comes with many definitions and has a rich history. Therefore, firstly the definition and history are elaborated on. Subsequently, previous studies regarding the effects of downsizing are discussed to provide an (limited) overview of the impact of downsizing on individuals and organizations.

2.2.1. Definition

Downsizing is a possible tool in a firm's restructuring process, a process which is "*the deliberate modification of a firm's strategy, structure, resources, or operations to improve alignment with an altered external or internal environment*" (Singh, Mahmood & Natarajan, 2017, p. 552). Through downsizing, a firm is able to cut costs while sustaining or reclaiming its competitive advantage (Band & Tustin 1995; Datta, Basuil, & Radeva, 2012). Through this, a firm hopes to improve its organizational efficiency, productivity and competitiveness, thereby increasing firm performance (Band & Tustin 1995; Datta et al., 2010; Freeman & Cameron, 1993). Downsizing in this study is defined as an intentional management action involving a reduction in personnel in order to improve firm performance (Cameron, 1994; Datta et al., 2012; Datta et al., 2010; De Meuse, Bergmann, Vanderheiden, & Roraff, 2004; Freeman & Cameron, 1993). This definition highlights that downsizing is not something that just befalls a firm, but that it is an action that is purposively undertaken by a firm (Cameron, 1994; Datta et al., 2010). Downsizing can either be a reaction to a decline – for example in productivity – or it can be a proactive action to for example augment competitiveness and contain costs (Cameron, 1994).

This definition of downsizing also displays that downsizing in this study is limited to reductions in personnel, which involves several personnel reduction strategies, such as buyout packages, layoffs and retirement incentives (Freeman & Cameron, 1993; Marks & De Meuse, 2005). As this study is limited to reductions in personnel, it does not include the downsizing of a firm through for example the introduction of new products without hiring new employees,

which leads to less employees per unit of output, but not an absolute decrease in employees (Cameron, 1994).

Lastly, the definition of downsizing highlights the intended purpose of a downsizing: the improvement of firm performance. This purpose is achieved by cutting labor costs, which leads to an improvement in the firm's efficiency, productivity and competitiveness, which consequently increases firm performance (Band & Tustin 1995; Cameron, 1994; Datta et al., 2010; Freeman & Cameron, 1993).

2.2.2. History

Downsizing is not just something from this century. Even though the terminology 'downsizing' was infrequently used back in the day, reductions-in-workforce were already a routine activity for firms in the 1970s (Gandolfi & Littler, 2012). In that time, it was common for firms to react to organizational demise and cyclical downturns by cutting arbitrary percentages of employees from departments, without considering each department's strategic value (Bruton, Keels, & Shook, 1996; Cameron, Freeman, & Mishra, 1993; Gandolfi & Littler, 2012).

Downsizing became more strategically oriented in the 1980s as firms were confronted by altered external circumstances such as recessions and increased globalization (Bruton et al., 1996; Datta et al., 2010; De Meuse, Vanderheiden, & Bergmann, 1994). Instead of arbitrarily cutting percentages of employees, the circumstances forced firms to rethink their cost structures in order to improve efficiency and competitiveness in the increasingly global markets (Bruton et al., 1996; Datta et al., 2010; De Meuse et al., 1994). As there was a widespread belief that downsizing would lead to an improvement of firm performance, firms let go of the 'bigger is better' standard and started to value the mantras 'lean and mean' and 'rightsizing' (Cascio, Young, & Morris, 1997; Gandolfi & Littler, 2012; Morris, Cascio, & Young, 1999; Sheaffer, Carmeli, Steiner-Revivo, & Zionit, 2009). This downsizing behavior was mimicked by many firms and led to the institutionalization of downsizing as a strategic tool (Cascio, Chatrath, & Christie-David, 2020; Gandolfi & Littler, 2012; Sheaffer et al., 2009). The trend of downsizing did not subside and has become a common business practice in many countries around the world (Datta et al., 2010; De Meuse & Dai, 2013; Gandolfi & Littler, 2012; Maertz Jr et al., 2010; Zorn, Norman, Butler, & Bhussar, 2017).

However, as downsizing became an accepted business practice, the question started to rise whether downsizings achieve their intended purpose of improved firm performance. Have organizations actually become lean and mean, or have they become 'lean and lame', for example because the downsizing led to an elimination of necessary personnel or because the

downsizing damaged the organization's learning capability by downsizing (Bruton et al., 1996; Gandolfi & Littler, 2012; Sheaffer et al., 2009)? Numerous studies have been conducted on the effects of downsizing in an effort to answer this question, mainly concentrating on the effect of downsizing on firm performance. The next paragraph provides an overview of literature on the effects of downsizing.

2.2.3. Previous studies into the effects of downsizing

Several streams of studies have looked into the effects of downsizing, some focus solely on the outcomes of downsizings on the organizational level, such as firm performance, others focus on individual outcomes of downsizings, such as employee motivation, and its indirect effect on firm performance. In the next paragraphs, several streams of studies on both the organizational as the individual level are discussed.

2.2.3.1. The psychological contract

The psychological contract stream is one of the streams of studies that looks into the effects of downsizing on the individual level. This stream suggests that besides a formal labor contract, there is also an informal, trust-based agreement between employees and employers: the psychological contract (Datta et al., 2010; Zorn et al., 2017). According to this psychological contract, the employer shall provide the employee with pay and a positive and stable work environment in exchange for the employee's work (De Meuse & Dai, 2013; Zorn et al., 2017).

When a firm downsizes, it is often perceived as a breach of the psychological contract by employees, as the employer violates their trust by not fulfilling its obligations and by defying the expectation that good work will lead to long-term employment (Clay-Warner, Hegtvedt, & Roman, 2005; De Meuse et al., 2004; De Meuse & Dai, 2013; Zorn et al., 2017).

Furthermore, downsizing is not just perceived as a breach by victims, those who were laid off, but also by survivors, those who were not laid off (Brauer & Zimmermann, 2019; Travaglione & Cross, 2006; Zorn et al., 2017). Among survivors, this breach can lead to a decrease in organizational commitment, loyalty and motivation, which subsequently results in decreased job productivity and ultimately decreased firm performance (Brauer & Zimmermann, 2019; De Meuse et al., 2004; De Meuse & Dai, 2013; Zorn et al., 2017). As the employer is no longer regarded as favorably as before, the downsizing also causes unwanted voluntary turnover, which results in higher recruitment, selection and training costs (Brauer & Zimmermann, 2019; Trevor & Nyberg, 2008). Additionally, downsizing leads to heightened

uncertainty and stress among survivors, and to a decrease in creativity as work environment stimulants decrease and work environment obstacles develop (Amabile & Conti, 1999; Brauer & Zimmermann, 2019; Brockner et al., 1994; Brockner et al., 2004; Travaglione & Cross, 2006; Zorn et al., 2017). These negative effects on survivors' job attitudes and behaviors are also known as "survivor syndrome" (Cascio et al., 1997; De Meuse & Dai, 2013; Djordjevic & Djukic, 2008; Travaglione & Cross, 2006).

Thus, the psychological withdrawal, such as reduced loyalty and job involvement, and physical withdrawal, such as voluntary turnover and increased absences, that comes with downsizing, has a detrimental effect on survivors' job productivity and thereby on firm performance (Allen, Freeman, Russell, Reizenstein, & Rentz, 2001; Datta et al., 2012; Travaglione & Cross, 2006).

2.2.3.2. Organizational justice theory

The consequences of downsizings on individuals can also be explained by the organizational justice theory, which focusses on perceptions of fairness (Brennan & Skarlicki, 2004; Datta et al., 2010). In the context of downsizing the organizational justice stream looks at victims' and survivors' perceptions of fairness of a downsizing (Datta et al., 2010; Wanberg, Gavin, & Bunce, 1999). These fairness perceptions are generally divided into two types: perceptions about procedural fairness and perceptions about distributive fairness (Van Dierendonck & Jacobs, 2012). Distributive fairness looks at the fairness of outcomes of the downsizing (Van Dierendonck & Jacobs, 2012), which involves "*a calculation of how deserved received outcomes are relative to the received outcomes of others*" (Mansour-Cole & Scott, 1998, p. 32). Procedural fairness refers to the perceived fairness of the processes used to implement the downsizing, which includes the perception of quality of the decision making process that led to the decision to downsize (Bragger, Evans, Kutcher, Sumner, & Fritzky, 2015; Skarlicki, Ellard, & Kelln, 1998; Van Dierendonck & Jacobs, 2012; Wanberg et al., 1999).

Victims and third-party observers assess a downsizing by forming an opinion on these two types of fairnesses. Third-party observers of a downsizing can be internal, such as survivors, or external, such as potential job applicants and customers (Van Dierendonck & Jacobs, 2012). Especially survivors are of interest to the organizational justice stream, as survivors, in contrast to victims, are still organizational members whose fairness perceptions can impact the company from the inside (Skarlicki & Kulik, 2004). While they are not directly impacted by unfair organizational treatment of former coworkers and therefore are solely a third-party, they do observe this (mis)treatment of victims (Skarlicki et al., 1998; Van

Dierendonck & Jacobs, 2012). As survivors observe the (mis)treatment of victims, survivors' attitudes and behaviors – such as job satisfaction, organizational commitment and intention to voluntarily turnover – can be affected when the downsizing is deemed unfair (Allen et al., 2001; Brennan & Skarlicki, 2004; Clay-Warner et al., 2005; Skarlicki et al., 1998; Travaglione & Cross, 2006).

External third-party observers, such as customers, also form fairness perceptions from for example media coverage, and even though they are no organizational members, they can still cause harm to a downsizing firm (Skarlicki et al., 1998; Skarlicki & Kulik, 2004). When these external third-party observers regard a downsizing as unfair, Skarlicki et al. (1998) found that it can influence their intentions to apply for a job at the downsizing firm and to purchase the products of the downsizing firm. Additionally, third parties might refrain from investing in a financially attractive company purely for the firm's unfair intentions (Turillo, Folger, Lavelle, Umphress, & Gee, 2002). Third parties will even go as far as to pay more for a product at another firm, than to buy the product at the downsizing firm for a lower price, solely to punish unfair behavior (Turillo et al., 2002).

The organizational justice stream also highlights the positive effects that fairness perceptions can have on the effects of downsizing. When a downsizing is assessed as fair, these favorable fairness perceptions can mitigate negative consequences of the downsizing, such as reduced employee productivity and reduced emotional damage (Bragger et al., 2015; Datta et al., 2010). Studies regarding procedural fairness have found that when victims are provided with a voice in the decision making process, the downsizing is perceived as more fair (Bies, Martin, & Brockner, 1993; Bies & Shapiro, 1988; Brockner et al., 2001; Skarlicki et al., 1998). When an adequate explanation for the reason behind the downsizing is given, the downsizing is also considered more fair by victims and by third-party observers (Bragger et al., 2015; Skarlicki et al., 1998; Wanberg et al., 1999). A firm's motive for the downsizing impacts fairness perceptions as well, as it shows survivors and victims to what degree the firm is accountable for the downsizing (Van Dierendonck & Jacobs, 2012). For example, when a firm downsizes due to reasons within the influence of the firm, such as profit maximization, fairness perceptions play a more negative role than when a firm downsizes as per economic necessity, as a downsizing decision in dire conditions has greater legitimacy (Noer, 1993; Van Dierendonck & Jacobs, 2012).

2.2.3.3. Effects on firm performance

Besides the many studies that have focused on individual outcomes of downsizings, there is also a variety of studies that have focused on the outcomes of downsizing on the organizational level. In these studies, the emphasis is placed on the question whether downsizing leads to improved firm performance.

2.2.3.3.1. Effects on firm performance: positive effect

The economic rationale behind downsizing is that profits will be realized when revenues exceed costs (Cascio et al., 2020; Sheaffer et al., 2009). Downsizing reduces the workforce and therefore lowers the firm's cost structure, in turn reducing firm costs (Wayhan & Werner, 2000). This creates cost reductions and efficiencies of which the firm hopes to benefit, and actually does according to several studies that found that downsizing has a positive effect on firm performance in the short term and/or long term (Baumol, Blinder, & Wolff, 2003; Bruton et al., 1996; Cascio et al., 1997; Chhinzer & Currie, 2014; De Meuse & Dai, 2013; Espahbodi, John, & Vasudevan, 2000; Kang & Shivdasani, 1997; Wayhan & Werner, 2000; Yu & Park, 2006).

Wayhan and Werner (2000) found that downsizing leads to only short-term benefits. They explain the short-term nature of these benefits through the competitive advantage theory: while downsizing leads to a lower cost structure and can therefore be used to achieve competitive advantage, this is a strategy that can easily be replicated by competitors and consequently only results in short-term benefits (Wayhan & Werner, 2000). Wayhan and Werner use the resource-based view to explain why there are no long term benefits from the downsizing. The resource-based view "*sees organizations as unique bundles of tangible and intangible resources that provide an important means of differentiating competitors*" (Wayhan & Werner, 2000, p. 357). According to this view, human resources possess unique knowledge, skills and abilities (KSAs) that employees have accumulated over time (Barney, 1991; Wayhan & Werner, 2000). Downsizing harms firms as it leads to a loss of human capital and valuable KSAs, and as downsizing demotivates survivors (Wayhan & Werner, 2000; Zorn et al., 2017).

Contrarily, De Meuse and Dai (2013) found that downsizing firms *did* improve their financial outcomes in the years after the downsizing, even though they still lagged behind financially on non-downsizing firms two years after the downsizing. However, the third year after the downsizing the downsizing firms' financial outcomes no longer significantly differed from non-downsizing competitors (De Meuse & Dai, 2013).

Palmon, Sun and Tang (1997) found that the effects of a downsizing announcement are dependent upon the causes and intended purpose of the downsizing. When a firm is forced to downsizing due to adverse market conditions, it has a negative effect on the firm's return on equity as it is associated with declining sales and therefore has a negative effect on the firm's performance (Palmon, Sun, & Tang, 1997). Contrarily, return on equity is positive when the firm downsizes for efficiency reasons, as this is associated with increased sales (Palmon et al., 1997). These effects are explained by the fact that investors regard these downsizing motives as signals which help them interpret firm values and firm profitability in the years following the announcement (Palmon et al., 1997).

Lastly, Chhinzer and Currie (2014) found that the rationale for downsizing influences the effects of the downsizing on firm performance. They found that organizations that engage in excuse-based downsizing – meaning they deny responsibility – experience growth two years after a downsizing, but organizations that engage in justification-based downsizing – meaning they accept responsibility – experience nor a significant decline nor a significant growth after downsizing (Chhinzer & Currie, 2014).

2.2.3.3.2. Effects on firm performance: no or negative effect

While the above mentioned economic rationale for downsizing has been confirmed in several studies, literature on the effect of downsizing on firm performance is mixed. Downsizing might not be the “cure-all” the world of management had hoped for: various other studies found that downsizing does *not* have an effect on firm performance or even has a *negative* effect on firm performance (Cameron et al., 1993; Cascio et al., 1997; Chalos & Chen, 2002; De Meuse et al., 1994; Guthrie & Datta, 2008; Maertz Jr et al., 2010; McElroy, Morrow, & Rude, 2001; Morris et al., 1999; Saïd, Louarn, & Tremblay, 2007; Vanderheiden, De Meuse, & Bergmann, 1999, p. 261).

Cascio, Young and Morris (1997) found no evidence that downsizings lead to improved profits and they advise managers to be cautious with downsizing as victims' and survivors' responses can counteract any possible benefits the downsizing might have. They name survivor syndrome – previously discussed in paragraph 2.2.3.1., which is grounded in the psychological contract theory – as a typical consequence of a downsizing that has a detrimental effect on any possible benefits (Cascio et al., 1997).

Guthrie and Datta (2008) found that downsizing has a detrimental effect on firm performance. They argue that as the results of studies regarding the effect of downsizing on firm performance are equivocal, the degree of the negative effect is dependent on the context

in which a downsizing takes place. They found evidence for this statement for context factors such as industry growth and capital intensity (Guthrie & Datta, 2008). These findings are supported by organizational justice theory. During times of high industry growth, downsizings will be perceived as less fair and can therefore be particularly damaging for employee motivation and commitment, which has a detrimental effect on employee productivity and consequently firm performance (Guthrie & Datta, 2008). For low capital intensive firms, employees are more central to the firm's activities. Consequently, following a resource based view, a downsizing's negative effect will be more substantial as its leads to a loss of human capital and valuable KSAs leave the firm (Guthrie & Datta, 2008).

Datta, Basuil and Radeva (2012) provide an overview of studies about the effects on downsizing and argue that while downsizing might lead to short-term savings as labor costs are reduced, but that in the long-term it can "*paralyze long-term revenue-generating streams*" (p. 202), as downsizing often leads to high direct and indirect costs. This negative effect can be explained by the fact that survivors perceive the downsizing as a breach of their psychological contract with the firm (Datta et al., 2012). As elaborately discussed in paragraph 2.2.3.1., survivors that observe victims' mistreatment can feel uncertain about their own future with the firm and therefore they will feel less motivation and organizational commitment, resulting in a lower productivity (Datta et al., 2012; De Meuse et al., 2004). As labor productivity decreases, so does firm performance (Datta et al., 2012; Guthrie & Datta, 2008; Maertz Jr et al., 2010).

These previous studies look into the effects of downsizing on individuals and on organizational outcomes such as firm performance. However, relatively few studies have studied the relationship between downsizing and reputation specifically, and the studies that have, have been criticized for their measurement of reputation. Walker (2010) even went so far as to say that the measurement used in these studies "*cannot be seen as a measurement of reputation*" (p. 373). As the key constructs of downsizing and reputation have been elaborately discussed, in the next paragraph the relationship between the two constructs is examined and the hypotheses for this study are formulated.

2.3. The effect of downsizing on reputation

As downsizing can have both beneficial and detrimental consequences, the question remains whether downsizing is beneficial or whether it does more harm than good to a firm's reputation. To examine this relationship between downsizing and reputation, first, previous studies into the effect of downsizing on reputation are discussed in the next subparagraph. After that, the limitations of these studies are discussed and subsequently the measurement method of reputation, and downsizing motive are elaborated on. Additionally, the hypotheses for this study are drawn from theory.

2.3.1. Previous studies

Several studies have been conducted on the effect of downsizing on corporate reputation (Flanagan & O'Shaughnessy, 2005; Love & Kraatz, 2005, 2009; Zyglidopoulos, 2005), on the effect of layoffs on firm reputation (Flanagan & O'Shaughnessy, 2005) and on the effect of downsizing on specifically the social behavior aspect of corporate reputation (Karake, 1998; Zyglidopoulos, 2004). Another study looks at contextual factors that can influence the relationship between downsizing and corporate reputation (Schulz & Johann, 2018). One study consists of the provision of a literature overview of the above studies (Djordjevic & Djukic, 2008). To the author's knowledge, these are the only studies on this topic.

Most of these studies found a negative effect of downsizing on reputation (Flanagan & O'Shaughnessy, 2005; Karake, 1998; Love & Kraatz, 2005, 2009; Zyglidopoulos, 2004, 2005). Flanagan and O'Shaughnessy (2005) reasoned that the negative impact that layoffs will have on firm performance leads to decreases in outsiders' perceptions of the firm's future prospects and therefore leads to a reduction in firm reputation. They argue that a firm will face the negative impact of layoffs on the micro and macro organizational level.

Firstly looking at the micro organizational level, they explain that employees have key knowledge. Therefore, layoffs lead to the loss of key knowledge resources, and can also reduce survivor motivation (Flanagan & O'Shaughnessy, 2005). Additionally, the internal functioning of organizations is affected, as employees are connected with each other in informal communication networks in the firm and laid off employees will leave holes in these networks. This will damage information sharing, a firm's learning and memory capabilities, and creativity within a firm (Flanagan & O'Shaughnessy, 2005).

Secondly, they look at the macro organizational level. Here, they suggest that layoffs have short-term competitive benefits and long-term resource-based losses (Flanagan & O'Shaughnessy, 2005). Drawing from the competitive advantage view, Flanagan and

O'Shaughnessy (2005) argue that a layoff can be used to respond to a pressure and produce short-term results by reducing costs, thereby enhancing a firm's competitive position in the industry. However, drawing from the resource based view, layoffs will harm the firm in the long term as they "*may undermine the buildup of organizational social capital*" (Flanagan & O'Shaughnessy, 2005, p. 447). This social capital is made up of individual employees' knowledge, which helps a firm create valuable outputs, and networks of employees, which also create valuable and hard-to-imitate output. This last form of social capital will be especially damaged by a layoff (Flanagan & O'Shaughnessy, 2005).

Love and Kraatz (2005) specifically studied the effect of *downsizing* on reputation. They found evidence that this effect is negative, as downsizing damages "*perceptions of firms' trustworthiness and records of delivering on commitments to stakeholders*" (Love & Kraatz, 2005, p. 2). These perceptions are damaged by downsizing as employees perceive a downsizing as a breach of the psychological contract between employee and employer. In that contract, the employer commits to providing job security to an employees, and breaches this by downsizing (Love & Kraatz, 2005). Also, a downsizing can be perceived as mismanagement or economic duress, leading to a less favorable reputation (Love & Kraatz, 2005).

Love and Kraatz (2005) however also found arguments that pled for a positive effect of downsizing on reputation. Downsizing could be positively perceived, as it is a necessary and financially effective measure to deal with internal and external pressures (Love & Kraatz, 2005). Also, downsizing was portrayed in management models as an effective management move, providing the public with a positive connotation of downsizing (Love & Kraatz, 2005). However, this alternative hypothesis, that the effect of downsizing on reputation will have a positive effect, was not supported (Love & Kraatz, 2005).

In 2009, Love and Kraatz studied the effect of downsizing on reputation again. This time focusing on the mechanism that underlies the effect. They proposed three possible mechanisms, in which there was a negative, positive or neutral effect of downsizing on reputation. The first possible mechanism proposed is organizational character, and hypothesizes a negative effect of downsizing on reputation (Love & Kraatz, 2009). Audiences perceive firm actions as an indicator of a firm's underlying character, therefore audiences attribute traits to a firm and rethink already attributed traits, based on a firm's actions (Love & Kraatz, 2009). When firms make decisions that show their underlying trustworthiness and credibility and are in line with historical commitments, they are favorably perceived (Love & Kraatz, 2009). Actions that are perceived as for example opportunistic will harm a reputation. Support for this mechanism was found (Love & Kraatz, 2009).

The second mechanism is that of symbolic conformity. According to this mechanism, perceptions of a firm are shaped by a firm's congruity with external, socially constructed standards (Love & Kraatz, 2009). These standards are specific to the situation a firm is in, and is therefore less general than the values that underly the first mechanism, such as reliability. According to symbolic conformity, firms' actions are evaluated by audiences "*as symbolic indicators of a firm's cultural fitness and adjust their reputational assessments accordingly*" (Love & Kraatz, 2009, p. 317). Follow this line of reasoning, the proposed effect of downsizing on reputation is negative, as downsizing nowadays is culturally appropriate as it is a popular management practice (Love & Kraatz, 2009). However, no support was found for this hypothesis (Love & Kraatz, 2009).

The third and last mechanism proposed by Love and Kraatz (2009) is technical efficacy. This mechanism predicts that reputational change is equal to or is mainly driven by the performance change caused by a downsizing (Love & Kraatz, 2009). Therefore, they propose that downsizing will not have any effect on a firm's reputation when controlled for financial performance (Love & Kraatz, 2009). However, no support was found for this hypothesis (Love & Kraatz, 2009).

Another research on the effect of downsizing on reputation is by Zyglidopoulos (2005). He found support for the hypothesis that downsizing has a negative effect on reputation. As the resource based view depicts firms as "*bundles of unique and idiosyncratic resources and capabilities*", firms damage their unique resources and capabilities when they downsize, thereby diminishing long term firm performance (Zyglidopoulos, 2005, p. 255). As stakeholders perceive this connection between downsizing and loss of strategic capabilities, downsizing damages reputation (Zyglidopoulos, 2005).

Besides research on the effect of downsizing on reputation, Zyglidopoulos (2004) and Karake (1998) studied the effect of downsizing on a particular dimension of reputation. Karake (1998) examined the impact of downsizing on corporate social responsibility. The reasoning for an effect was that social responsibility is important to a firm, because not adhering to that responsibility can affect firm performance and a firm's standing in a community, which will lead to a decreased social perception of the firm (Karake, 1998). While this would imply that this study specifically looked at the corporate social responsibility component of a firm's overall reputation, this was not the case as it was measured by the company's reputation index, in the same way as the previously discussed studies have done (Karake, 1998). As in the above mentioned studies, a negative relationship between the amount of downsizing and the corporate social performance as measured by a reputation index was found (Karake, 1998).

Zyglidopoulos (2004, p. 13) measured the effect of downsizing on reputation for corporate social performance (RCSP), which refers to a “*firm’s reputation for principles, processes and outcomes related to the social impact of the firm’s operations*”. The same measure for overall reputation is used as the other studies, but in this study, the impact on specifically the dimension ‘community and environmental responsibility’ is measured to indicate the firm’s RCSP. The hypothesis in this study is that downsizing will have a negative effect on RCSP for two reasons. The first being the fact that downsizing breaches psychological contracts between firms and their employees, and the fact that it does not just harm the lives of laid off employees, but also the community in which the firm is situated (Zyglidopoulos, 2004). The second reason is that it can have a negative social impact on other communities as well when the media broadcasts the downsizing negatively (Zyglidopoulos, 2004). Support for this hypothesis was found.

Thus, while above studies differ in their dependent variable (reputation or an aspect of it) and its definition, they do all find support for the hypothesis that the effect of downsizing on reputation is negative.

2.3.2. Limitations of previous studies

Even though all these studies found support for the notion that downsizing has a negative effect on firm reputation, there is still a need for further research into this area as the measurement of reputation through the AMAC survey has several limitations. Before elaborating on the limitations of the survey, the procedure of the AMAC survey will be explained.

As introduced in the introduction, the AMAC survey is Fortune’s annual rating of America’s most admired companies. Fortune collects data of the largest firms in over 30 industries (Brown & Perry, 1994). The respondents are executives, directors and financial analysts. They are asked to rank the ten largest companies from the industry in which they are active on eight dimensions: quality of management, quality of products or services, innovativeness, long-term investment value, financial soundness, ability to attract, develop, and keep talented people, responsibility to the community and the environment, and wise use of corporate assets (Brown & Perry, 1994). The scores on each dimension are added up and averaged into an overall reputation score, which leads to a ranking of the firms. As the AMAC survey was held yearly, the above mentioned studies used the results from Fortune’s survey to compare the year prior to a firm announcing a downsizing, with the year after a firm announced a downsizing (Flanagan & O’Shaughnessy, 2005; Karake, 1998; Love & Kraatz, 2005, 2009; Schulz & Johann, 2018; Zyglidopoulos, 2004, 2005). By comparing the overall reputation

scores of these two consecutive years, the effect of downsizing on reputation was measured. As previous studies found a lower reputation score in the measurement of reputation after a downsizing occurred or was announced, the studies found a negative relationship between downsizing and reputation.

However, this measurement method is criticized in literature for multiple reasons. First of all, as only executives, directors and financial analysts, who make up the business community, rank the firms, the firm's measured reputation consists of the perceptions of only one stakeholder group (Chun, 2005; Deephouse, 2000; Fombrun, 1996; Fombrun & Shanley, 1990; Fryxell & Wang, 1994; Walker, 2010). This is only one of the many groups of stakeholders that a firm has, such as employees, suppliers and customers. Since reputation can vary between different stakeholders and considering that each group of stakeholders has its own self-serving interests that play a part in the formation of perception and its own set of criteria on which firm evaluations are based, the AMAC survey misses valuable perceptions of other influential stakeholders in its measurement of reputation (Eberl & Schwaiger, 2005; Love & Kraatz, 2009; Mahon, 2002; Schulz & Johann, 2018; Walker, 2010). The inclusion of only a select group of stakeholders will lead to an evaluation of firm reputation *from the perspective of that select group of stakeholders*, and not to a firm's overall reputation (Mahon, 2002). Or as Walker and Dyck (2014, p. 149) put it: "*the common practice of measuring corporate reputations based only on the ratings of one stakeholder group seems unnecessarily shortsighted, especially for an asset as important as firm reputation*". Consequently, the AMAC survey is set to only measure firm reputation according to the financially focused business community (Chun, 2005; Eberl & Schwaiger, 2005; Logsdon & Wartick, 1995; Podolny & Phillips, 1996; Wood, 1995).

A second point of criticism on the AMAC survey is that the survey is overly focused on financial performance and misses theoretical foundation (Brown & Perry, 1994; Chun, 2006; Eberl & Schwaiger, 2005; Fryxell & Wang, 1994; Walker, 2010). The eight dimensions in the AMAC are known to be highly multicollinear with firm profitability, meaning that profitability influences each dimension score (Fryxell & Wang, 1994; Wood, 1995). This means that each dimension of reputation is not properly measured, because it loads on firm profitability, meaning the dimensions mainly measures firm profitability (Fombrun & Shanley, 1990; Fryxell & Wang, 1994; Wood, 1995). Therefore, the reputation of the firms studied in the AMAC survey is largely determined by how attractive the firm is as an investment, and is therefore not a measurement of reputation but a measurement of the perceptions of the business community

about the firm's financial performance (Brown & Perry, 1994; Fryxell & Wang, 1994; Walker, 2010).

Brown and Perry (1994) encountered this financial halo in the AMAC survey, and developed a method to remove the halo from Fortune's data base. However, even after using the removal method, high correlations still remain within the data (Brown & Perry, 1994). Additionally, it is suspected that there are additional halos that are not influenced by financial performance, but by other factors (Brown & Perry, 1994).

Furthermore, another limitation of the survey is that research has only been conducted for large firms that are based in the United States, meaning there is no evidence for an effect of reputation on smaller firms and firms that are not based in the United States (Deephouse, 2000).

Lastly, it is pointed out that Fortune decided to conduct the survey not for scientific studies of reputations, but to enhance sales of magazines (Sodeman, 1995). This explains why the survey misses theoretical foundation (Chun, 2006). Previous studies have probably used Fortune's data base because it was available, longitudinal and easy (Deephouse, 2000; Wood, 1995). Therefore, "*we are reminded of the oft spoken cautions against the existence of the "free lunch."* Similarly, we believe that measures, such the Fortune data, that seem almost "*too good to be true*" would typically be those which warrant the biggest doses of skepticism." (Fryxell & Wang, 1994, p. 13).

In conclusion, Fortune's AMAC is not an adequate measurement method for measuring the construct reputation. Therefore, this study will use a different measurement method than the AMAC, namely the Reprtrak, more on which in the next paragraph, that measures reputation using dimensions that do not have a financial halo. This study will also include more relevant stakeholder groups, namely customers, the general public and employees, and therefore includes stakeholders from outside of the business world. Choosing these three groups of stakeholders forms a limitation of this study. However, even with this limitation, this study can provide valuable insights into the perceptions of non-financially focused stakeholders, which have not been included in previous studies on the effect of downsizing on reputation.

As these studies on the effect of downsizing on firm reputation, using the AMAC, have hypothesized and found support for a negative effect of downsizing on reputation, the following hypothesis is suggested.

H1: there is a negative effect of downsizing on firm reputation.

2.3.3. Measuring reputation: measurement method

When determining which existing measurement method of reputation would be used to measure the effect of downsizing on firm reputation, several methods were compared. When comparing, it was found that most measurement approaches, except for the AMAC, were comparable in convergent validity (Sarstedt, Wilczynski, & Melewar, 2013). However, the Harris-Fombrun Reputation Quotient (RQ) and Schwaiger's (2004) approach are preferred to measure criterion validity (Sarstedt et al., 2013). As to not to deter respondents due to the survey length, the measurement with the least observations of the two is preferable, namely the RQ scale (Adams, Raeside, & Khan, 2014). This scale was even further improved in 2005 and 2006, and was named the RepTrak® System (hereafter: "Reptrak"). The dimensions of the Reptrak were thoroughly tested and empirical support was found for the dimensions' reliability and validity (Fombrun, Ponzi, & Newburry, 2015; Ponzi, Fombrun, & Gardberg, 2011). The Reptrak was created to provide executives with a tool to measure the opinions of a firm's stakeholders (Fombrun et al., 2015). While the Reptrak was created in 2005 and 2006, it was not until 2015 that the creators of the Reptrak – Fombrun, Ponzi and Newburry – first published the extensive methodological groundwork (Fombrun et al., 2015). The following seven dimensions are used in the Reptrak to measure stakeholders' perceptions and construct a firm's overall reputation: products and services, innovation, workplace, governance, citizenship, leadership and performance (Fombrun et al., 2015).¹

As reputation consists of the *aggregated* perceptions on the dimensions of reputation, the mean of respondents' scores on these dimensions are calculated to form the overall reputational score and are used to test the first hypothesis. As elaborately discussed in paragraph 2.1.1, this leads to a loss of the detailed information about the scores for respondents on individual dimensions, as aggregation can result in a neutral net reputation, while in reality positive and negative perceptions are at play (Chun, 2005; Walker, 2010). By studying each dimension individually, the effect of downsizing on reputation for each dimension of the Reptrak is examined and additional insights into stakeholders' perceptions on specific issues are provided. Hence, the following hypotheses are posed.

H2: *Downsizing has a negative effect on firm reputation for products and service.*

H3: *Downsizing has a negative effect on firm reputation for innovation.*

H4: *Downsizing has a negative effect on firm reputation for workplace.*

H5: *Downsizing has a negative effect on firm reputation for governance.*

¹ The dimensions and corresponding questions can be found in Appendix 7.2.

H6: *Downsizing has a negative effect on firm reputation for citizenship.*

H7: *Downsizing has a negative effect on firm reputation for leadership.*

H8: *Downsizing has a negative effect on firm reputation for performance.*

2.3.4. Measuring reputation: stakeholder groups

As reputation is the aggregate perception *of a firm's relevant stakeholders*, the perceptions of a firm's relevant stakeholders are of interest (Bennett & Rentschler, 2003; Fombrun & Van Riel, 1997; Geoffrey Love & Nohria, 2005). However, there is an important gap between the theoretical construct of reputation and the practical possibility to measure the perceptions of all relevant stakeholders, put in other words: "*it is next to impossible for one paper to measure the perceptions of all stakeholders*" (Walker, 2010, p. 372). Therefore, this study focuses on three groups of relevant stakeholders: employees, customers and the general public. While applying this focus puts its limitations on this study, this study remains able to make valuable contributions as it includes perceptions of stakeholders from outside the business community, whose perceptions were not included in the AMAC, as the AMAC was limited to financially focused stakeholders.

As the perceptions of these three stakeholder groups are summed and form the overall firm reputation, details of the differences between the stakeholder groups' can be lost in aggregation.² By looking at the effect of downsizing on reputation for each stakeholder group individually, additional insights into the collective perceptions of each stakeholder group are provided and the differences between stakeholder groups can be examined. Hence, the following hypotheses are suggested.

H9: *There is a negative effect of downsizing on firm reputation from the perspective of employees.*

H10: *There is a negative effect of downsizing on firm reputation from the perspective of customers.*

H11: *There is a negative effect of downsizing on firm reputation from the perspective of the general public.*

2.3.5. Downsizing motive

As previously discussed, a downsizing can be reactive, in response to for example a decline, or proactive, as a strategic move (Cameron, 1994). This motive impacts fairness perceptions, as it

² As discussed in the previous paragraph and as elaborately discussed in paragraph 2.1.1.

shows survivors and victims to what degree the firm is accountable for the downsizing (Van Dierendonck & Jacobs, 2012). When a firm downsizes proactively for strategic purposes and therefore for reasons within the influence of the firm, a downsizing is regarded as less fair than when a firm downsizes reactively, because economic conditions force a firm to do so (Guthrie & Datta, 2008; Noer, 1993; Van Dierendonck & Jacobs, 2012). Love and Kraatz (2005, 2009) also found support for the notion that performance declines prior to downsizing, a reactive downsizing, will lead to more favorable reputation changes than when there is no performance decline prior to a downsizing, a proactive downsizing.

Previous research on the effect of downsizing on performance also looked into the interacting effect of downsizing motives. In line with the above results, Cascio, Chatrath and Christie-David (2020) found that downsizing in dire circumstances outperforms downsizing in better circumstances. Guthrie and Datta (2008) found a comparable result as downsizings will be perceived as less fair during times of high industry growth, therefore in prosperous times, and will consequently diminish firm performance more than during less prosperous times. In contrast, Palmon, Sun and Tang (1997) found that investors' perceptions of a downsizing are positive when it is strategically used as a cost reduction tool to improve profitability. When a downsizing decision however is caused by adverse market conditions, investors do not regard the layoff positively, as they see it as predictor of decline in firm profitability (Palmon et al., 1997).

From the beforementioned arguments, the following hypothesis is derived:

H12: Downsizing motive influences the effect of downsizing on firm reputation.

3. Methodology

This chapter explains the methodology used in the study. First, it is discussed why quantitative research in the form of a survey-based experiment is the most appropriate research method to answer the research question. Next, the experimental design, pre-test and survey design are examined. Following that, the population, sample selection and data collection are elaborated on. Subsequently, it is discussed how reputation is measured and which data analysis methods are used. Finally, the research ethics are discussed.

3.1. Research method

To best test the hypotheses of this study, quantitative research was conducted. The aim of this study is to answer the research question and test the hypotheses whether downsizing has an effect on reputation, whether this effect exists for all stakeholder groups and dimensions of reputation, and whether downsizing motive influences the effect of downsizing on reputation. In order to examine this, quantitative research is conducted as this is the most suitable research method when determining the relationship between an independent variable and other dependent variables (Field, 2013; Saunders, Thornhill, & Lewis, 2019).

This quantitative study is conducted in the form of a survey-based experiment. The purpose of an experiment is to study whether a change in an independent variable results in a change in a dependent variable, and what the size of the change is (Saunders et al., 2019). In this experiment, the independent variable – downsizing – is manipulated by means of a fictional article which is shown to the respondents in the survey. As all other conditions are kept equal, any change in the dependent variable – reputation – after the manipulation should be attributed to the change in the independent variable (Saunders et al., 2019). An experiment is the most suitable research method for this study as it enables all conditions to be kept equal, as it allows for the execution of a manipulation on the independent variable of downsizing and as it allows for an examination into whether there is a subsequent change in the dependent variable of reputation (Saunders et al., 2019).

As mentioned, this experiment is survey-based, meaning a survey is used to measure the scores of participants on the dependent variable. A survey enables the gathering of standardized information from a large and varied group of people, and hence allows for an easy comparison of large groups of respondents (Saunders et al., 2019). By use of a survey, the perceptions of respondents about a firm's reputation can be gathered before and after manipulation has taken place. By comparing the scores of respondents before and after the manipulation, it can

measured whether the manipulation of the independent variable of downsizing created a change in the reputational score, i.e. the dependent variable.

In conclusion, quantitative research in the form of a survey-based experiment is the most suitable research method, as it allows for the testing of the hypotheses of this study and thereby enables the answering of the research question.

3.2. Experimental design

In this study's survey-based experiment, participants are asked to give their opinion on several dimensions of reputation in a survey, thereby measuring the score of each respondent on the dependent variable, reputation. After the first measurement, the independent variable, downsizing, is manipulated by showing the participants an article. The respondents are asked to read this (fictional) article in which the news is announced that either a proactive or reactive downsizing will take place. After this manipulation (the reading of the article), respondents are asked the same survey questions about the dimensions of reputation as before the manipulation, allowing a comparison of the respondents' scores on firm reputation before and after the manipulation, to detect whether a change in the dependent variable occurred.

Two firms were used in the experiment, Albert Heijn and Rabobank, as to gather more data, leading to a more reliable and valid result as the two results can be compared (Adams et al., 2014). Respondents were asked their opinion about Albert Heijn first. Then either a proactive or reactive article was shown as manipulation, after which the respondents were asked their opinion about Albert Heijn for a second time. After that, respondents were asked their opinion about Rabobank, after which they were shown an article about Rabobank as manipulation and finally were asked their opinion about Rabobank for a second time.

The manipulation – the showing of the article – also allowed for the testing of the hypothesis whether downsizing motive influenced the effect of downsizing on reputation, as there were two types of downsizing articles: proactive and reactive. Respondents were randomly shown one of both articles, enabling a comparison between the changes in reputational scores between the two groups: the group that was presented with the proactive article and the group that was presented with the reactive article. In other words, the comparison showed whether one group reacted more negative to the downsizing than the other group, enabling a test of the hypothesis whether downsizing motive, reactive or proactive, influences the effect of downsizing on reputation.

3.3. Pretest

Research shows that pretesting a survey can decrease measurement error as it alerts researchers when respondents for example do not interpret questions as they were meant to be interpreted (Campanelli, 1997; DeMaio, Rothgeb, & Hess, 1998). This allows researchers to make adjustments before the survey is widespread and therefore facilitates a more accurate measurement. Consequently, before spreading this study's survey, a pretest was conducted among a small group of respondents to check whether they understood the survey questions and the articles, and whether they interpreted them as the researcher meant to. It also enabled an examination into whether the objective of this study was met, i.e. whether the manipulation worked.

For the pretest, five respondents were interviewed, varying in age, gender and education level and stakeholder group. Cognitive interviews were used in both the concurrent and retrospective form (Campanelli, 1997; DeMaio et al., 1998). In the concurrent cognitive interviews, the respondents were asked to describe their thoughts during the survey. In the retrospective cognitive interviews, the respondents were asked questions after they finished the survey about what they thought about the survey, whether things were unclear and what their interpretations of the questions were.

Following the pretest, some small alterations were made to the wording of questions and the article. Especially interesting was the finding that two respondents did not realize that the articles used for the manipulation were fictional. While this was mentioned in the introduction to the study, it was not mentioned when the articles were shown. In the retrospective interviews, these two respondents displayed confusion and expressed that they thought the articles were exaggerated ("*Rabobank is not doing that bad, right?*"). When they found out that the articles were fictional, they argued that they might have answered the questions that were asked after the presentation of the article differently with that knowledge. Therefore, "(fictional)" was added to the sentence displayed above the articles.

3.4. Survey design

The survey is structured as follows. The survey starts with an introduction to inform the participant about the fact that the survey is conducted for a master thesis at Radboud University, about the survey length and about research ethics, such as confidentiality and the right to withdraw from participating at any time.

Then the respondent is asked questions about the first firm, Albert Heijn. To start, participants are asked whether they know Albert Heijn. If they are not familiar with Albert Heijn, they are not able to give their opinion of Albert Heijn and therefore skip to the next part of the survey, to the questions about Rabobank. If respondents are familiar with Albert Heijn, they are asked questions to categorize them into one of the three stakeholder groups. If they work at Albert Heijn, more details about their employment are asked. Then they are asked to rate Albert Heijn on a 5-point Likert scale on the seven dimensions of the Reprak, see Appendix 7.3, leading to their perception of the overall reputation of Albert Heijn.

Next, the respondents' perceptions of Albert Heijn are gathered and they are shown one of two articles about Albert Heijn. Both articles are short and announce that Albert Heijn is going to downsize. One of the article describes the downsizing as proactive, and the other as reactive. After reading one of the articles, the respondents are asked to rate Albert Heijn on the seven dimensions again, taking into account the content of the article, to compare their opinions from before they knew Albert Heijn was downsizing to after. Subsequently, they move on to the questions about Rabobank.

The questions about Rabobank are the same as for Albert Heijn. First, they are asked whether they are familiar with Rabobank. If they are not, they skip to the last section of the survey where demographic information is gathered. If they are familiar with Rabobank, they are asked questions to categorize them into one of the stakeholder groups. Next, they are asked to rate Rabobank on the seven dimensions. In the same way as with Albert Heijn, the respondents are presented with one of the two articles, although this time the article is about Rabobank, after which they are asked to rate Rabobank again. Then they move on to the next section, where questions about demographics are asked, namely gender, age, education. Finally, participants are given the option to leave their email address to enter the Bol.com gift card giveaway. The survey questions can be found in Appendix 7.1.

3.5. Population

As reputation is the aggregate perception of a firm's relevant stakeholders, the perceptions of a firm's relevant stakeholders are of interest (Bennett & Rentschler, 2003; Fombrun & Van Riel, 1997; Geoffrey Love & Nohria, 2005; Walker, 2010). Therefore, the survey was set out under multiple groups of relevant stakeholders. While it would be best to include *all* relevant stakeholder groups into the survey, there is an important gap between the theoretical construct of reputation and the practical possibility to measure the perceptions of all relevant stakeholder groups, put in other words: "*it is next to impossible for one paper to measure the perceptions*

of all stakeholders” (Walker, 2010, p. 372). Therefore, this study focuses on three groups of relevant stakeholders: employees, customers and the general public. In doing so, the perceptions of both internal – employees – and external – customers and the general public – stakeholders are captured. While restricting this study to only these three stakeholder groups limits this study in its scope, it is necessary for practical purposes. Furthermore, it does not limit the study in making valuable contributions since this study is still able to confirm and extend prior research on the effect of downsizing on reputation, as the AMAC focuses on stakeholders from within the business community, while this study also includes non-financially focused stakeholders.

Moreover, these three stakeholder groups are considered influential for a firm’s reputation and are therefore highly relevant in the construction of a firm’s reputation (Fombrun & Van Riel, 1997; Schulz & Johann, 2018; Schwaiger, 2004). Employees for example are vital for a firm’s proper functioning and downsizing can negatively impact employee morale according to the organizational justice and psychological contract theory, leading to a decrease in loyalty and higher turnover rates (Brauer & Zimmermann, 2019; De Meuse & Dai, 2013; Trevor & Nyberg, 2008). Also, as a favorable reputation signals quality, downsizing can damage that favorable reputation, which in turn can lead to customers not wanting to pay the premium products and service anymore (Fombrun & Shanley, 1990; Fombrun & Van Riel, 1997). Additionally, it can lead to the firm no longer appealing to the general public, which means that members of the general public that were considering to become a customer, stop considering it. Furthermore, customers and the general public could be deterred from wanting to be employed at the firm, which could lead to higher recruitment, training and selection costs for the firm (Brauer & Zimmermann, 2019).

To categorize each respondent in the appropriate stakeholder group, participants were asked whether they are employed at the firm in question. If this was the case, they were categorized in the stakeholder group of employees. If they are not employed at the firm in question, they were asked whether they regularly buy the products or use the services of the firm. When they answered affirmatively, the respondent was categorized in the stakeholder group of customers. If a respondent answered this question negatively, the respondent was categorized as a member of the general public stakeholder group (Fombrun & Van Riel, 1997).

In conclusion, three important stakeholder groups are studied. The population of the survey is therefore all employees, customers and the general public of Albert Heijn and Rabobank.

3.6. Sample selection and data collection

Since it is impossible to study all members of the population, a part of the population – a sample – is selected to participate in this study (Saunders et al., 2019). Due to the COVID-19 pandemic, the possibility to approach respondents at random and the possibility to distribute flyers at for example Albert Heijn supermarkets, was limited. Therefore, non-probability sampling, more specifically snowball sampling, was used to reach respondents. Snowball sampling makes use of networks, as the (social) network of participants is used to reach other potential participants (Etikan & Bala, 2017).

Participants were mostly contacted through online means. A link to the survey was placed on the researcher's personal Facebook and LinkedIn, and was shared in multiple WhatsApp chats, with the request to complete and share the survey. Additionally, several closed Facebook groups with Albert Heijn and Rabobank employees were contacted with the request to share the survey in the group. Furthermore, social media accounts of both national and regional Albert Heijn and Rabobank locations were contacted with the request to complete and share the survey. To also appeal to Albert Heijn employees, several flyers with a QR code that leads to the survey were requested to be spread in Albert Heijn employee break rooms. To specifically reach Rabobank employees, several connections at the Rabobank were contacted to spread the survey among their coworkers.

As the general public of Albert Heijn, people who do not regularly visit the Albert Heijn, were harder to find than expected, extra efforts were made to reach them. First, flyers with a QR code that leads to the survey were asked to be spread in Jumbo and Plus employee break rooms, to reach possible participants that do their groceries regularly at other supermarkets. Also, the survey was shared at and with several Facebook and LinkedIn accounts and on WhatsApp with the special request for people to fill the survey in when they do NOT regularly shop at Albert Heijn. Finally, several supermarkets and public places, such as the library, on the island of Texel and in other towns were contacted to spread the survey, as there is no Albert Heijn situated on Texel and in the other towns that were contacted. Unfortunately due to the COVID-19 pandemic, it was not possible to additionally distribute flyers at other supermarkets than Albert Heijn to specifically target regular customers of those supermarkets.

To encourage possible participants to start and complete the survey, there was a possibility to win a Bol.com gift card. This was announced in the introduction, and the last question of the survey provided respondents with the possibility to leave their email address for a chance to win the gift card.

3.7. Measuring reputation

Reputation in this survey is measured by asking respondents' perceptions about several firm attributes on a 5-point Likert scale. The Reprtrak is used to measure reputation, as is elaborately discussed in paragraph 2.3.3. Adding the scores of each attribute of reputation up and dividing it through the number of attributes of reputation (23), constitutes a respondent's overall perception (score) of firm reputation. The overall scores of all respondents are added up and then divided through the number of respondents to calculate the overall score (the mean). This resulted in four overall reputation scores: for Albert Heijn and Rabobank, before and after the manipulation. The same procedure was followed to compute the scores for each individual stakeholder group, but then only the scores of a certain stakeholder group were included in the calculation. This created twelve overall reputation scores: for Albert Heijn and Rabobank employees, customers and general public, before and after the manipulation. The same procedure was followed to compute the scores for reputation on each of its seven dimensions before and after the manipulation, the mean score of all stakeholders on a particular dimension were included in the calculation. To test the influence of downsizing motive on the effect of downsizing on reputation, the difference between the overall reputation score before and after the downsizing was calculated and made into one variable with two conditions: the group of respondents that were presented with the reactive article were labelled as condition '0', and the group of respondents that were presented with the proactive article were labelled as condition '1'. Hence, this variable showed the difference in reputation before and after the downsizing for both the reactive and proactive group.

3.8. Data analysis

The survey was created on Qualtrics, where the results were stored. The data was exported to IBM SPSS Statistics 27 for analysis. To test the first hypothesis, whether downsizing has a negative effect on reputation, a paired-samples t-test was conducted. The paired-samples t-test is the appropriate method of analysis for this hypothesis, as it enables the examination of whether there are significant differences between respondents' perceptions of reputation before and after a downsizing. (Field, 2013; Hair, Black, Babin, & Anderson, 2014). The same method of analysis was used to test the differences between the scores on each dimension, and to test the differences between the scores of each stakeholder group. Another analysis method was used for the stakeholder group general public of Albert Heijn as the assumption of normality was violated for this group. Therefore, the nonparametric Wilcoxon signed-rank test was more suitable and was used (Field, 2013). An independent samples t-test was conducted to test the

last hypothesis, whether downsizing motive influences the effect of downsizing on reputation. This is the appropriate method of analysis as it compares the means of two independent groups to examine whether there are significant differences in the group means (Field, 2013).

To reduce bias, bootstrapping was used in all of the analyses. This is a re-sampling procedure in which multiple sub-samples of the original sample are drawn randomly and this method can be used to for example generate confidence intervals in which the impact of potential bias in the data is reduced (Field, 2013; Singh, 2007).

3.9. Research ethics

The opening page of the survey informs participants about the purpose of this study, the intended use of the data and participants' right to withdraw from the survey at any time (Adams et al., 2014; Zikmund, Carr, & Griffin, 2013). The privacy of respondents is guaranteed and it is explained that this includes the anonymity of respondents and confidentiality, meaning the data will not be shared with unauthorized, third parties (Adams et al., 2014; Alsmadi, 2008; Zikmund et al., 2013). Subsequently, the informed consent of the participant is asked, however, as explained before, this consent can be withdrawn at any time (Adams et al., 2014; Zikmund et al., 2013). Finally, participants are provided with an email address that they can contact if they have any questions or remarks.

4. Results

This chapter elaborates on the results of the analyses. First, the descriptive statistics of the responses are discussed. Subsequently, the results for the effect of downsizing on reputation in general, per dimension and per stakeholder group are elaborated on. Finally, the results for the final hypothesis, the influence of downsizing motive on the effect of downsizing on reputation, are presented.

4.1. Response

The survey was completed by 236 respondents. The distribution by gender is slightly skewed as 55% of respondents are female and 45% male. Most respondents are between the age of 18 and 26 (44%), followed by respondents between the age of 54 and 62 (20%) and respondents between the age of 45 and 53 (18%). Most respondents have finished a degree at university (48%) or at the University of Applied Sciences (28%). This can be attributed to the fact that the researcher's network consists mostly of students. These results are displayed in Appendix 7.4.

Among the respondents were 31 employees of Albert Heijn (13%), 183 customers of Albert Heijn (78%), 21 respondents who do not regularly use the products and services at Albert Heijn and are therefore general public (9%), and one respondent who was not familiar with Albert Heijn and was excluded from the analysis regarding Albert Heijn (Table 1). Out of all the included responses, 103 respondents were shown the reactive article (44%), while 132 respondents were shown the proactive article (56%).

Table 1: Stakeholder group Albert Heijn

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	employee	31	13,1	13,2	13,2
	customer	183	77,5	77,9	91,1
	general public	21	8,9	8,9	100,0
	Total	235	99,6	100,0	
Missing	System	1	,4		
Total		236	100,0		

Among the respondents were 39 employees of Rabobank (17%), 97 customers of Rabobank (41%), 89 respondents who do not regularly use the products and services of Rabobank and are therefore general public (38%) and eleven respondents who were not familiar with Rabobank and were excluded from the analysis regarding Rabobank (Table 2). Out of all the included responses, 114 respondents were shown the reactive article (54%), while 107 respondents were shown the proactive article (46%).

Table 2: Stakeholder group Rabobank

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	employee	39	16,5	17,3	17,3
	customer	97	41,1	43,1	60,4
	general public	89	37,7	39,6	100,0
	Total	225	95,3	100,0	
Missing	System	11	4,7		
Total		236	100,0		

4.2. Effect of downsizing on reputation

4.2.1. Assumptions

To test the first hypothesis, whether downsizing has a negative effect on reputation, a paired-sample t-test is conducted. As the paired-samples t-test is a parametric test, several assumptions apply (Field, 2013). Firstly, the dependent variable must be continuous, meaning it is measured on an interval or ratio scale (Field, 2013). This condition is met, as reputation is measured on a Likert scale. Secondly, extreme outliers should be excluded from the analysis. At Albert Heijn one outlier (*) was excluded. At Rabobank two outliers (*) were excluded from the analysis. Appendix 7.5 and 7.8 show the boxplots with the outliers.

When conducting a paired-samples t-test, the differences between the scores should be normally distributed (Field, 2013). By computing a variable that displays the difference between the overall reputation score before and after reading the article, the assumption of normality is checked. The test of normality in Appendix 7.6 shows that the distribution of differences for Albert Heijn is significantly different from normal, $D(233) = 0.14$, $p = .000$. Appendix 7.9 shows that the distribution of differences for Rabobank is also significantly different from normal, $D(216) = 0,12$, $p = .000$. Thus, according to the Kolmogorov-Smirnov test, the variables are not normally distributed. This is not problematic as the t-test analysis is robust against a violation of the normality assumption if sample sizes are reasonable, which is said to be reasonable when $N > 25$ (Field, 2013). As the sample for both Albert Heijn ($N = 233$) and Rabobank ($N=216$) is larger than 25, this assumption is met. Appendix 7.6 and 7.9 also show the p-plots.

4.2.2. Results

On average, in the Albert Heijn case, firm reputation is higher ($M = 2,47$, $SE = 0,03$) before the downsizing, than after the downsizing ($M = 2,72$, $SE = 0,03$).³ This difference, 0,25, BCa 95% CI [-0.30, -0.20], was significant $t(232) = -11,64$, $p = 0.000$, and represented a medium-sized effect of 0,61 (Table 3). Hypothesis 1 predicts that there is a negative effect of downsizing on reputation, and support for this hypothesis is found. Appendix 7.7 provides the elaborate SPSS output.

Table 3: Paired Samples Test Albert Heijn

Pair	RepAH1	-	-	Paired Differences		95% Confidence Interval of the Difference		t	df	Sig. (2-tailed)
				Mean	Std. Deviation	Std. Error Mean	Lower			
1	RepAH2		,24893	,32642	,02138	-,29106	-,20679	11,641	232	,000

On average, in the Rabobank case, firm reputation is higher ($M = 2,58$, $SE = 0,03$) before the downsizing, than after the downsizing ($M = 2,71$, $SE = 0,03$). This difference, 0,13, BCa 95% CI [-0.16, -0.09], was significant $t(214) = -6,50$, $p = 0.000$, and represented a small-sized effect of 0,41 (Table 4). Hypothesis 1 predicts that there is a negative effect of downsizing on reputation, and support for this hypothesis is found. Appendix 7.10 presents the elaborate SPSS output.

Table 4: Paired Samples Test Rabobank

Pair	RepRABO1	-	-	Paired Differences		95% Confidence Interval of the Difference		t	df	Sig. (2-tailed)
				Mean	Std. Deviation	Std. Error Mean	Lower			
1	RepRABO2		,12520	,28278	,01924	-,16313	-,08728	-6,507	215	,000

³ The higher the score for reputation, the lower reputation is assessed. Therefore, when the reputation score is higher after the downsizing, it should be interpreted as that reputation is actually less favorably assessed than before the downsizing.

4.3. Effect of downsizing on reputation per dimension of reputation

To test hypotheses 2 through 8, that there is a negative effect of downsizing on reputation for each dimension, paired-samples t-tests are conducted. These are displayed in the tables and in Appendix 7.16. The assumption of normality is met for each group, as each group exceeds $N > 25$ (Field, 2013; Saunders et al., 2019).

Albert Heijn

On average, in the Albert Heijn case, the firm's reputation on the dimension products and services is higher ($M = 2,03$, $SE = 0,03$) before the downsizing, than after the downsizing ($M = 2,19$, $SE = 0,04$). This difference, 0,16, BCa 95% CI [-0.22, -0.11], was significant $t(232) = -5,50$, $p = 0.000$, and represented a small-sized effect of 0,34 (Table 5). Hypothesis 2 predicts that there is a negative effect of downsizing on firm reputation for products and service, and support for this hypothesis is found.

Table 5: Paired Samples Test – dimension products and services

Pair		Mean	Paired Differences			t	df	Sig. (2-tailed)
			Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference Lower Upper			
1	OVERALLREPin prodservAH1 - OVERALLREPin prodservAH2	- ,1620 2	,44984	,02947	-,22008 -,10395	- 5,498	232	,000

On average, in the Albert Heijn case, the firm's reputation on the dimension innovation is higher ($M = 2,46$, $SE = 0,04$) before the downsizing, than after the downsizing ($M = 2,58$, $SE = 0,05$). This difference, 0,12, BCa 95% CI [-0.20, -0.05], was significant $t(232) = -3,15$, $p = 0.002$, and represented a small-sized effect of 0,20 (Table 6). Hypothesis 3 predicts that there is a negative effect of downsizing on firm reputation for innovation, and support for this hypothesis is found.

Table 6: Paired Samples Test – dimension innovation

Pair		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference Lower Upper	t	df	Sig. (2-tailed)
2	OVERALLREPin novationAH1 - OVERALLREPin novationAH2	- ,1201 7	,58301	,03819	-,19542 -,04492	-3,146	232	,002

On average, in the Albert Heijn case, the firm's reputation on the dimension workplace is higher ($M = 2,69$, $SE = 0,04$) before the downsizing, than after the downsizing ($M = 3,12$, $SE = 0,05$). This difference, $0,43$, BCa 95% CI $[-0.51, -0.35]$, was significant $t(232) = -9,96$, $p = 0.000$, and represented a small-sized effect of $0,55$ (Table 7). Hypothesis 4 predicts that there is a negative effect of downsizing on firm reputation for workplace, and support for this hypothesis is found.

Table 7: Paired Samples Test – dimension workplace

Pair 3	OVERALLREPw orkplacenvironm AH1 - OVERALLREPw orkplacenvironm AH2	- ,4306 2	,66023	,04325	-,51583	-,34540	-9,956	232	,000
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On average, in the Albert Heijn case, the firm's reputation on the dimension governance is higher ($M = 2,73$, $SE = 0,04$) before the downsizing, than after the downsizing ($M = 3,03$, $SE = 0,05$). This difference, $0,30$, BCa 95% CI $[-0.39, -0.22]$, was significant $t(232) = -7,09$, $p = 0.000$, and represented a small-sized effect of $0,42$ (Table 8). Hypothesis 5 predicts that there is a negative effect of downsizing on firm reputation for governance, and support for this hypothesis is found.

Table 8: Paired Samples Test – dimension governance

Pair 4	OVERALLREPg overnanceAH1 - OVERALLREPg overnanceAH2	- ,3032 9	,65328	,04280	-,38761	-,21897	-7,087	232	,000
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On average, in the Albert Heijn case, the firm's reputation on the dimension citizenship is higher ($M = 2,76$, $SE = 0,04$) before the downsizing, than after the downsizing ($M = 2,88$, $SE = 0,04$). This difference, $0,12$, BCa 95% CI $[-0.17, -0.07]$, was significant $t(232) = -4,44$, $p = 0.000$, and represented a small-sized effect of $0,28$ (Table 9). Hypothesis 6 predicts that there is a negative effect of downsizing on firm reputation for citizenship, and support for this hypothesis is found.

Table 9: Paired Samples Test – dimension citizenship

Pair 5	OVERALLREPCi tizenshipAH1 - OVERALLREPCi tizenshipAH2	- ,1230 3	,42337	,02774	-,17768	-,06839	-4,436	232	,000
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On average, in the Albert Heijn case, the firm's reputation on the dimension leadership is higher ($M = 2,50$, $SE = 0,04$) before the downsizing, than after the downsizing ($M = 2,74$, $SE = 0,04$). This difference, $0,24$, BCa 95% CI $[-0.31, -0.18]$, was significant $t(232) = -7,28$ $p = 0.000$, and represented a small-sized effect of $0,43$ (Table 10). Hypothesis 7 predicts that there is a negative effect of downsizing on firm reputation for leadership, and support for this hypothesis is found.

Table 10: Paired Samples Test – dimension leadership

Pair	OVERALLREPI	-	,50150	,03285	-,30400	-,17454	-	232	,000
6	eadershipAH1 -	,2392					7,283		
	OVERALLREPI	7							
	eadershipAH2								

On average, in the Albert Heijn case, the firm's reputation on the dimension performance is higher ($M = 2,26$, $SE = 0,04$) before the downsizing, than after the downsizing ($M = 2,66$, $SE = 0,06$). This difference, $0,40$, BCa 95% CI $[-0.51, -0.30]$, was significant $t(232) = -7,55$, $p = 0.000$, and represented a small-sized effect of $0,44$ (Table 11). Hypothesis 8 predicts that there is a negative effect of downsizing on firm reputation for performance, and support for this hypothesis is found.

Table 11: Paired Samples Test – dimension performance

Pair	OVERALLRE	-	,80101	,05248	-,49967	-,29289	-	232	,000
7	PfinperfAH1 -	,3962					7,55		
	OVERALLRE	8					2		
	PfinperfAH2								

Rabobank

On average, in the Rabobank case, the firm's reputation on the dimension products and services is lower ($M = 3,09$, $SE = 0,06$ before the downsizing, than after the downsizing ($M = 2,39$, $SE = 0,05$). This difference, $0,70$, BCa 95% CI $[0,64, 0,76]$, was significant $t(217) = 22,04$, $p = 0.000$, and represented a large-sized effect of $0,83$ (Table 12). Hypothesis 2 predicts that there is a negative effect of downsizing on firm reputation for products and service, and support for this hypothesis is not found. The opposite effect is found: there is a positive effect of downsizing on firm reputation for products and services.

Table 12: Paired Samples Test – dimension products and services

		Paired Differences				t	df	Sig. (2-tailed)	
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference Lower Upper				
P	OVERALLREProds	,7026	,47071	,03188	,63976	,76543	22,03	217	,000
ai	ervRABO1	-0					9		
r	OVERALREProduct								
1	sandservicesRABO2								

On average, in the Rabobank case, the firm’s reputation on the dimension innovation is lower ($M = 2,87$, $SE = 0,04$ before the downsizing, than after the downsizing ($M = 2,79$, $SE = 0,05$). This difference, $0,08$, BCa 95% CI $[0,01, 0,15]$, was not significant $t(217) = 1,950$, $p = 0,052$ (Table 13). Hypothesis 3 predicts that there is a negative effect of downsizing on firm reputation for innovation, and no support for this hypothesis is found.

Table 13: Paired Samples Test – dimension innovation

Pair	overallrepinnovati	,0764	,57891	,03921	-,00083	,15373	1,950	217	,052
2	onrabo1	-5							
	OVERALLREPin								
	novationRABO2								

On average, in the Rabobank case the firm’s reputation on the dimension workplace is higher ($M = 2,60$, $SE = 0,04$ before the downsizing, than after the downsizing ($M = 2,95$, $SE = 0,05$). This difference, $0,35$, BCa 95% CI $[-0,44, -0,28]$, was significant $t(217) = -8,82$, $p = 0,000$, and represented a medium-sized effect of $0,51$ (Table 14). Hypothesis 4 predicts that there is a negative effect of downsizing on firm reputation for workplace, and support for this hypothesis is found.

Table 14: Paired Samples Test – dimension workplace

Pair	OVERALLREP	-	,59103	,04003	-,43211	-,27431	-8,824	217	,000
3	workenvRABO1	,3532							
	-	1							
	OVERALLREP								
	workenvRABO2								

On average, in the Rabobank case, the firm’s reputation on the dimension governance is higher ($M = 2,74$, $SE = 0,05$) before the downsizing, than after the downsizing ($M = 2,89$, $SE = 0,05$). This difference, $0,15$, BCa 95% CI $[-0,22, -0,07]$, was significant $t(217) = -3,34$, p

= 0.001, and represented a small-sized effect of 0,22 (Table 15). Hypothesis 5 predicts that there is a negative effect of downsizing on firm reputation for governance, and support for this hypothesis is found.

Table 15: Paired Samples Test – dimension governance

Pair 4	OVERALLREPgo vernanceRABO1	-	,62845	,04256	-,22609	-,05831	-3,341	217	,001
	OVERALLREPgo vernanceRABO2	0							

On average, in the Rabobank case, the firm’s reputation on the dimension citizenship is higher (M = 2,53, SE = 0,0) before the downsizing, than after the downsizing (M = 2,67, SE = 0,05). This difference, 0,14, BCa 95% CI [-0.20, -0.09], was significant $t(217) = -4,89$, $p = 0.000$, and represented a small-sized effect of 0,32 (Table 16). Hypothesis 6 predicts that there is a negative effect of downsizing on firm reputation for citizenship, and support for this hypothesis is found.

Table 16: Paired Samples Test – dimension citizenship

Pair 5	OVERALLREPci tizenshipRABO1	-	,43377	,02938	-,20163	-,08583	-4,892	217	,000
	OVERALLREPci tizenshipRABO2								

On average, in the Rabobank case, the firm’s reputation on the dimension leadership is higher (M = 2,59, SE = 0,04) before the downsizing, than after the downsizing (M = 2,71, SE = 0,04). This difference, 0,12, BCa 95% CI [-0.19, -0.07], was significant $t(217) = -3,88$, $p = 0.000$, and represented a small-sized effect of 0,25 (Table 17). Hypothesis 7 predicts that there is a negative effect of downsizing on firm reputation for leadership, and support for this hypothesis is found.

Table 17: Paired Samples Test – dimension leadership

Pair 6	OVERALLREPfi nperfRABO1	-	,77581	,05254	-,34515	-,13803	-4,598	217	,000
	OVERALLREPfi nperfRABO2	9							

On average, in the Rabobank case, the firm’s reputation on the dimension performance is higher (M = 2,45, SE = 0,04) before the downsizing, than after the downsizing (M = 2,70, SE = 0,05). This difference, 0,25, BCa 95% CI [-0.34, -0.14], was significant $t(217) = -4,60$, $p = 0.000$, and represented a small-sized effect of 0,30 (Table 18). Hypothesis 8 predicts that there

is a negative effect of downsizing on firm reputation for performance, and support for this hypothesis is found.

Table 18: Paired Samples Test – dimension performance

Pair 7	OVERALLREPE adershipRABO1	-	,47595	,03224	-,18853	-,06147	-3,878	217	,000
	OVERALLREPE adershipRABO2	0							

4.4. Effect of downsizing on reputation per stakeholder group

To test hypotheses 9 through 11, that there is a negative effect of downsizing on firm reputation for each stakeholder group, paired-samples t-tests are conducted and the results are displayed in Appendix 7.15. The assumption of normality is met for each group, as each group has an $N > 25$, except for the general public of Albert Heijn (Field, 2013; Saunders et al., 2019). As the assumption of normality is violated for the general public of Albert Heijn, the nonparametric Wilcoxon signed-rank test is more suitable and is thus conducted (Field, 2013).

On average, in the Albert Heijn case, for employees firm reputation is higher ($M = 2,15$, $SE = 0,11$) before the downsizing, than after the downsizing ($M = 2,57$, $SE = 0,12$). This difference, 0,42, BCa 95% CI [-0.54, -0.30], was significant $t(29) = -6,44$, $p = 0.000$, and represented a medium-sized effect of 0,77 (Table 19). Hypothesis 9 predicts that there is a negative effect of downsizing on firm reputation from the perspective of employees, and support for this hypothesis is found.

Table 19: Paired Samples Test – employees

Pair	OVERALLREPA H1employees overallrepah2emp loyees	Paired Differences			95% Confidence Interval of the Difference		t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	Lower	Upper			
1	-	,35874	,4217	,06550	-,55569	-,28778	-6,439	29	,000

On average, in the Albert Heijn case, for customers firm reputation is higher ($M = 2,52$, $SE = 0,03$) before the downsizing, than after the downsizing ($M = 2,74$, $SE = 0,03$). This difference, 0,22, BCa 95% CI [-0.26, -0.17], was significant $t(181) = -9,742$, $p = 0.000$, and represented a medium-sized effect of 0,58 (Table 20). Hypothesis 10 predicts that there is a

negative effect of downsizing on firm reputation from the perspective of customers, and support for this hypothesis is found.

Table 20: Paired Samples Test – customers

Pair		Paired Differences			95% Confidence Interval of the Difference		t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	Lower	Upper			
1	OVERALLREP AH1customers	-,2173	,30105	,02232	-,26142	-,17336	-9,742	181	,000
	OVERALLREP AH2customers	,9							

Twenty-one respondents are a member of the stakeholder group general public of AH. For 17 of those respondents, the reputation score of Albert Heijn after learning about the downsizing was lower than the reputation score before. The Wilcoxon signed-rank test thus shows that the observed difference between both measurements is significant (Table 21). This implies that downsizing has an effect on reputation, also for this stakeholder group. Hypothesis 11 predicts that there is a negative effect of downsizing on firm reputation from the perspective of the general public, and support for this hypothesis is found.

Table 21: Test Statistics^a

	OVERALLREP PAH2generalpublic
	OVERALLREP PAH1generalpublic
Z	-2,799 ^b
Asymp. Sig. (2-tailed)	,005

a. Wilcoxon Signed Ranks Test

b. Based on negative ranks.

On average, in the Rabobank case, for employees firm reputation is higher (M = 2,73, SE = 0,07) before the downsizing, than after the downsizing (M = 2,93, SE = 0,07). This difference, 0,20, BCa 95% CI [-0.33, -0.07], was significant $t(214) = -2,79$, $p = 0.010$, and represented a small-sized effect of 0,19 (Table 22). Hypothesis 9 predicts that there is a negative effect of downsizing on firm reputation from the perspective of employees, and support for this hypothesis is found.

Table 22: Paired Samples Test – employees

Pair		Paired Differences				t	df	Sig. (2-tailed)	
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference Lower Upper				
1	OVERALLREPRABO1employees - OVERALLREPRABO2employees	-,1947	,34921	,06984	-,33893	-,05064	-2,789	24	,010

On average, in the Rabobank case, for customers firm reputation is higher ($M = 2,57$, $SE = 0,04$) before the downsizing, than after the downsizing ($M = 2,69$, $SE = 0,04$). This difference, 0,12, BCa 95% CI [-0.17, -0.08], was significant $t(176) = -5,409$, $p = 0.000$, and represented a small-sized effect of 0,38 (Table 23). Hypothesis 10 predicts that there is a negative effect of downsizing on firm reputation from the perspective of customers, and support for this hypothesis is found.

Table 23: Paired Samples Test – customers

Pair		Paired Differences				t	df	Sig. (2-tailed)	
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference Lower Upper				
1	OVERALLREPRABO1customers - OVERALLREPRABO2customers	-,12159	,29909	,02248	-,16596	-,07722	-5,409	176	,000

On average, in the Rabobank case, for the general public firm reputation is higher ($M = 2,80$, $SE = 0,04$) before the downsizing, than after the downsizing ($M = 2,90$, $SE = 0,05$). This difference, 0,10, BCa 95% CI [-0.17, -0.05], was significant $t(82) = -3,36$, $p = 0.001$, and represented a small-sized effect of 0,35 (Table 24). Hypothesis 11 predicts that there is a negative effect of downsizing on firm reputation from the perspective of the general public, and support for this hypothesis is found.

Table 24: Paired Samples Test – general public

Pair	Paired Differences	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference		t	df	Sig. (2-tailed)
					Lower	Upper			
1	overallreputationrabo1 generalpublic overallreputationrabo2 generalpublic	-,1079	,29295	,03216	-,17188	-,04394	-3,356	82	,001

4.5. Effect of motive on the effect of downsizing on reputation

4.5.1. Assumptions

To test hypothesis 12, that downsizing motive influences the effect of downsizing on reputation, an independent samples t-test is conducted. First, the variable that describes the difference in reputation scores before and after reading the article (hereafter referred to as: *DifferencereputationAH* and *DifferencereputationRabobank*) is computed both for Rabobank and Albert Heijn. Through this analysis, it is tested whether the difference in reputation scores before and after the downsizing, differs for the two conditions: when downsizing is reactive or when downsizing is proactive. As the independent samples t-test is a parametric test, several assumptions apply (Field, 2013). First of all, no extreme outliers (*) should be present in the data. Appendix 7.11 shows that no extreme outliers are present.

Secondly, the data should be normally distributed. When conducting an independent t-test, the dependent variables should be normally distributed (Field, 2013). This means that the variables *DifferencereputationAH* and *DifferencereputationRabobank* should be normally distributed for both conditions: reactive and proactive. The test of normality in Appendix 7.12 shows that the distribution of differences for Albert Heijn is significantly different from normal for both dependent variables, reactive $D(101) = 0.12, p = .001$ and proactive $D(132) = 0.13, p = 0.000$. The test of normality also shows that the distribution of differences for Rabobank is significantly different from normal for both dependent variables, reactive $D(112) = 0.15, p = .000$ and proactive $D(102) = 0.10, p = 0.020$. Thus, according to the Kolmogorov-Smirnov test, the variables are not normally distributed. However, as discussed in paragraph 4.2.1., this is not problematic as the t-test analysis is robust against a violation of the normality assumption if

sample sizes are reasonable. As all samples have an $N > 100$, this assumption can be met. As the sample is quite large ($N > 100$), assessing normality with plots even has the preference (Field, 2013). Therefore, the p-plots were also used to assess normality, which are also shown in Appendix 7.12. For both variables, the p-plots only show small deviations. Therefore, the assumption of normality is met.

Thirdly, there needs to be homogeneity of variances. Levene's test is significant for Albert Heijn ($p = 0.000$) as $p < 0.05$. This means the assumption of homogeneity of variances is violated, and therefore the t-test regarding *equal variances not assumed* is used for Albert Heijn. Levene's test is not significant for Rabobank ($p = 0,301$) as $p > 0.05$. This means the assumption of homogeneity of variances is not violated, and therefore the t-test regarding *equal variances assumed* is used for Rabobank.

4.5.2. Results

On average, in the Albert Heijn case, participants that were informed that the downsizing was reactive ($M = -0.38, SE = 0,04$), instead of proactive ($M = -0,15, SE = 0,02$), were more negative about a firm than participants who were informed the downsizing was proactive. This difference, 0,23, BCa 95% CI [-0.32, -0.15] was significant, $t(163) = -5,44, p = 0.000$, and represented a small-sized effect of 0,39 (Table 24). Hypothesis 12 predicts that downsizing motive influences the effect of downsizing on firm reputation and support for this hypothesis was found: the effect of downsizing on firm reputation is more negative when the motive for the downsizing is reactive, than when the downsizing's motive is proactive. The t-test is displayed in Appendix 7.13.

Table 24: Independent Samples Test Albert Heijn

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Difference	Equal variances assumed	28,035	,000	-5,743	231	,000	-,23232	,04045	-,31203	-,15262
H	Equal variances not assumed			-5,442	162,613	,000	-,23232	,04269	-,31662	-,14802

On average, in the Rabobank case, participants that were informed that the downsizing was reactive ($M = -0.16$, $SE = 0,03$), instead of proactive ($M = -0,08$, $SE = 0,03$), were more negative about a firm than participants who were informed the downsizing was proactive. This difference, $0,08$, BCa 95% CI $[-0.16, -0.01]$ was significant, $t(214) = -2,12$, $p = 0.035$, and represented a small-sized effect of $0,14$ (table 25). Hypothesis 12 predicts that downsizing motive influences the effect of downsizing on firm reputation and support for this hypothesis was found: the effect of downsizing on firm reputation is more negative when the motive for the downsizing is reactive, than when the downsizing's motive is proactive. The t-test is displayed in Appendix 7.14.

Table 25: Independent Samples Test Rabobank

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Difference Rabobank	Equal variances assumed	1,076	,301	-2,121	214	,035	-,08101	,03820	-,15631	-,00572
	Equal variances not assumed			-2,121	212,883	,035	-,08101	,03820	-,15630	-,00572

5. Conclusion and discussion

5.1. Conclusion

This study had the objective to find out whether there is a negative effect of downsizing on firm reputation when a measurement method, the Reprtrak, is used that includes non-financially influenced dimensions of reputation and that includes stakeholders from outside the business community in the study, who are therefore not (solely) financially influenced. The corresponding research question was “*What is the effect of downsizing on reputation?*”. Besides testing the hypothesis whether downsizing has a negative effect on reputation, this study tested whether the effect of downsizing on reputation was also present for each dimension of reputation and for each stakeholder group. Finally, this research studied whether the motive of downsizing – proactive or reactive – influenced the effect of downsizing on reputation. In order to achieve the research objective, this study was conducted by means of a survey-based experiment and by using the data analysis methods of independent and paired samples t-tests.

The results in chapter 4 indicate that there is a negative effect of downsizing on firm reputation when using the Reprtrak measurement method for reputation and when including financially and non-financially focused stakeholders in the study, thereby confirming and extending prior research. This negative effect on reputation was not only present for overall reputation, but also for each of the seven dimensions of reputation, as measured by the Reprtrak, except in the Rabobank case for the dimensions products and services, and innovation. This shows that stakeholders do not only perceive downsizings to have financial implications for a firm, but that they also perceive downsizing to have a negative effect on the functioning of the firm in other aspects, such as leadership and citizenship. The largest negative effect of downsizing on reputation for both the Albert Heijn as the Rabobank case was on the dimension workplace. A firm’s reputation deteriorates the most for this dimension not only from the perspective of employees, but also from the perspective of the general public and customers. This proves that firms that downsize are perceived as a less favorable employer, which impacts not only current employees but also potential applicants.

The effect of downsizing on reputation was positive for the dimension products and services for Rabobank, while it was negative for Albert Heijn. The reason for this could be methodological, as this result was achieved by a comparison of the reputation score before and after the article of the secondly displayed firm and respondents could have experienced fatigue or loss of concentration due to the length of the survey, leading to a less accurate and consistent answer on the question.

The negative effect of downsizing on reputation also exists for each of the three stakeholder group individually, namely employees, customers and general public. These results therefore prove that also when including stakeholders from outside of the business community and measuring reputation on more than only financially influenced dimensions, a negative effect of downsizing is demonstrated on overall firm reputation and its dimensions, for each stakeholder group.

This study additionally found that the motive of downsizing influenced the effect of downsizing on reputation. The negative effect was stronger for a reactive downsizing than for a proactive downsizing. This could be explained by the fact that while a reactive downsizing has more legitimacy, it also signals that the firm is in financial duress. These circumstances could be perceived to negatively influence the firm, including its profitability, and therefore for example the quality and prize of products and services, and could signal poor leadership, as the leader was not able to steer the firm away from having to make a decision to downsizing.

5.2. Theoretical contributions

As stated in the introduction, it is problematic that there is only a limited amount of studies on the effect of downsizing on reputation, as the same, criticized measurement method is used in previous studies and these previous studies have only studied the reputation among stakeholders from within the business community. The findings of this study contribute to and extend the literature on the effect of downsizing on reputation by finding support for the hypothesis that downsizing has a negative effect on firm reputation, when using the Reprtrak and when examined among the stakeholder groups employees, customers and general public, thereby also including stakeholders from outside of the business community (Flanagan & O'Shaughnessy, 2005; Love & Kraatz, 2005, 2009; Zyglidopoulos, 2004, 2005). Moreover, this study adds to the body of research by confirming this negative effect on reputation for all three stakeholder groups and for all seven dimensions of reputation, thus showing that downsizing does not only harm perceptions about (financial) performance, but harms firm reputation in all of its aspects, amongst all stakeholders (Brauer & Laamanen, 2014; Cascio et al., 2020; Love & Kraatz, 2005; Zyglidopoulos, 2005).

This study also confirms that downsizing motive – proactive or reactive – influences the effect of downsizing on reputation, thereby not only adding to literature on the effect of downsizing on reputation, but also to literature on the psychological contract and organizational justice theory (Love & Kraatz, 2005, 2009; Van Dierendonck & Jacobs, 2012). However, contrary to most findings in previous studies, this study found that the effect of downsizing on

reputation is more negative when the firm is downsizing reactively than when downsizing proactively (Guthrie & Datta, 2008; Love & Kraatz, 2005, 2009; Noer, 1993; Palmon et al., 1997). This shows that while a proactive downsizing might be perceived as more of a violation of the psychological contract with employees than a reactive downsizing, this does not mean that reactive downsizing are always met with higher fairness perceptions and therefore with a more favorable reputation (Love & Kraatz, 2009; Palmon et al., 1997; Van Dierendonck & Jacobs, 2012).

5.3. Practical implications

As reputation is an important strategic asset than can render multiple financial and non-financial benefits, it is important for firms, more specifically decision-makers, to understand the consequences of a decision to downsize. This study shows that when a firm downsizes, the perceptions of all stakeholder groups are negatively impacted on all aspects of firm reputation. Decision-makers should therefore bear in mind that while downsizing might⁴ provide financial benefits through increased financial performance, it also has a negative effect on their firm's reputation. This negative effect can present itself through numerous disadvantages, such as customers no longer being willing to pay the premium prices for the firm's products and services, or members of the general public no longer considering the firm's products as an option. Furthermore, this study showed that the perception of the workplace especially deteriorates, which can lead to decreased productivity and higher turnover rates among employees and it can also harm the firm's appeal as possible employer. The firm's reputation on other aspects is affected as well, such as on products and services, which can lead to a decline in sales and profit. The less favorable reputation on the dimension performance should also be taken into account when making a decision to downsize, as investors and possible contracting partners can perceive the downsizing as a sign of decline in firm profitability, which can impact their decision to invest in or partner with the downsizing firm. Therefore, the potential consequences and benefits of a downsizing should be carefully considered, as a decision to downsize should not be taken lightly in light of the possible negative consequences.

Finally, the finding that proactive downsizings have a less negative effect on reputation than reactive downsizings, implies that managers should not wait with a downsizing strategy until circumstances are so grave that the only solution to remain a viable firm is to downsize. While firm reputation is influenced negatively when downsizing, this study indicates that it is

⁴ On which there is no unanimity in literature.

better to proactively implement a downsizing when dire circumstances are expected, than to wait until there is no other option.

5.4. Limitations and recommendations for further research

This study contains several limitations which offer opportunities for future research. First, a more general limitation of this study is the research method. A quantitative approach is used in this study, thereby providing information about whether there is an effect on reputation and what the strength of this effect is, but this study does not provide insights about the motives and interests that underlie this effect. Future qualitative research could contribute to this study by providing a deeper understanding into the underlying reasons of the effect of downsizing on reputation.

A second limitation of this study is that only three stakeholder groups were involved. While these stakeholder groups are relevant, further research into this area could involve more stakeholder groups to include more perceptions in the construction of a firm's overall reputation. Furthermore, as the negative effect of downsizing on reputation is also measured for each stakeholder group individually, these additional stakeholder groups can be studied individually. Their underlying interests and thought patterns can be further deepened by qualitative research, such as interviews. These further studies could also look at the consequences of the negative effect on reputation for each of its dimensions, for example on a respondent's willingness to work at the firm, invest in the firm and buy the firm's products. This provides additional insights into what the consequences of the negative effect on reputation are.

Another limitation of this study is that the stakeholder group general public of Albert Heijn was proven to be a smaller stakeholder group than expected, as most participants regularly bought products or used services of Albert Heijn. This led to a smaller group size, and therefore to less generalizable results.

Another limitation that is posed by this study's approach is that the article that provides information about the downsizing and its motive might either be too strong of a manipulation or too little of a manipulation for respondents. As it takes time to form and change reputation, it might take more time before the message of a downsizing has been realized by stakeholder groups in all its aspects (Balmer & Greyser, 2002; Yang & Stohl, 2020). Vice versa, the article could be so explicit that it might change the respondents' opinion in the short term, during the survey-based experiment, but not on the long term. Further studies could use another

manipulation to study the effect of downsizing on reputation, and could also conduct longitudinal research on how the negative effect on reputation evolves over time.

Another encountered limitation is that the respondents in this study were mostly approached to participate through the researcher's personal and professional network on social media.⁵ This is reflected in the distribution of respondents, as most respondents are university students and are between the ages of 18 to 26. Further studies could target a more diverse pool of respondents. Additionally, this study was conducted using two Dutch firms as example and was conducted among mostly Dutch participants – even though the survey was also available in English. Further studies could venture outside of the Netherlands and even go globally to confirm and extend this study.

Finally, the effect of motive on downsizing was studied. Contrary to most previous studies, reactive downsizings resulted in less favorable reputational scores than proactive downsizings. Further research into this area could validate this result and study this effect further by elucidating the underlying framework for this effect.

⁵ Which was partly a consequence of the COVID-19 pandemic.

6. References

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7. Appendices

7.1. Survey

Dear participant,

You are invited to participate in this survey, which is part of my master thesis, which I am writing to finish my master degree in Strategic Management at Radboud University in Nijmegen. In this survey you are - anonymously – asked for your opinion about the reputation of two well-known Dutch firms, before and after reading a fictional newspaper article.

Participating in this survey takes approximately ten minutes and is highly appreciated!

Confidentiality

All data gathered for this study will be stored anonymously and safely according to guidelines of Radboud University. Data will solely be used for this master thesis.

Participation

Participation in this study is entirely voluntary. At any given time during the survey you can chose to withdraw from this study. All already filled-in data will be permanently erased. This survey is meant for people of 18 years of age and older.

Giveaway

A Bol.com gift voucher of €20 will be raffled off among all participants. Fill in your email address at the last question if you want to have a chance to win. All email addresses will be permanently deleted after the winner has been notified.

Information

If you have any questions or remarks, or if you would like to receive more information about this study, please do not hesitate to contact me at j.kwakkernaat@student.ru.nl

Consent

By clicking the arrow in the right down corner, you agree you:

- have read above information;
- are participating in this study voluntarily;
- are 18 years of age or older;
- agree to above terms of participation.

Thank you in advance for your participation!

Kind regards,

Jorinde Kwakkernaat

Q2. Are you familiar with Albert Heijn?

- Yes
- No

Questions 3 – 13 are only shown when the response to Q2 is yes.

Q3. Are you currently employed at Albert Heijn?

- Yes
- No

Questions 4 – 8 are only shown when the response to Q3 is yes.

Q4. What is your position at Albert Heijn?

- Cashier
- Customer service or webcare employee
- HR (human resources)
- Facility employee
- Team leader
- Warehouse employee
- Management position at local Albert Heijn
- Management position at regional or national level
- Marketing
- Stock clerk (Dutch: vakkenvuller)
- Other

Question 5 is only shown when the response to Q4 is other.

Q5. You have indicated that your position at Albert Heijn is "other" and does not fall under the previously mentioned categories. Please explain what your function at Rabobank is.

Q6. What kind of contract do you have?

- Permanent labor agreement (Dutch: contract voor onbepaalde tijd)
- Temporary labor agreement (Dutch: contract voor bepaalde tijd)
- Other

Question 7 is only shown when the response to Q6 is other.

Q7. You have indicated that your contract with Albert Heijn is "other" and does not fall under the previously mentioned categories. Can you indicate on the basis of what contract you work for Albert Heijn?

Q8. Which situation is most applicable to you?

- I work at Albert Heijn as my main job

- I am a fulltime student and work at Albert Heijn as a side job
- I am a parttime student and work at Albert Heijn as a side job
- None of the above situations is applicable to me

Questions 9 is only shown when the response to Q3 is no.

Q9. Do you (regularly) use products or services of Albert Heijn?

- Yes
- No

Q10. Assess Albert Heijn on the following aspects:

Respondents are asked to rate the Albert Heijn for each Reprtrak dimension (see appendix 7.3) on a 5-point Likert scale (strongly agree, agree, neutral, disagree, strongly disagree).

Q11/12. Read this (fictional) newspaper article.

One article for Albert Heijn is displayed. See appendix 7.2 for the articles.

Q13. How do you assess the Albert Heijn after reading the article?

Respondents are asked to rate the Albert Heijn for each Reprtrak dimension (see appendix 7.3) on a 5-point Likert scale (strongly agree, agree, neutral, disagree, strongly disagree).

Q14. Are you familiar with Rabobank?

- Yes
- No

Questions 15 – 25 are only shown when the response to Q14 is yes.

Q15. Are you employed at Rabobank?

- Yes
- No

Questions 16 – 20 are only shown when the response to Q15 is yes.

Q16. What kind of employment contract do you have at Rabobank?

- Permanent labor agreement (Dutch: contract voor onbepaalde tijd)
- Temporary labor agreement (Dutch: contract voor bepaalde tijd)
- Other

Question 17 is only shown when the response to Q16 is other.

Q17. You have indicated that your contract with Rabobank is "other" and does not fall under the previously mentioned categories. Can you indicate on the basis of what type of contract you work for Rabobank?

Q18. What is your position at Rabobank?

- Customer due diligence (CDD) employee
- Advisor for private (individuals) and/or businesses
- Management position at the local bank (including a board position)
- Management position at regional bank or at Rabobank Nederland (including a board position)
- HR (human resources)
- Innovation
- Marketing
- Facility employee
- Other

Question 19 is only shown when the response to Q18 is other.

Q19. You have indicated that your position at Rabobank is "other" and does not fall under the previously mentioned categories. Please explain what your function at Rabobank is.

Q20. Which answer is most applicable to your situation?

- I work at Rabobank as my main job
- I am a fulltime student and work at Rabobank as a side job
- I am a parttime student and work at Rabobank as a side job
- None of these situations are applicable to me

Questions 21 is only shown when the response to Q15 is no.

Q21. Do you (regularly) use products or services of the Rabobank?

- Yes
- No

Q22. Assess Rabobank on the following aspects:

Respondents are asked to rate the Rabobank for each Reprtrak dimension (see appendix 7.3) on a 5-point Likert scale (strongly agree, agree, neutral, disagree, strongly disagree).

Q23/24. Read this (fictional) newspaper article.

One article for Rabobank is displayed. See appendix 7.2 for the articles.

Q25. How do you assess the Rabobank after reading the article?

Respondents are asked to rate the Rabobank for each Reprtrak dimension (see appendix 7.3) on a 5-point Likert scale (strongly agree, agree, neutral, disagree, strongly disagree).

Q26. Finally, I would like to ask for your demographic information, in order to increase the representativeness and reliability of the data.

Q27. What is your gender?

- Female
- Male

Q28. What is your age?

- 18-26
- 27-35
- 36-44
- 45-62
- 63-71
- 72 and older

Q29. What is your highest completed education?

- Primary education
- Secondary education (includes middle and high school)
- Trade/technical/vocational training (Dutch reference: mbo)
- College/ University of Applied Sciences (Dutch reference: hbo)
- University (Dutch reference: wo)
- Other

Q30. Would you like to have a chance at winning a €20 Bol.com gift card? If so, enter your email address below and complete the survey. If not, complete the survey without filling in your email address.

Thank you for your participation. The winner of the gift card will be notified by email.

7.2. Reactive and proactive articles

Proactive article Albert Heijn

Albert Heijn says goodbye to 2,000 employees

During a downsizing of Albert Heijn around 2,000 jobs were cut. Through these job cuts, the supermarket wants to cut back on labor costs to invest in other matters. The downsizing comes rather unexpected, as Albert Heijn is doing well financially. By cutting the 2.000 jobs, Albert Heijn hopes to be able to compete even better with other major players in the market, such as Jumbo, and to stay one step ahead of them.

Reactive article Albert Heijn

Albert Heijn is cutting costs: 2.000 employees are laid off

As a result of a downsizing at Albert Heijn, more than 2,000 jobs are cut. Albert Heijn had to make this choice because its financial situation has been troubling for a long time. The downsizing is therefore not unexpected: Albert Heijn is suffering from the competition of other supermarket chains. This downsizing allows Albert Heijn to streamline its operations, allowing Albert Heijn to work more efficiently. The savings that come with the job cuts can be invested in areas where Albert Heijn is lagging behind its competitors. Altogether, Albert Heijn hopes that the downsizing will improve its financial health.

Proactive article Rabobank

Rabobank says goodbye to 2,000 employees

As a result of a downsizing at Rabobank, more than 2,000 employees will lose their jobs. The bank has opted for a downsizing in order to simplify its structure and to be able to invest more in the digital transformation of the banking industry. The downsizing is a surprising move for Rabobank, as Rabobank is doing very well financially. With the downsizing, the bank hopes to implement changes faster in order to stay ahead of competitors, such as ING.

Reactive article Rabobank

Downsizing at Rabobank: around 2,000 jobs are cut

During a downsizing of Rabobank, around 2,000 employees were declared redundant. The downsizing is not unexpected: Rabobank has been struggling financially for some time now, partly because competition from new, entirely online banks is fierce. By downsizing, Rabobank saves labor costs. The cutting of jobs also enables Rabobank to simplify its internal processes. As a result, Rabobank can work more efficiently and save costs in several areas. With the downsizing, Rabobank hopes to restore its financial health.

7.3. Reprtrak dimensions

The RepTrak® System: Dimensions and Attributes of Reputation

<i>Dimension</i>	<i>Attribute</i>
Products & Services	Offers high quality products and services
Products & Services	Offers products and services that are a good value for the money
Products & Services	Stands behind its products and services
Products & Services	Meets customer needs
Innovation	Is an innovative company
Innovation	Is generally the first company to go to market with new products and services
Innovation	Adapts quickly to change
Workplace	Rewards its employees fairly
Workplace	Demonstrates concern for the health and well-being of its employees
Workplace	Offers equal opportunities in the workplace
Governance	Is open and transparent about the way the company operates
Governance	Behaves ethically
Governance	Is fair in the way it does business
Citizenship	Acts responsibly to protect the environment
Citizenship	Supports good causes
Citizenship	Has a positive influence on society
Leadership	Has a strong and appealing leader
Leadership	Has a clear vision for its future
Leadership	Is a well-organized company
Leadership	Has excellent managers
Performance	Is a profitable company
Performance	Delivers financial results that are better than expected
Performance	Shows strong prospects for future growth

Source: Fombrun et al., 2015

7.4. Demographics

What is your gender?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	130	55,1	55,1	55,1
	Male	106	44,9	44,9	100,0
	Total	236	100,0	100,0	

What is your age?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18 - 26	103	43,6	43,6	43,6
	27 - 35	20	8,5	8,5	52,1
	36 - 44	13	5,5	5,5	57,6
	45 - 53	43	18,2	18,2	75,8
	54 - 62	48	20,3	20,3	96,2
	63 - 71	8	3,4	3,4	99,6
	72 or older	1	,4	,4	100,0
	Total	236	100,0	100,0	

What is your highest completed education?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Primary education	3	1,3	1,3	1,3
	Secondary education (includes middle and high school)	30	12,7	12,7	14,0
	Trade/technical/vocational training (Dutch reference: mbo)	22	9,3	9,3	23,3
	College/ University of Applied Sciences (Dutch reference: hbo)	65	27,5	27,5	50,8
	University (Dutch reference: wo)	114	48,3	48,3	99,2
	Other	2	,8	,8	100,0
	Total	236	100,0	100,0	

Stakeholder group Albert Heijn

		Frequency	Percent	Valid Percent	Cumulative Percent
--	--	-----------	---------	---------------	--------------------

Valid	employee	31	13,1	13,2	13,2
	customer	183	77,5	77,9	91,1
	general public	21	8,9	8,9	100,0
	Total	235	99,6	100,0	
Missing	System	1	,4		
Total		236	100,0		

Article Albert Heijn: proactive or reactive

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	reactief	103	43,6	43,8	43,8
	proactief	132	55,9	56,2	100,0
	Total	235	99,6	100,0	
Missing	System	1	,4		
Total		236	100,0		

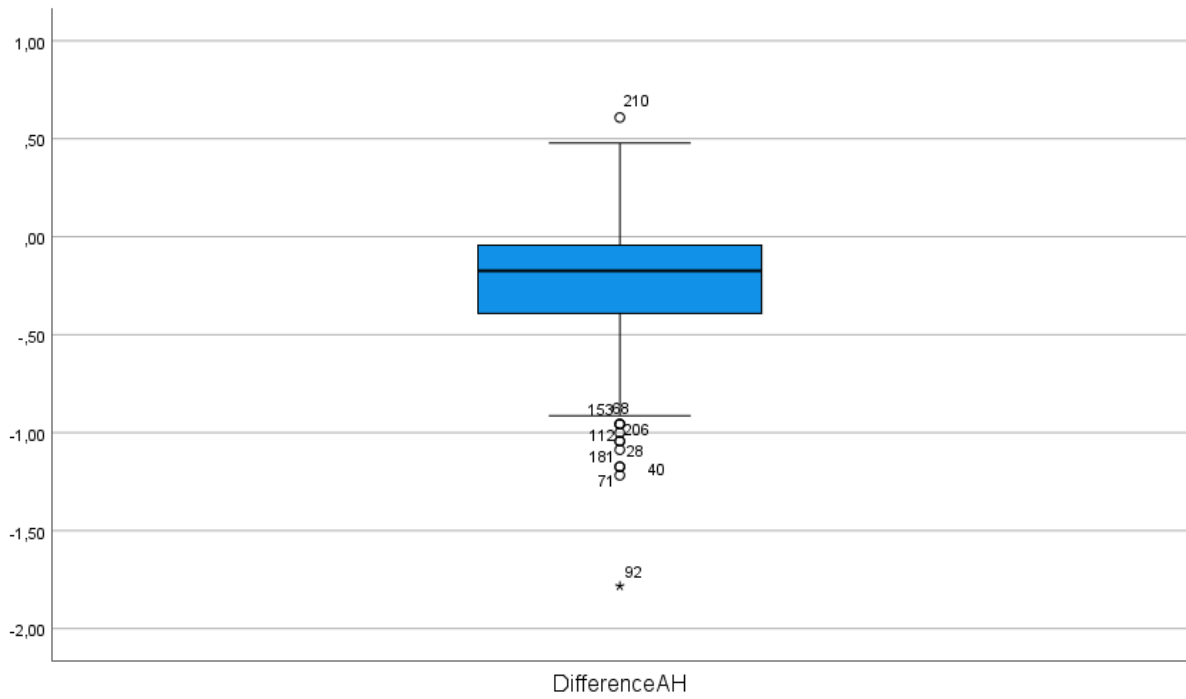
Stakeholder group Rabobank

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	employee	39	16,5	17,3	17,3
	customer	97	41,1	43,1	60,4
	general public	89	37,7	39,6	100,0
	Total	225	95,3	100,0	
Missing	System	11	4,7		
Total		236	100,0		

Article Rabobank: proactive or reactive

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	reactief	114	48,3	51,6	51,6
	proactief	107	45,3	48,4	100,0
	Total	221	93,6	100,0	
Missing	System	15	6,4		
Total		236	100,0		

7.5. Outlier removal computed variable AH

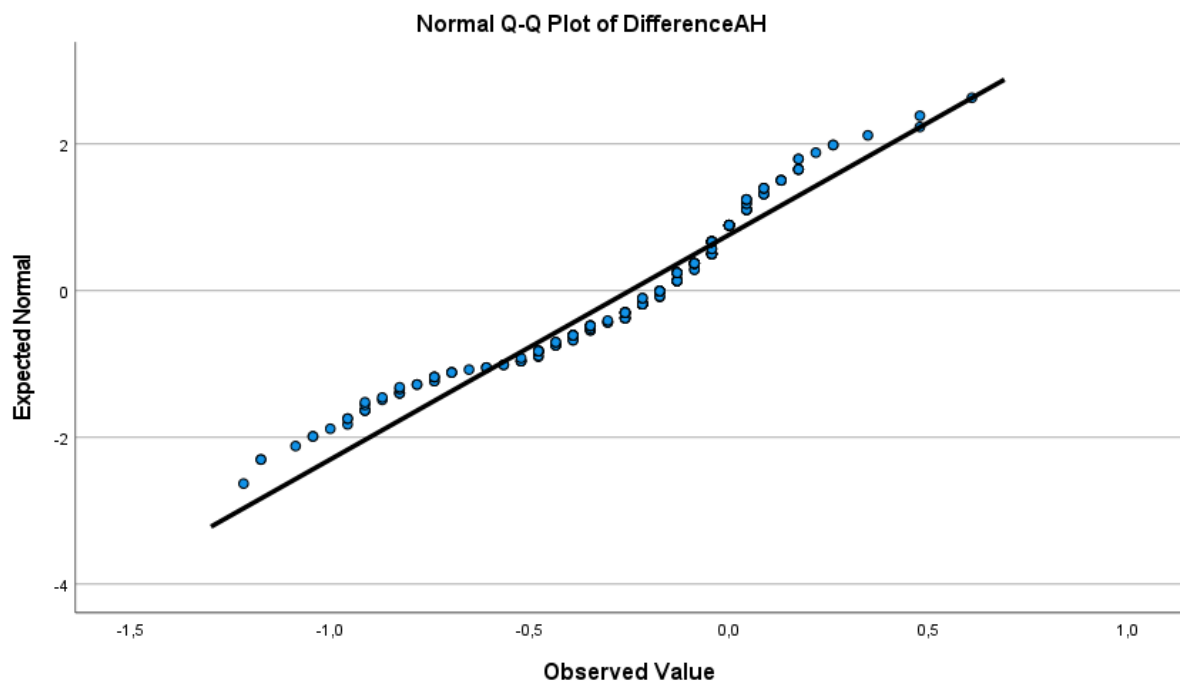


7.6. Normality (computed variable) Albert Heijn

Tests of Normality

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
DifferenceAH	,142	233	,000	,936	233	,000

a. Lilliefors Significance Correction



7.7. Paired-samples t-test Albert Heijn

Paired Samples Statistics

		Statistic	Bootstrap ^a		BCa 95% Confidence Interval		
			Bias	Std. Error	Lower	Upper	
Pair 1	RepAH1	Mean	2,4714	,0015	,0281	2,4141	2,5318
		N	233				
		Std. Deviation	,43084	-,00042	,02859	,38051	,49024
		Std. Error Mean	,02823				
	RepAH2	Mean	2,7203	,0001	,0316	2,6587	2,7797
		N	233				
		Std. Deviation	,48241	-,00034	,03233	,42341	,54505
		Std. Error Mean	,03160				

a. Unless otherwise noted, bootstrap results are based on 1000 bootstrap samples

Paired Samples Test

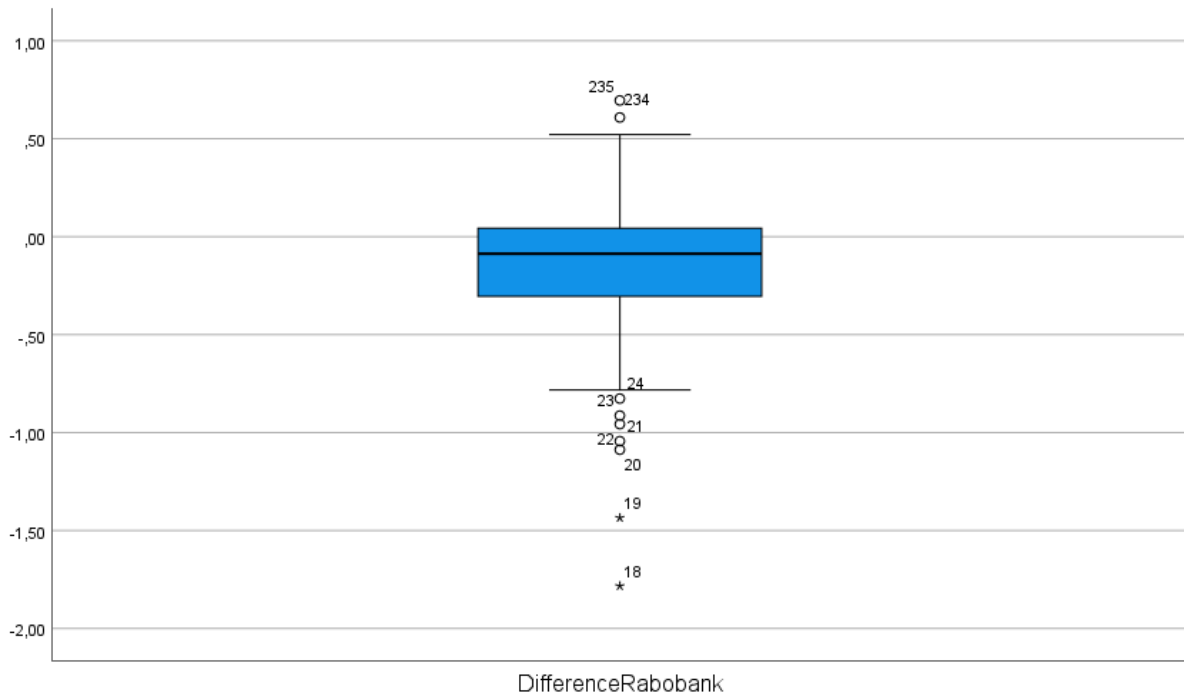
		Paired Differences			95% Confidence Interval of the Difference		t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error	Lower	Upper			
Pair 1	RepAH1 - RepAH2	-,24893	,32642	,02138	-,29106	-,20679	-11,641	232	,000

Bootstrap for Paired Samples Test

		Mean	Bootstrap ^a		Sig. (2-tailed)	BCa 95% Confidence Interval	
			Bias	Std. Error		Lower	Upper
Pair 1	RepAH1 - RepAH2	-,24893	,00139	,02192	,001	-,29742	-,20157

a. Unless otherwise noted, bootstrap results are based on 1000 bootstrap samples

7.8. Outliers computed variable Rabobank

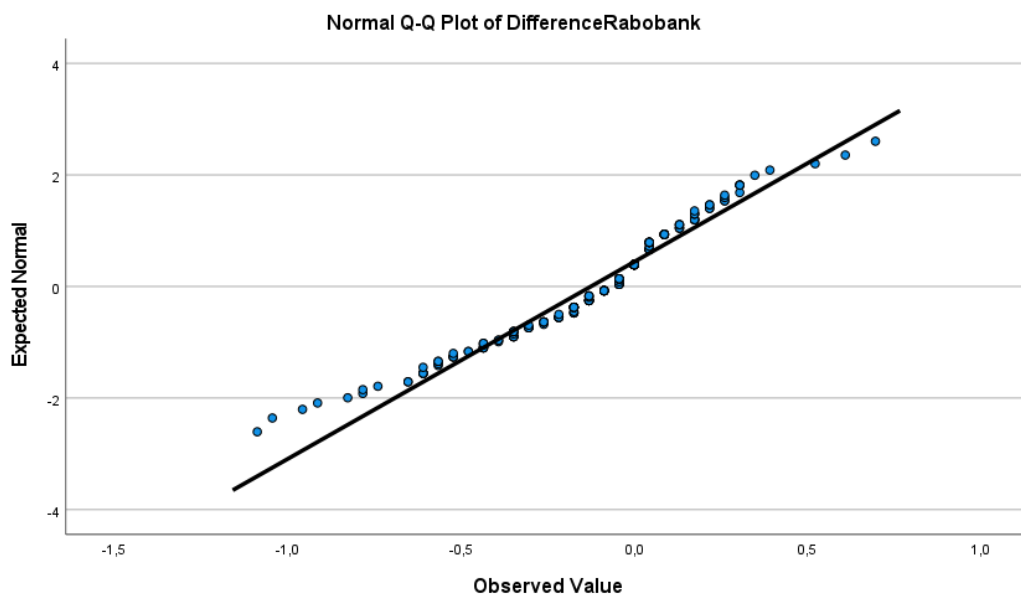


7.9. Normality (computed variable) Rabobank

Tests of Normality

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
DifferenceRabobank	,121	216	,000	,957	216	,000

a. Lilliefors Significance Correction



7.10. Paired-samples t-test Rabobank

Paired Samples Statistics

			Statistic	Bootstrap ^a		BCa 95% Confidence Interval	
				Bias	Std. Error	Lower	Upper
Pair 1	RepRABO1	Mean	2,5821	-,0013	,0332	2,5203	2,6436
		N	216				
		Std. Deviation	,47802	-,00087	,02944	,42493	,53442
		Std. Error Mean	,03253				
	RepRABO2	Mean	2,7073	-,0019	,0346	2,6404	2,7750
		N	216				
		Std. Deviation	,50668	-,00128	,03059	,44776	,56441
		Std. Error Mean	,03448				

a. Unless otherwise noted, bootstrap results are based on 1000 bootstrap samples

Paired Samples Test

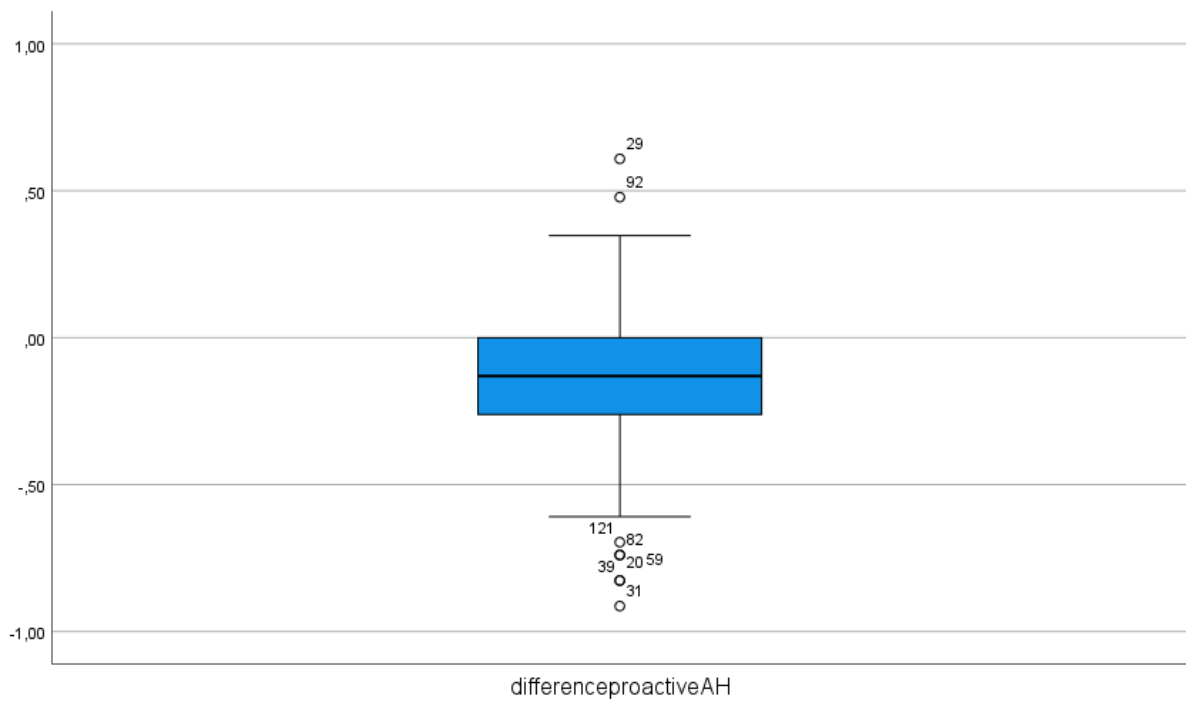
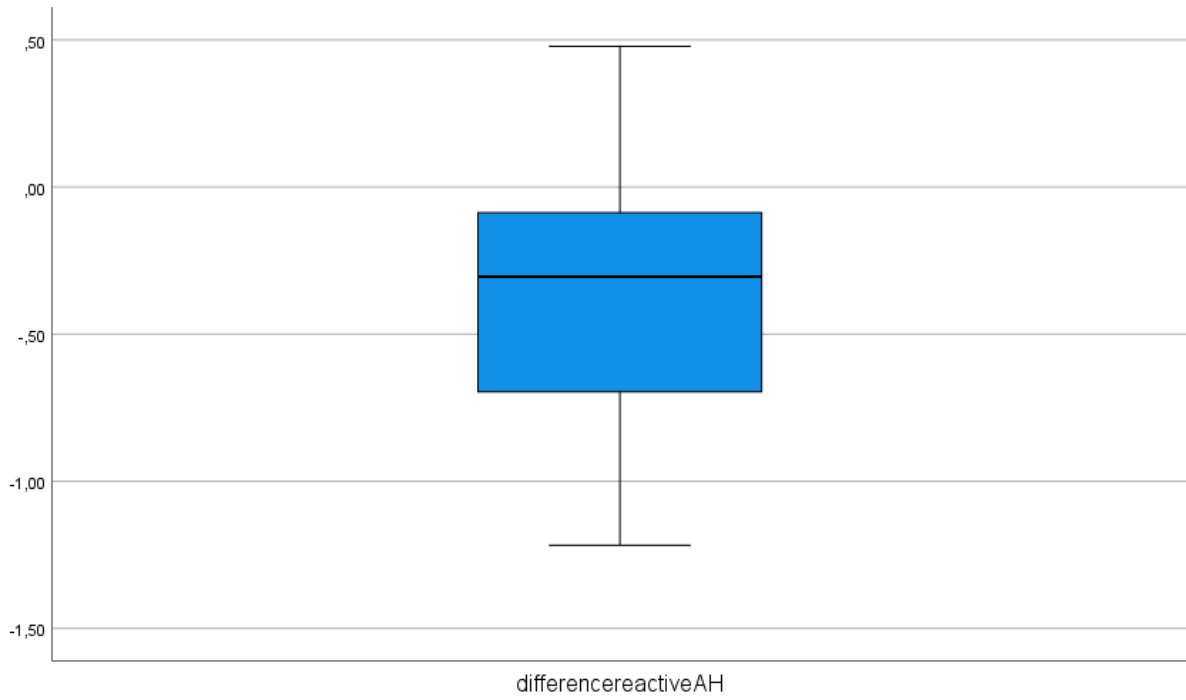
			Paired Differences			95% Confidence Interval		t	df	Sig. (2-tailed)
			Mean	Std. Deviation	Std. Error	of the Difference				
						Lower	Upper			
Pair 1	RepRABO1 - RepRABO2	-	-,12520	,28278	,01924	-,16313	-,08728	-6,507	215	,000

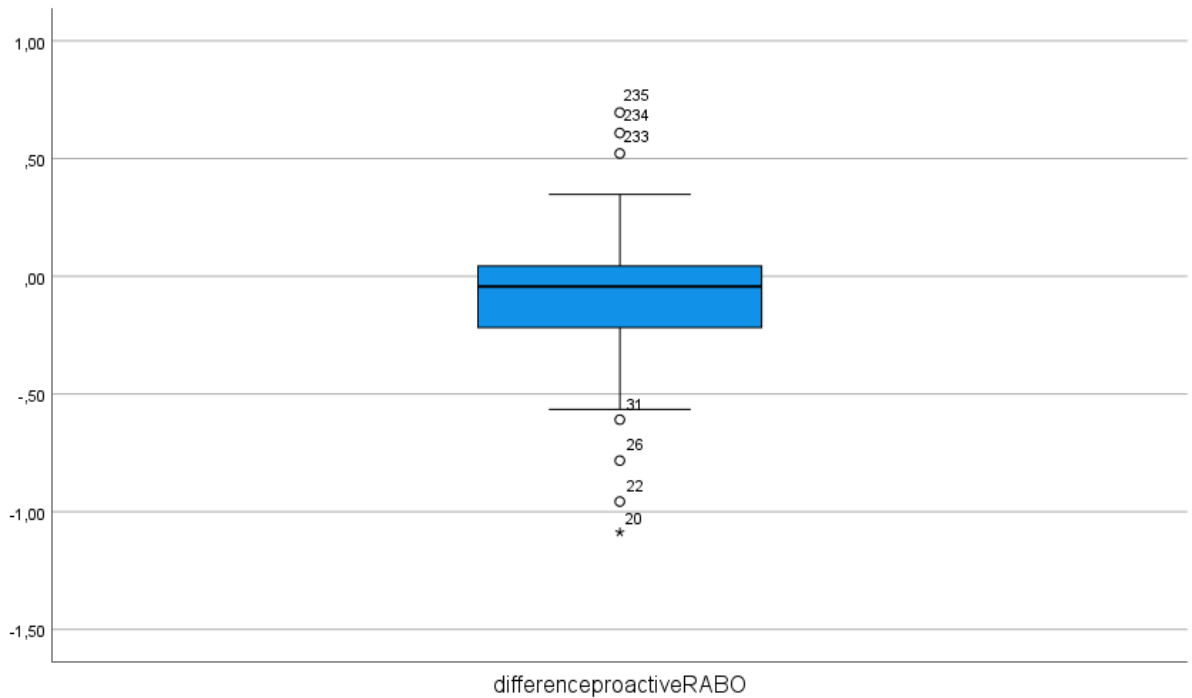
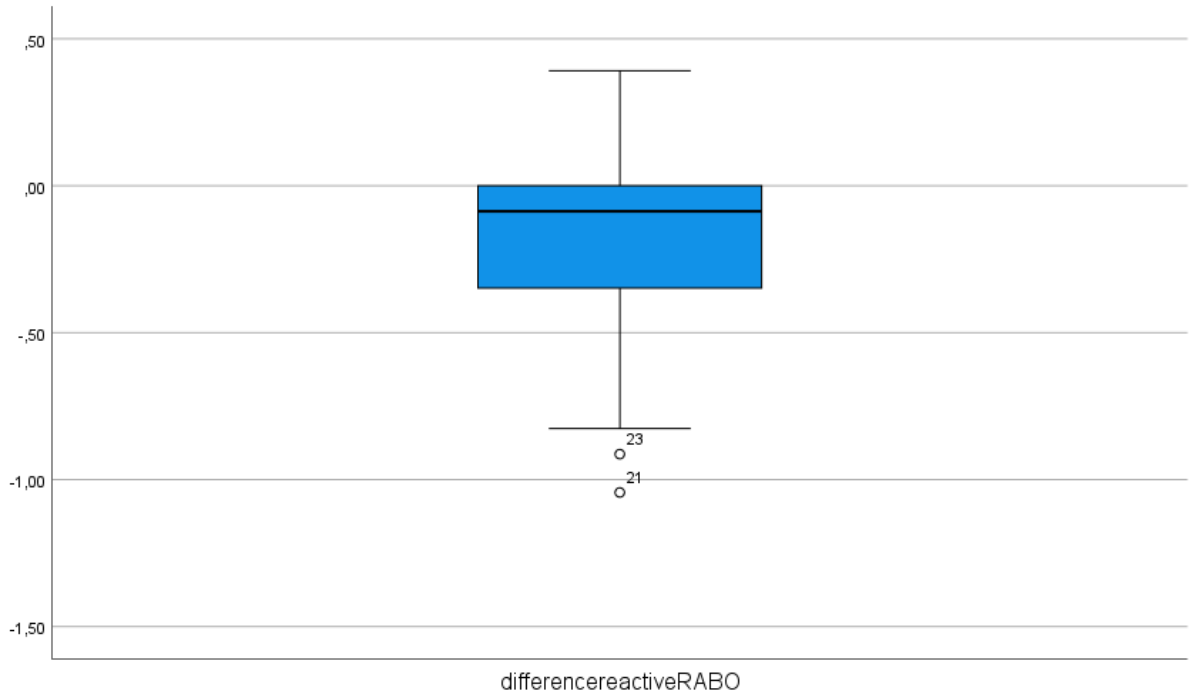
Bootstrap for Paired Samples Test

		Mean	Bootstrap ^a		Sig. (2-tailed)	BCa 95% Confidence Interval	
			Bias	Std. Error		Lower	Upper
Pair 1	RepRABO1 - RepRABO2	-,12520	,00062	,01858	,001	-,16271	-,08756

a. Unless otherwise noted, bootstrap results are based on 1000 bootstrap samples

7.11. Testing for outliers Albert Heijn and Rabobank (H2)



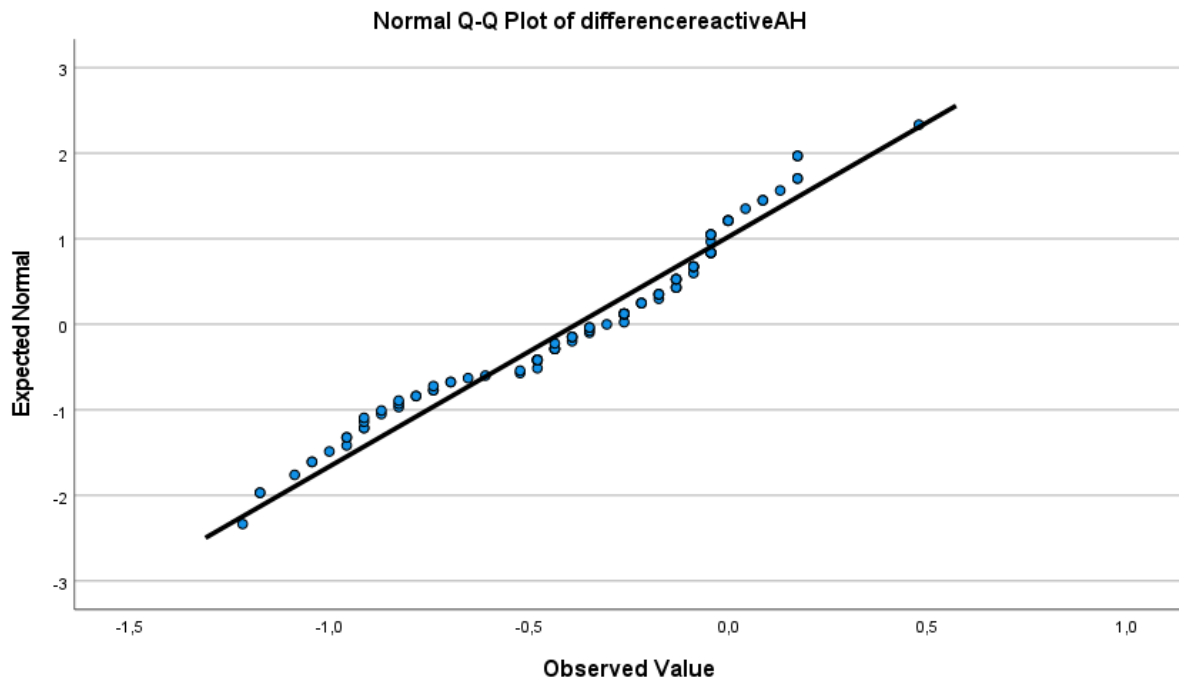


7.12. Testing for normality (H12)

Tests of Normality

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
differencereactiveAH	,121	101	,001	,956	101	,002

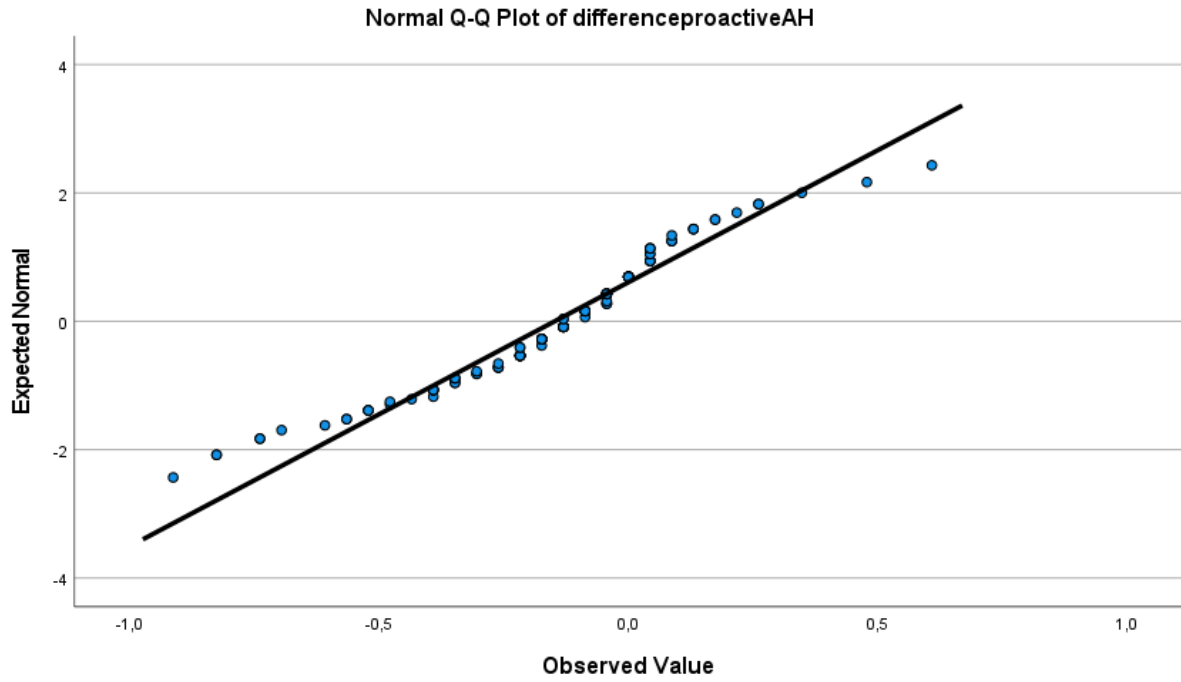
a. Lilliefors Significance Correction



Tests of Normality

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
differenceproactiveAH	,130	132	,000	,953	132	,000

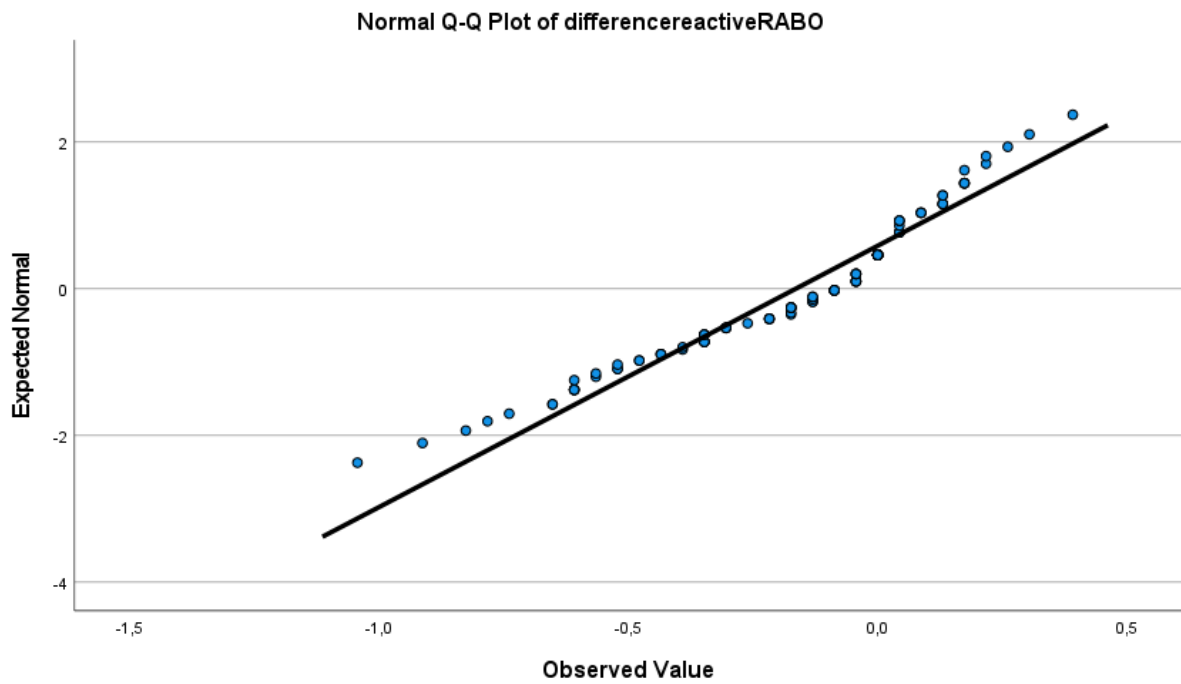
a. Lilliefors Significance Correction



Tests of Normality

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
differenceproactiveAH	,149	112	,000	,942	112	,000

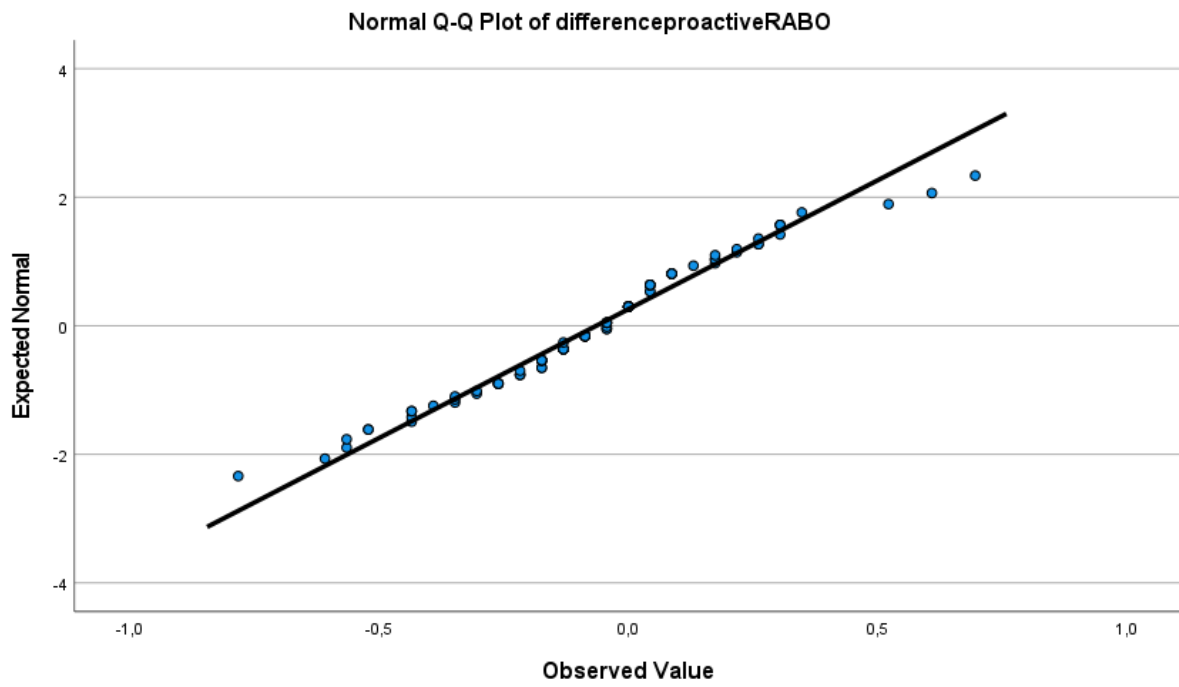
a. Lilliefors Significance Correction



Tests of Normality

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
differenceproactiveRAB O	,097	102	,020	,978	102	,085

a. Lilliefors Significance Correction



7.13. Independent samples t-test for Albert Heijn (reactive/proactive)

Group Statistics

				Bootstrap ^a		BCa 95% Confidence Interval		
		Proactive	reactive	Statistic	Bias	Std. Error	Lower	Upper
DifferenceAH	reactive	N		101				
		Mean		-,3805	,0016	,0372	-,4528	-,3002
		Std. Deviation		,37262	-,00290	,02132	,33407	,40534
		Std. Error Mean		,03708				
	proactive	N		132				
		Mean		-,1482	,0014	,0215	-,1895	-,1031
		Std. Deviation		,24317	-,00225	,01909	,20757	,27431
		Std. Error Mean		,02117				

a. Unless otherwise noted, bootstrap results are based on 1000 bootstrap samples

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
DifferenceAH	Equal variances assumed	28,035	,000	-5,743	231	,000	-,23232	,04045	-,31203	-,15262
	Equal variances not assumed			-5,442	162,613	,000	-,23232	,04269	-,31662	-,14802

Bootstrap for Independent Samples Test

		Bootstrap ^a		BCa 95% Confidence Interval	
Mean Difference		Bias	Std. Error	Sig. (2-tailed)	Interval

							Lower	Upper
Difference AH	Equal assumed	variances	-,23232	,00017	,04234	,001	-,31620	-,14621
	Equal	variances not	-,23232	,00017	,04234	,001	-,31620	-,14621
		assumed						

a. Unless otherwise noted, bootstrap results are based on 1000 bootstrap samples

7.14. Independent samples t-test for Rabobank (reactive/proactive)

				Bootstrap ^a			
		Statistic	Bias	Std. Error	BCa 95% Confidence Interval		
					Lower	Upper	
Difference Rabobank	reactief	N	112				
		Mean	-,1642	,0009	,0267	-,2170	-,1062
		Std. Deviation	,28079	-,00210	,01933	,24445	,31157
		Std. Error Mean	,02653				
	proactief	N	104				
		Mean	-,0832	,0018	,0276	-,1418	-,0223
		Std. Deviation	,28021	-,00240	,02762	,22894	,32622
		Std. Error Mean	,02748				

a. Unless otherwise noted, bootstrap results are based on 1000 bootstrap samples

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Difference Rabobank	Equal variances assumed	1,076	,301	-2,121	214	,035	-,08101	,03820	-,15631	-,00572
	Equal variances not assumed			-2,121	212,883	,035	-,08101	,03820	-,15630	-,00572

Bootstrap for Independent Samples Test

			Bootstrap ^a					
			Mean Difference	Bias	Std. Error	Sig. (2-tailed)	BCa 95% Confidence Interval	
							Lower	Upper
Difference Rabobank	Equal variances assumed		-,08101	-,00089	,03875	,047	-,15651	-,00581
	Equal variances not assumed		-,08101	-,00089	,03875	,047	-,15651	-,00581

a. Unless otherwise noted, bootstrap results are based on 1000 bootstrap samples

7.15. Paired-samples t-test for the stakeholder groups of Albert Heijn and Rabobank

Employees AH

Paired Samples Statistics

		Statistic	Bootstrap ^a		BCa 95% Confidence Interval		
			Bias	Std. Error	Lower	Upper	
Pair 1	OVERALLREPAH1empl oyees	Mean	2,1522	-,0041	,1024	1,9949	2,3232
		N	30				
		Std. Deviation	,59095	-,03758	,14818	,34049	,76107
		Std. Error Mean	,10789				
overallrepah2employees		Mean	2,5739	-,0033	,1117	2,3768	2,7696
		N	30				
		Std. Deviation	,64695	-,03664	,13914	,40412	,81238
		Std. Error Mean	,11812				

a. Unless otherwise noted, bootstrap results are based on 1000 bootstrap samples

Bootstrap for Paired Samples Test

		Mean	Bootstrap ^a		Sig. (2-tailed)	BCa 95% Confidence Interval	
			Bias	Std. Error		Lower	Upper
Pair 1	OVERALLREPAH1emplo yees - overallrepah2employees	-,42174	-,00080	,06226	,001	-,54013	-,30000

a. Unless otherwise noted, bootstrap results are based on 1000 bootstrap samples

Paired Samples Test

		Paired Differences		Std. Error	95% Confidence Interval of the Difference		t	df	Sig. (2-tailed)
		Mean	Std. Deviation		Lower	Upper			
Pair 1	OVERALLREPAH1 employees - overallrepah2employees	-,42174	,35874	,06550	-,55569	-,28778	-6,439	29	,000

Customers AH

Paired Samples Statistics

			Statistic	Bootstrap ^a		BCa 95% Confidence Interval	
				Bias	Std. Error	Lower	Upper
Pair 1	OVERALLREPAH1customers	Mean	2,5222	,0009	,0272	2,4688	2,5788
		N	182				
		Std. Deviation	,37197	-,00179	,02530	,32392	,41979
		Std. Error Mean	,02757				
OVERALLREPAH2customers	OVERALLREPAH2customers	Mean	2,7396	,0008	,0343	2,6751	2,8052
		N	182				
		Std. Deviation	,46696	-,00194	,03044	,41267	,51945
		Std. Error Mean	,03461				

a. Unless otherwise noted, bootstrap results are based on 1000 bootstrap samples

Paired Samples Test

		Paired Differences			95% Confidence Interval of the Difference		t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error	Lower	Upper			
Pair 1	OVERALLREPAH1customers - OVERALLREPAH2customers	-,21739	,30105	,02232	-,26142	-,17336	-9,742	181	,000

Bootstrap for Paired Samples Test

		Mean	Bootstrap ^a		BCa 95% Confidence Interval		
			Bias	Std. Error	Sig. (2-tailed)	Lower	Upper
Pair 1	OVERALLREPAH1customers - OVERALLREPAH2customers	-,21739	,00009	,02257	,001	-,26398	-,17106

a. Unless otherwise noted, bootstrap results are based on 1000 bootstrap samples

General public AH

Ranks

		N	Mean Rank	Sum of Ranks
OVERALLREPAH2generalpublic	Negative Ranks	4 ^a	8,88	35,50
lic	- Positive Ranks	17 ^b	11,50	195,50
OVERALLREPAH1generalpublic	Ties	0 ^c		
lic	Total	21		

a. OVERALLREPAH2generalpublic < OVERALLREPAH1generalpublic

b. OVERALLREPAH2generalpublic > OVERALLREPAH1generalpublic

c. OVERALLREPAH2generalpublic = OVERALLREPAH1generalpublic

Test Statistics^a

		OVERALLREPAH2generalpublic - OVERALLREPAH1generalpublic
Z		-2,799 ^b
Asymp. Sig. (2-tailed)		,005

a. Wilcoxon Signed Ranks Test

b. Based on negative ranks.

Rabobank employees

Paired Samples Statistics

			Statistic	Bootstrap ^a		BCa 95% Confidence Interval	
				Bias	Std. Error	Lower	Upper
Pair 1	OVERALLREPRABO1employees	Mean	2,7322	-,0012	,0660	2,5861	2,8435
		N	25				
		Std. Deviation	,34135	-,01554	,07859	,19321	,45985
		Std. Error Mean	,06827				
OVERALLREPURABO2employees	Mean	2,9270	,0031	,0675	2,7913	3,0574	
	N	25					
	Std. Deviation	,33742	-,01097	,05176	,24639	,40807	
	Std. Error Mean	,06748					

a. Unless otherwise noted, bootstrap results are based on 1000 bootstrap samples

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	OVERALLREPRABO1employees - OVERALLREPURABO2employees	-,19478	,34921	,06984	-,33893	-,05064	-2,789	24	,010

Bootstrap for Paired Samples Test

		Mean	Bootstrap ^a		Sig. (2-tailed)	BCa 95% Confidence Interval	
			Bias	Std. Error		Lower	Upper
Pair 1	OVERALLREPRABO1employees - OVERALLREPURABO2employees	-,19478	-,00436	,06893	,029	-,33483	-,07258

a. Unless otherwise noted, bootstrap results are based on 1000 bootstrap samples

Rabobank customers

Paired Samples Statistics

Pair 1	Mean	Statistic	Bootstrap ^a		BCa 95% Confidence Interval	
			Bias	Std. Error	Lower	Upper
		2,5667	-,0002	,0365	2,4928	2,6393

OVERALLREPRABO1customers	N	177				
	Std. Deviation	,50051	-,00357	,03482	,44411	,55519
	Std. Error Mean	,03762				
OVERALLREPURABO2customers	Mean	2,6883	,0014	,0388	2,6129	2,7762
	N	177				
	Std. Deviation	,52000	-,00349	,03422	,45944	,57666
	Std. Error Mean	,03909				

a. Unless otherwise noted, bootstrap results are based on 1000 bootstrap samples

Paired Samples Test

		Paired Differences				95% Confidence Interval of the Difference		t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean		Lower	Upper			
Pair 1	OVERALLREPRABO1customers - OVERALLREPURABO2customers	-,12159	,29909	,02248		-,16596	-,07722	-5,409	176	,000

Bootstrap for Paired Samples Test

		Mean	Bootstrap ^a			BCa 95% Confidence Interval	
			Bias	Std. Error	Sig. (2-tailed)	Lower	Upper
Pair 1	OVERALLREPRABO1customers - OVERALLREPURABO2customers	-,12159	-,00161	,02316	,001	-,16927	-,08106

a. Unless otherwise noted, bootstrap results are based on 1000 bootstrap samples

Rabobank general public

Paired Samples Statistics

		Statistic	Bootstrap ^a			BCa 95% Confidence Interval	
			Bias	Std. Error		Lower	Upper
Pair 1	overallreputationrabo1generalpublic	Mean	2,7957	-,0015	,0381	2,7256	2,8684
		N	83				
		Std. Deviation	,34926	-,00289	,02991	,28803	,40472

	Std. Error Mean	,03834				
overallreputationrabo2gen	Mean	2,9036	-,0015	,0438	2,8198	2,9916
eralpublic	N	83				
	Std. Deviation	,41068	-,00544	,03896	,34285	,46458
	Std. Error Mean	,04508				

a. Unless otherwise noted, bootstrap results are based on 1000 bootstrap samples

Paired Samples Test

	Paired Differences	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference		t	df	Sig. (2-tailed)
					Lower	Upper			
Pair 1 overallreputationrabo1generalpublic - overallreputationrabo2generalpublic		-,10791	,29295	,03216	-,17188	-,04394	-3,356	82	,001

Bootstrap for Paired Samples Test

	Mean	Bootstrap ^a		Sig. (2-tailed)	BCa 95% Confidence Interval	
		Bias	Std. Error		Lower	Upper
Pair 1 overallreputationrabo1generalpublic - overallreputationrabo2generalpublic	-,10791	,00006	,03192	,002	-,17077	-,04768

a. Unless otherwise noted, bootstrap results are based on 1000 bootstrap samples

7.16. Paired-samples t-test for dimensions of reputation

Albert Heijn

Paired Samples Statistics

		Statistic	Bias	Std. Error	Bootstrap ^a BCa 95% Confidence Interval		
					Lower	Upper	
Pair 1	OVERALLREPprodservA H1	Mean	2,0279	,0012	,0349	1,9577	2,0992
		N	233				
		Std. Deviation	,53213	-,00214	,02998	,47861	,58759
		Std. Error Mean	,03486				
	OVERALLREPprodservA H2	Mean	2,1899	,0013	,0379	2,1127	2,2702
		N	233				
		Std. Deviation	,57763	-,00161	,03111	,52181	,63554
		Std. Error Mean	,03784				
Pair 2	OVERALLREPinnovation AH1	Mean	2,4621	,0002	,0424	2,3777	2,5476
		N	233				
		Std. Deviation	,65406	-,00084	,03072	,59857	,71179
		Std. Error Mean	,04285				
	OVERALLREPinnovation AH2	Mean	2,5823	,0009	,0497	2,4840	2,6863
		N	233				
		Std. Deviation	,73957	-,00069	,03357	,67570	,80327
		Std. Error Mean	,04845				
Pair 3	OVERALLREPworkplacen vironmAH1	Mean	2,6938	,0009	,0404	2,6123	2,7797
		N	233				
		Std. Deviation	,62263	-,00165	,04073	,54410	,69849
		Std. Error Mean	,04079				
	OVERALLREPworkplacen vironmAH2	Mean	3,1245	-,0021	,0443	3,0386	3,2031
		N	233				
		Std. Deviation	,69153	-,00241	,03745	,62250	,75110
		Std. Error Mean	,04530				
Pair 4	OVERALLREPgovernance AH1	Mean	2,7268	,0015	,0409	2,6394	2,8126
		N	233				
		Std. Deviation	,62224	-,00127	,03560	,55452	,68995
		Std. Error Mean	,04076				
	OVERALLREPgovernance AH2	Mean	3,0300	-,0009	,0459	2,9411	3,1132
		N	233				
		Std. Deviation	,69588	-,00088	,03616	,62817	,76023
		Std. Error Mean	,04559				
Pair 5	Mean	2,7582	,0026	,0423	2,6710	2,8469	

	OVERALLREpcitizenship	N	233					
	AH1	Std. Deviation	,65523	-,00002	,03567	,58509	,72560	
		Std. Error Mean	,04293					
	OVERALLREpcitizenship	Mean	2,8813	,0006	,0430	2,7911	2,9714	
	AH2	N	233					
		Std. Deviation	,65778	-,00063	,03573	,59279	,72309	
		Std. Error Mean	,04309					
Pair 6	OVERALLREpleadershipA	Mean	2,5043	,0027	,0341	2,4282	2,5782	
	H1	N	233					
		Std. Deviation	,53587	-,00112	,03414	,47989	,59977	
		Std. Error Mean	,03511					
	OVERALLREpleadershipA	Mean	2,7436	,0003	,0393	2,6609	2,8213	
	H2	N	233					
		Std. Deviation	,60659	-,00043	,03296	,54554	,66968	
		Std. Error Mean	,03974					
Pair 7	OVERALLREPfinperfAH1	Mean	2,2632	,0006	,0399	2,1774	2,3476	
		N	233					
		Std. Deviation	,60990	-,00177	,03347	,55628	,66736	
		Std. Error Mean	,03996					
	OVERALLREPfinperfAH2	Mean	2,6595	,0000	,0576	2,5535	2,7698	
		N	233					
		Std. Deviation	,87890	-,00262	,04333	,79590	,95610	
		Std. Error Mean	,05758					

a. Unless otherwise noted, bootstrap results are based on 1000 bootstrap samples

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	OVERALLREPprodservAH1 - OVERALLREPprodservAH2	-,16202	,44984	,02947	-,22008	-,10395	-5,498	232	,000
Pair 2	OVERALLREPinnovationAH1 - OVERALLREPinnovationAH2	-,12017	,58301	,03819	-,19542	-,04492	-3,146	232	,002

Pair 3	OVERALLREPwork placenvironmAH1 - OVERALLREPwork placenvironmAH2	-,43062	,66023	,04325	-,51583	-,34540	-9,956	232	,000
Pair 4	OVERALLREPgover nanceAH1 - OVERALLREPgover nanceAH2	-,30329	,65328	,04280	-,38761	-,21897	-7,087	232	,000
Pair 5	OVERALLREpcitize nshipAH1 - OVERALLREpcitize nshipAH2	-,12303	,42337	,02774	-,17768	-,06839	-4,436	232	,000
Pair 6	OVERALLREpleader shipAH1 - OVERALLREpleader shipAH2	-,23927	,50150	,03285	-,30400	-,17454	-7,283	232	,000
Pair 7	OVERALLREPfinper fAH1 - OVERALLREPfinper fAH2	-,39628	,80101	,05248	-,49967	-,29289	-7,552	232	,000

Bootstrap for Paired Samples Test

		Mean	Bias	Std. Error	Bootstrap ^a		
					Sig. (2-tailed)	Lower	Upper
Pair 1	OVERALLREPprodservA H1 - OVERALLREPprodservA H2	-,16202	-,00010	,02988	,001	-,22385	-,09803
Pair 2	OVERALLREPinnovation AH1 - OVERALLREPinnovation AH2	-,12017	-,00070	,03911	,004	-,19805	-,04292
Pair 3	OVERALLREPworkplacen vironmAH1 - OVERALLREPworkplacen vironmAH2	-,43062	,00308	,04449	,001	-,52459	-,33423
Pair 4	OVERALLREPgovernance AH1 - OVERALLREPgovernance AH2	-,30329	,00243	,04304	,001	-,39340	-,20601

Pair 5	OVERALLREpcitizenship AH1 - OVERALLREpcitizenship AH2	-,12303	,00209	,02729	,001	-,17883	-,06438
Pair 6	OVERALLREpleadershipA H1 - OVERALLREpleadershipA H2	-,23927	,00244	,03309	,001	-,30482	-,16202
Pair 7	OVERALLREpfinperfAH1 - OVERALLREpfinperfAH2	-,39628	,00063	,05337	,001	-,51073	-,29328

a. Unless otherwise noted, bootstrap results are based on 1000 bootstrap samples

Rabobank

Paired Samples Statistics

		Statistic	Bootstrap ^a		BCa 95% Confidence Interval		
			Bias	Std. Error	Lower	Upper	
Pair 1	OVERALLREpprodsvrRA BO1	Mean	3,0948	-,0009	,0568	2,9878	3,2031
		N	218				
		Std. Deviation	,85640	-,00260	,05140	,76957	,95347
		Std. Error Mean	,05800				
	OVERALREpproductsandse rvicesRABO2	Mean	2,3922	,0003	,0453	2,3073	2,4817
		N	218				
		Std. Deviation	,67276	-,00254	,04054	,60061	,74538
		Std. Error Mean	,04557				
Pair 2	overallrepinnovationrabo1	Mean	2,8685	,0008	,0458	2,7811	2,9633
		N	218				
		Std. Deviation	,65194	-,00117	,03563	,58521	,71884
		Std. Error Mean	,04415				
	OVERALLREpinnovationR ABO2	Mean	2,7920	-,0010	,0488	2,6972	2,8892
		N	218				
		Std. Deviation	,71311	,00029	,03166	,65081	,77958
		Std. Error Mean	,04830				
Pair 3	OVERALLREpworkenvRA BO1	Mean	2,5963	-,0017	,0410	2,5228	2,6728
		N	218				
		Std. Deviation	,59710	-,00224	,03372	,53212	,66115
		Std. Error Mean	,04044				
	Mean	2,9495	-,0019	,0522	2,8505	3,0467	

	OVERALLREPworkenvRA	N	218				
	BO2	Std. Deviation	,76402	-,00238	,03571	,69677	,82514
		Std. Error Mean	,05175				
Pair 4	OVERALLREPgovernance	Mean	2,7431	-,0017	,0497	2,6453	2,8333
	RABO1	N	218				
		Std. Deviation	,72711	-,00326	,04030	,65247	,80081
		Std. Error Mean	,04925				
	OVERALLREPgovernance	Mean	2,8853	-,0010	,0469	2,7920	2,9740
	RABO2	N	218				
		Std. Deviation	,71885	-,00211	,03877	,64668	,79112
		Std. Error Mean	,04869				
	Pair 5	OVERALLREPCitizenshipR	Mean	2,5260	-,0021	,0509	2,4257
ABO1		N	218				
		Std. Deviation	,76441	-,00211	,03848	,69157	,83117
		Std. Error Mean	,05177				
OVERALLREPCitizenshipR		Mean	2,6697	-,0012	,0496	2,5729	2,7619
ABO2		N	218				
		Std. Deviation	,73183	-,00288	,03961	,65764	,79918
		Std. Error Mean	,04957				
Pair 6		OVERALLREPfinperfRAB	Mean	2,4541	,0024	,0386	2,3660
	O1	N	218				
		Std. Deviation	,58237	-,00211	,02728	,53277	,62849
		Std. Error Mean	,03944				
	OVERALLREPfinperfRAB	Mean	2,6957	,0023	,0530	2,5917	2,8022
	O2	N	218				
		Std. Deviation	,75774	-,00351	,03731	,68869	,82211
		Std. Error Mean	,05132				
	Pair 7	OVERALLREPLEadershipR	Mean	2,5872	,0000	,0388	2,5080
ABO1		N	218				
		Std. Deviation	,55863	-,00100	,03142	,49790	,62155
		Std. Error Mean	,03784				
OVERALLREPLEadershipR		Mean	2,7122	,0004	,0427	2,6319	2,7924
ABO2		N	218				
		Std. Deviation	,63636	-,00153	,03671	,57200	,70167
		Std. Error Mean	,04310				

a. Unless otherwise noted, bootstrap results are based on 1000 bootstrap samples

Paired Samples Test

		Paired Differences				95% Confidence Interval of the Difference	t	df	Sig. (2- tailed)	
		Mean	Std. Deviation	Std. Error Mean	Lower					Upper
Pair 1	OVERALLREPproducts ervRABO1 - OVERALLREPproducts andservicesRABO2	,70260	,47071	,03188	,63976	,76543	22,039	217	,000	
Pair 2	overallrepinnovationr abo1 - OVERALLREPinnov ationRABO2	,07645	,57891	,03921	-,00083	,15373	1,950	217	,052	
Pair 3	OVERALLREPwork envRABO1 - OVERALLREPwork envRABO2	-,35321	,59103	,04003	-,43211	-,27431	-8,824	217	,000	
Pair 4	OVERALLREPgover nanceRABO1 - OVERALLREPgover nanceRABO2	-,14220	,62845	,04256	-,22609	-,05831	-3,341	217	,001	
Pair 5	OVERALLREPCitize nshipRABO1 - OVERALLREPCitize nshipRABO2	-,14373	,43377	,02938	-,20163	-,08583	-4,892	217	,000	
Pair 6	OVERALLREPfinpe rfRABO1 - OVERALLREPfinpe rfRABO2	-,24159	,77581	,05254	-,34515	-,13803	-4,598	217	,000	
Pair 7	OVERALLREPLEade rshipRABO1 - OVERALLREPLEade rshipRABO2	-,12500	,47595	,03224	-,18853	-,06147	-3,878	217	,000	

Bootstrap for Paired Samples Test

		Mean	Bootstrap ^a		Sig. (2-tailed)	BCa 95% Confidence Interval	
			Bias	Std. Error		Lower	Upper
Pair 1	OVERALLREPprodservRA BO1 - OVERALLREPproductsandse rvicesRABO2	,70260	-,00121	,03200	,001	,64206	,76008
Pair 2	overallrepinnovationrabo1 - OVERALLREPinnovationR ABO2	,07645	,00185	,03779	,037	,00720	,15029
Pair 3	OVERALLREPworkenvRA BO1 - OVERALLREPworkenvRA BO2	-,35321	,00022	,04021	,001	-,43703	-,27676
Pair 4	OVERALLREPgovernanceR ABO1 - OVERALLREPgovernanceR ABO2	-,14220	-,00070	,04059	,001	-,22324	-,06813
Pair 5	OVERALLREpcitizenshipR ABO1 - OVERALLREpcitizenshipR ABO2	-,14373	-,00089	,02774	,001	-,19725	-,09275
Pair 6	OVERALLREPfinperfRAB O1 - OVERALLREPfinperfRAB O2	-,24159	,00010	,05339	,001	-,34404	-,14373
Pair 7	OVERALLREPLEadershipR ABO1 - OVERALLREPLEadershipR ABO2	-,12500	-,00032	,03168	,001	-,18807	-,06573

a. Unless otherwise noted, bootstrap results are based on 1000 bootstrap samples