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Advice tie reallocation under organizational downsizing: A longitudinal network study

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ABSTRACT

Drawing on network theory we investigate how the hierarchical position of organizational members affects their willingness to exchange advice during sudden corporate downsizing. Based on a field study that focuses on employee downsizing at a European IT service provider, we propose and test a theoretical perspective that explains how and when employees reallocate voluntary advice ties. Our findings suggest that individuals exhibit varying levels of resilience to change, with new advice activity shifting towards hierarchical equals and away from colleagues with a higher hierarchical level. Moreover, whereas individuals with a preference for upward networking do not seek others out before a downsizing event, they do so after downsizing. The results of our study shed light on the theoretical mechanisms that underlie the formation of voluntary intra-organizational network patterns. These findings have important implications for understanding organizational behaviour during organizational change.

1. Introduction

Downsizing constitutes a prominent corporate strategy to adjust organizational structure to align with an evolving external environment. It is commonly deployed during challenging periods when more incremental strategies fall short (Cameron et al., 1993; Cascio, 1993). In practice, downsizing is more than a strategy, however. It is a board-level decision that can either revitalize or dismantle an organization. In corporate environments where knowledge exchange forms the backbone of resilience and innovation, the impact of downsizing extends far beyond mere cost-cutting. Beyond the visible layoffs and restructuring, downsizing silently cuts relationships, including the informal advice networks that employees rely on for daily guidance and support. While the financial and structural implications of downsizing are well-documented (Datta et al., 2010; Cascio et al., 2021), management research presents a gap in understanding its impact on the informal, yet vital, advice networks within organizations. Advice ties serve as an important proxy for the informal organization, comprising the shadow organization that facilitates the discretionary circulation of professional advice and expertise, aiding an organization also during challenging periods (Brennecke et al., 2024; Norman et al., 2013; Agneessens & Wittek, 2012). The advice networks that these collective ties form into as such have been identified to play a critical role during organizational adversity as they provide employees with access to timely, accurate information that may not be captured through formal communication channels (Williams et al., 2017).

Although downsizing is typically framed around improving organizational efficiency by streamlining resources and increasing productivity (Brauer & Laamanen, 2014; Love & Nohria, 2005), existing literature does highlight its disruptive effects on the workforce. A well-established stream of research has primarily focused on how downsizing strains the social contract between management and employees, emphasizing its psychological and behavioural consequences (Cameron et al., 1993; Cascio et al., 1993). Adjacent work points to relational coping mechanisms such as structural embeddedness and self-determination, which affect organizational ability to veer back from downsizing (van den Berg et al., 2022; Chen et al., 2022; Jiao et al., 2023). A second emerging stream of literature has begun exploring the relational consequences of downsizing from a longitudinal perspective, examining how employees' connections within the organization—especially with peers—serve as relational buffers during sudden shocks. This body of work suggests that informal relationships are key to organizational recovery, as they help

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preserve adaptability and resilience (Moore et al., 2022; Sumpter & Gibson, 2023). Downsizing disrupts these networks as departing employees sever informal ties, depleting the relational capital necessary for organizational stability (Aalbers, 2020; Shah, 2000). At the same time, the remaining employees are forced to "rewire" their communication networks, often creating new connections to cope with the changing organizational landscape.

Despite these inroads, research has yet to fully integrate both the structured and behavioural elements defining the development of these advice networks under exogenous strain. This lack of integration limits current understanding of how they are reconstituted post-downsizing. While some attention has been paid to the dyadic relationships affected by downsizing (e.g. Aalbers, 2020; Aalbers & Dolfsma, 2019; Shah, 2000), the broader processes that sustain distressed organizational networks remain underexplored. This gap points to the need for further investigation into how downsizing not only disrupts formal employee roles but also triggers complex, adaptive responses within informal advice networks, which are central to maintaining organizational adaptability and resilience. Zooming in on the intraorganizational relations that make up the voluntary advice network of the organization, this study investigates how downsizing impacts these dynamics. In line with recent calls to explore context-based drivers of network dynamics (e.g., Chen et al., 2022; Lusher et al., 2013; Moore et al., 2022), we are among the first to thereby also account for endogeneity in this relationship. Drawing on network theory we study how hierarchical membership in an intraorganizational advice network affects the likelihood of seeking advice from others before and after organizational downsizing (Burt and Soda (2021). We thereby address a simple but surprisingly overlooked question: How does downsizing affect the propensity of discretionary advice ties to persist and form among employees, and how does this relate to the hierarchical position of those constituting a firm's discretionary advice network?

Building on the literature on strategic networking behavior (e.g., Brennecke et al., 2024; Parker et al., 2024; ter Wal et al., 2023; ter Wal et al., 2020; Bensaou et al., 2014), our study develops a theory linking hierarchical rank and orientation to advice tie reallocation following sudden downsizing. While recent research has explored the role of network structures and the sequence of interactions in shaping performance, we extend this by examining how hierarchical positions influence advice exchange during organizational disruption. We specifically investigate how employees shift from hierarchical to horizontal advice-seeking, adapting their networks in response to downsizing. Using longitudinal field data from a European IT service provider, we test this theory with a focus on hierarchical orientation, or the tendency to seek advice from higher-ranked colleagues. By considering both endogenous network effects, such as clustering and popularity dynamics, and individual-level factors like homophily, we employ exponential random graph modelling (ERGM) to test our predictions (Harris, 2014; Lusher et al., 2013). This approach allows us to contribute to the existing literature in several ways.

First, we advance the literature on collective behavioural reactions to change as we observe individual agency in response to sudden organizational downsizing. In portraying group-level dynamics in response to organizational change from a collaborative and discretionary point of view, showcased by a firm's collective and voluntary advice activity, we go beyond the focus of change as a singular firm-level event. Instead, we focus in on the individual-level choices that it renders within the current social infrastructure of the organization. We thereby depart from the central notion behind network theory that individuals' understanding and behaviour are grossly shaped by the environment they perceive and in which they act (Burt and Soda (2021). Doing so allows us to better understand how an individual's hierarchical propensity influences the willingness and capacity to form new advice ties after a sudden disruption of the intraorganizational advice network structure due to a downsizing event. Specifically, we analyse how individuals' hierarchical position and orientation in a firm's discretionary advice network influence the inclination to seek advice from others. Our focus thus is on individuals with a preference for upward networking, centring on individual tendencies to form relationships or seek mentorship from those higher on the organizational ladder, indicating an orientation towards those in positions of power.

Second, we extend the understanding of advice tie reallocation during corporate downsizing, exploring both the drivers and consequences of voluntary networking behaviour. While prior research has emphasized hierarchical relationships as key to network opportunities (e.g. Srivastava, 2015), our study responds to calls in the organizational resilience literature to investigate how individual networking decisions affect overall network behaviour and in so doing contribute to collective outcomes (Chen et al., 2022; Conz & Magnani, 2020). We demonstrate that post-downsizing advice tie reallocation reflects not only personal strategy but also collective organizational adaptability. Our findings link individual agency to a broader organizational willingness to rely on peers during downsizing, providing insight into the antecedents of organizational ability to veer back form such corporate restructuring (Aalbers, 2020; Conz & Magnani, 2020).

2. Theory and hypotheses

2.1. Initial preference for upward networking and future advisory tie activation

While advice ties are discretionary, not everyone can deliberately activate them (Maoret et al., 2020). Change recipients react differently to organizational change, consolidating individual-level responses into group-level dynamics in response to organizational change (Brennecke, 2020; Oreg et al., 2011; Park et al., 2020; Yang et al., 2021). It is precisely this consolidated reaction that radical change initiatives, as through downsizing, in theory, provide important managerial means to relatively quickly realign corporate strategy and organization structure (Gulati & Puranam, 2009). Simultaneously, such change initiatives may be highly disruptive to everyday routines and collaboration patterns at the core of a functioning organization, lowering the quality of social exchange within the organization (Mirc & Parker, 2020).

While downsizing may hamper employees seeking advice, a need for advice persists. However, not all organizational members are in a similar position to activate new advice ties deliberately. Reaching out to others under changing conditions of uncertainty may thus come with a relational hurdle. In the context of network preferences immediately after an acquisition, for instance, Mirc and Parker (2020) point out that there is instant uncertainty about who knows what. The increased uncertainty increases search costs, may lower trust, and thus can reshape interpersonal dynamics (Chen et al., 2022; Gustafsson et al., 2020; Kramer, 1999). At the same time, the disruptive relational consequence also creates opportunities at the individual level (Mirc & Parker, 2020). As employees are collectively forced to part with the firm and extant relationships get disrupted, the ensuing uncertainty may be even more pronounced in a downsizing context (Aalbers, 2020; Shah, 2000). The question, then, is which individuals are more effective at intensifying their advice-seeking activities than others.

Recognizing the role of individual choice, we approach an individual's voluntarily maintained advice network as the foundation for future tie activation and repair under tumultuous organizational conditions. Despite the popularity of advice relations as a means to study knowledge exchange within firms, little attention has been given to the hierarchical orientation—specifically, the tendency to seek advice from higher-ranking individuals. This notion thus highlights the tendency of individuals to form connections and seek advice from individuals higher in the hierarchy or organizational structure. This lack of attention in the management literature is notable, as hierarchy is a fundamental concept in understanding the behaviours of social collectives such as teams and groups (Anderson & Brown, 2010; Halevy et al., 2011; Magee & Galinsky, 2008). The different hierarchical levels within a firm's

structure can either create or limit individuals' possibilities for action (Cirillo et al., 2018; Fu et al., 2018). Building on this argument, we propose that individuals embedded in an organizational network with a hierarchical upward focus in their advice-seeking behavior will be more inclined to seek advice during sudden downsizing than those lacking this upward orientation. Seeking advice not only facilitates the exchange of information but also acknowledges the advisor's expertise and conforms to the normative expectations embedded in hierarchical relationships (Mell et al., 2022), making it easier to reach out during times of downsizing. This argument also aligns with recent work that points to the embeddedness of individuals in an organization's architecture as shaping their future decisions to reach out to others for advice (Agneessens & Wittek, 2012; Brennecke, 2020). It also aligns with prior work on organizational change that portrays the relevance of interpersonal networks as political tools for change agents attempting to shape their organizations or protect their turf (Battilana & Casciaro, 2012; Mell et al., 2022). To better understand the relational mechanisms that underlie the emergence of group-level dynamics in response to organizational change, we thus suggest that people who were already upward-oriented before organizational downsizing will be more active in seeking advice after downsizing than people who did not have the tendency to form connections and seek advice from individuals higher in the organizational hierarchy. Hence, we pose the following.

Hypothesis 1. Employees who are already upward-oriented in their advice activity before a downsizing will be more active in seeking advice than those who did not have this initial upward orientation.

2.2. Hierarchical rank and advice tie reorientation

Hierarchy has long been a central focus in the literature on organizational change, particularly in shaping how individuals navigate and reorient their advice ties during times of disruption. From an organizational theory perspective, crossing hierarchical divides may provide a positive pathway through improved coordination-enabling processes, enhanced individual-level exposure and career progression (e.g. Halevy et al., 2011; van der Heijden et al., 2009; Whelan et al., 2011). In contrast, a conflict perspective suggests a negative effect due to increased conflict-enabling states, proposing hierarchical differences to inspire internal conflicts, politicking and individual-level tensions (e.g. Bloom, 1999; Greer et al., 2017; Greer & van Kleef, 2010; Wolfe & McGinn, 2005). Organizational network literature, in turn, suggests that when advice ties maintained across hierarchical divides within an organization get upset, organizational decision-making and error correction can get undermined, damaging employee trust and morale (e.g., Burt & Soda, 2021; Mirc & Parker, 2020). The discretionary, voluntary nature of advice relations makes these dynamics particularly pronounced, providing a foothold for agency effects at the individual level to signal appreciation or discontent towards management instead (Battilana & Casciaro, 2012; Mell et al., 2022; Stevenson & Greenberg, 2000).

Hierarchical ties, or ties to hierarchically superior others, provide access to (political) influence that assists the individual by finding support and resources (Aalbers et al., 2016; Atuahene-Gima & Evangelista, 2000; Haas, 2010). Attitudinal differences toward networking, however, may drive an individual's likelihood of reaching out to others (c.f. Shah et al. (2016); Wanberg et al. (2000), which suggests feelings of relative discomfort in initiating advice ties (Casciaro et al., 2014). Hence, we propose that the decision to continue or discontinue one's discretionary advice ties provides a mechanism to signal one's relational state towards management. Specifically, given the self-inflicted nature of downsizing as a source of instant organizational uncertainty introduced top-down by upper management, fault lines between employee and their hierarchical superiors deepen. The resultant relational reassessment can hamper the otherwise positive relation between the hierarchical rank of employees and their inbound advice tie formation propensity (Gustafsson et al., 2020). Hence, before a sudden downsizing event in a relatively stable organizational environment, employees seek advice from colleagues higher in the hierarchy. In contrast, during sudden organizational uncertainty caused by downsizing, an employee (ego) is more prone to connect with other colleagues (alters) who share a similar hierarchical orientation in terms of advice-seeking (Brennecke, 2020). These behavioural cues establish the context against which an employee assesses the significance of future upward advice-seeking behaviour. Drawing on the network mechanism of preferential attachment, we hypothesize that sudden downsizing causes employees to shift their advice-seeking behaviour from higher hierarchical ranks to equal hierarchical ranks. While individuals with more initial connections typically attract new ties over time (Barabasi & Albert, 1999; Jeong et al., 2003; Newman, 2002), this dynamic changes during downsizing. Increased demand for connections among higher-status individuals often leads to selective acceptance behaviours that limit access to those in upper ranks. Recent findings indicate a preference for attachment to peers following organizational shocks (Mirc & Parker, 2020), suggesting that downsizing intensifies fault lines between management and the labour force, thereby fostering homophily in advice-seeking behaviour. Under these circumstances, the inherent attractiveness of well-connected peers makes them valuable sources of information, leading employees to seek advice from hierarchical equals rather than their superiors. Consequently, after downsizing, individuals with higher hierarchical status are less frequently approached for advice, as employees increasingly turn to their equally ranked colleagues, who are noted for their extensive advice ties within the network (Mirc & Parker, 2020; Nebus, 2006). We hence hypothesize the following.

Hypothesis 2. Sudden downsizing causes employees to shift advice-seeking behaviour from advice-seeking at a higher hierarchical rank to advice-seeking at an equal hierarchical rank.

4. Results

4.1. Descriptive statistics and correlations

Tables 2 and 3 provide descriptive measures and correlations for the variables in our study for both the pre-downsizing and the post-downsizing network. The relatively large standard deviations for both incoming and outgoing advice ties that we observe for both networks suggest a large in- and outdegree distribution across employees in this organization. A marked difference is that the degree of standard

Table 1
Tie and node changes in the advice network.

	T1 (PRE downsizing)	T2 (POST downsizing)
Number of nodes	50	33
Nodes leaving network	*24*	-
Nodes entering network	-	*7*
Number of ties	**106**	**80**
Tie dissolution:		
Upward oriented	-	*24*
Same level	-	*30*
Downward oriented	-	*32*
Total # of dissolved ties	**-**	**86**
Continuation of existing ties:		
Upward oriented	-	*10*[a]
Same level	-	*5*
Downward oriented	-	*5*
Formation of new ties:		
Upward oriented	-	*17*
Same level	-	*30*
Downward oriented	-	*13*
Total # of newly formed ties	**-**	**60**

[a] Due to promotions and degradations, the hierarchical ranks of some employees changed from t1 – t2, leading to a change in distances. We based the numbers reported in the table on hierarchical ranks before downsizing.

Table 2
Descriptives for network before downsizing.[a].

Variable	Mean	s.d.	Min	Max	1	2	3	4	5	6
1. Incoming advice ties	2.12	1.64	0	7	–					
2. Outgoing advice ties	2.12	2.13	0	8	.25	–				
3. Gender	.76	.43	0	1	.30*	.08	–			
4. Contract type	.90	.30	0	1	.07	.18	−.19	–		
5. Department	.58	.50	0	1	.59**	.28*	.28*	−.01	–	
6. Hierarchy	2.68	.96	1	5	.17	.01	.11	−.11	−.16	–
7. Hierarchical orientation	.18	.27	0	1	.24	.09	.08	.06	.57**	−.52**

[a] $n = 50$. $^{**}p < .01$; $^{*}p < .05$. The reference category for the gender dummy is "female", the reference category for the contract type dummy is "external", and the reference category for the department dummy is "marketing".

Table 3
Descriptives for the network after downsizing.[a].

Variable	Mean	s.d.	Min	Max	1	2	3	4	5	6
1. Incoming advice ties	2.42	2.09	0	7	–					
2. Outgoing advice ties	2.42	2.74	0	9	.63**	–				
3. Gender	.82	.39	0	1	.25	−.01	–			
4. Contract type	.91	.29	0	1	.22	.25	−.15	–		
5. Department	.64	.49	0	1	.61**	.47**	.13	−.02	–	
6. Hierarchy	3.06	1.03	1	5	−.16	−.35*	.18	−.19	−.51**	–
7. Hierarchical orientation	.32	.34	0	1	.02	.35*	−.15	−.21	.15	−.50**

[a] n = 33. $^{**}p < .01$; $^{*}p < .05$. The reference category for the gender dummy is "female", the reference category for the contract type dummy is "external", and the reference category for the department dummy is "marketing".

deviations post-downsizing is larger than the corresponding pre-downsizing standard deviations. This indicates a more extensive spread from the mean of both in- and outdegree of individuals in the post-downsizing network, which means that employees display larger variation in both incoming as outgoing advice ties post-downsizing.

In Table 1, we displayed tie and node changes in the advice network before and after downsizing. Delving deeper into the corresponding changes in hierarchy, we deduce from Tables 2 and 3 that the average hierarchical level of employees has increased significantly ($t(57) = -2.5$, $p = .002$) from 2.68 to 3.06. More specifically, and against the backdrop of a shrinking workforce from 50 to 33 employees, we see a decrease in the number of employees with hierarchical levels ranging from 1 to 3: the share of employees with these levels has decreased from 82% before the downsizing event to 55% after the downsizing event. Likewise, the number of employees with hierarchical levels ranging from 4 to 5 has increased from 18% before downsizing to 45% after downsizing.[1] As already observed in the description of Table 1, part of this increase can be explained by promoting employees to a higher hierarchical rank after the downsizing event. All in all, these changes suggest that the downsizing event aimed to reduce that part of the workforce with a relatively low hierarchical level. In addition, and in conjunction with Table 1, those employees who stayed tended to rank higher in the hierarchy and tended to form ties that were more likely to be upward-oriented.

4.2. Analysis results

Table 4 summarizes the results of our analysis. Model 1 and Model 4 provide a baseline specification that includes the network endogenous effects. Models 2 and 4 include effects stemming from employee-specific variables. Notably, the controls gender and contract type are non-significant throughout our models. The skewed distribution, and hence small variation on both variables (gender: mostly males; contract type: primarily internal), explains this.

As Model 2 and Model 4 indicate, the coefficients of the departmental popularity control variables are significant in both pre-downsizing and post-downsizing. The positive coefficient of 1.82 for the pre-downsizing network (Models 2 and 3) means that, compared to the reference department (Marketing), the odds that a member of the New Business Development department is sought after for advice is approximately ($e^{1.82}$) 6.17 times higher. These odds decrease to ($e^{1.48}$) approximately 4.39 after the downsizing event. Although our internal observations and interviews do portray that Marketing employees often prioritize external client interactions over internal collaboration, this does not mean they do not seek advice from co-workers or superiors. However, their role is primarily focused on refining and delivering established offerings, which often leads them to engage more with clients to refine these offerings rather than focusing on internal collaboration. When asked about one's knowledge of currently running innovation projects, a respondent from the Marketing department noted: *"I am reasonably informed. I would prefer there to be a page on the intranet showing what we are working on and its status. Now, you have to come across it by chance"*. This observation signals that Marketing employees may not always have easy access to the information or guidance they need internally, leading them to rely more on client feedback for their tasks instead. In contrast, members of the NBD department are more likely to be sought after for advice internally due to the nature of their work, which requires a high degree of internal collaboration. As one NBD respondent shared: *"All current and new products that are under development by NBD are known to me, to varying degrees, of course"*. This suggests that NBD employees are indeed better informed about ongoing developments across the company relative to their Marketing peers, making them more available for internal collaboration and advice within the organization.

Regarding patterns related to network endogenous effects, the average tendency for employees to seek advice (*Arc*) shows a significant negative effect in Models 3 and 6. This effect indicates that, in general, advice-seeking behaviour occurs less frequently compared to more complex local configurations of advice relations. The coefficient for the most basic form of dyadic dependence (*Mutual reciprocity*) is positive in all models. This effect indicates that it is rare to see non-reciprocated advice relations. When looking at Model 6, for example, we deduce

[1] Before downsizing, most employees had a hierarchical level of 2 (24 employees) and 3 (15 employees). For the other levels, the distribution was 2 (rank 1), 6 (rank 4) and 3 (rank 5). After downsizing, this range shifted to the range from 2 to 5 (i.e., only one individual with level 1, 10 with level 2, 7 for levels 3 and 5 and 8 for level 4).

Table 4
Exponential random graph models predicting the likelihood of advice tie formation pre- and post-downsizing.[a].

Parameter	Interpretation	Visual	Pre-downsizing			Post-downsizing		
			Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
Arc	Baseline tendency to form ties		5.78† (3.22)	−5.14*** (.94)	−7.50*** (1.40)	−1.11 (.87)	−3.97* (1.63)	−8.97*** (1.34)
Mutual reciprocity	Tendency towards reciprocity		2.73*** (.38)	2.62*** (.38)	2.59*** (.38)	2.15*** (.42)	1.97*** (.44)	1.92*** (.45)
Popularity (CEF)	Tendency for the variation in the degree to which employees are nominated as advisors		−8.64** (3.22)	1.32† (.78)	1.76* (.86)	−.94† (.57)	−.27 (.78)	2.29* (1.04)
Activity (CEF)	Tendency for the variation in the degree to which employees nominate others		−2.39*** (.44)	−2.32*** (.46)	−2.31*** (.46)	−2.55*** (.60)	−2.60** (.80)	−1.97* (.81)
Mixed 2-star	Tendency for popularity and activity to be correlated		−.07 (.05)	−.10 (.06)	−.11† (.06)	−.18** (.06)	−.18* (.08)	−.12 (.09)
Incoming two-path (CEF)	Tendency to form advice cycles					.50** (.18)	.50* (.21)	.49* (.21)
Gender popularity	*Popularity*: tendency for employees with a high value on the assigned attribute to be popular as an advisor			.58 (.38)	.50 (.41)		.64 (.41)	.53 (.47)
Gender activity				.02 (.19)	−.00 (.19)		−.23 (.23)	−.26 (.27)
Contract type popularity	*Activity*: tendency for employees with a high value on the assigned attribute to seek advice			.35 (.45)	.63 (.48)		.66 (.61)	.80 (.72)
Contract type activity	*Homophily:* tendency for employees with similar values on the assigned attribute to transfer advice			.42 (.33)	.46 (.34)		.89 (.88)	1.26 (.98)
Department popularity				1.56** (.48)	1.82*** (.54)		1.12* (.48)	1.48** (.53)
Department activity				.24 (.19)	.36 (.23)		.39 (.32)	.42 (.39)
Hierarchy popularity					.48** (.18)			.25 (.16)
Hierarchy activity					.04 (.11)			.08 (.12)
Hierarchy homophily					.14 (.21)			.62** (.22)
Hie. orientation popularity					.88 (.69)			−.07 (.64)
Hie. orientation activity					−.01 (.42)			.95* (.48)
Hie. orientation homophily					.33 (.25)			−.55 (.57)
AIC			11,833	791	792	489	474	468
BIC			11,873	866	903	534	548	572
Log-likelihood			−5909	−382	−377	−236	−222	−213
Deviance			11,818	764	754	472	444	426

[a] ***$p < .001$; **$p < .01$; *$p < .05$; †$p < .1$. Standard errors are displayed between parentheses. The reference category for the gender dummy is "female", the reference category for the contract type dummy is "external", and the reference category for the department dummy is "marketing".

that given an advice tie from employee *i* to employee *j*, the odds that j reciprocates this tie to *i* are approximately ($e^{1.92}$) 6.82 times higher in comparison to the odds of j forging an advice tie to random other colleagues. The tendency towards centralization in the in-degree (*Popularity*) and the outdegree (*Activity*) is significant for almost all models. Conditional on the other effects included in the model, this suggests that employees in both networks are similar regarding asking others for advice. For example, the negative coefficients for the Activity parameter indicate that many people nominate only a few partners. The positive popularity parameter, which indicates that employees have heterogeneous levels of popularity, also demonstrates this similarity. The tendency for in- and outdegree to be correlated (*Mixed-2-star*) shows a significant negative coefficient for the pre-downsizing models but not for the post-downsizing models. This difference indicates that employees sought after for advice are less likely to seek advice themselves under conditions of relative organizational stability but become active in advice search when suddenly faced with downsizing.

Concerning the tendency for triadic closure (*incoming two-path*) to occur, the tendency for transitive multiple connectivity (*Two-path*) should be considered a control term that allows for a meaningful interpretation of the transitivity term. This transitivity term is significant and positive under the post-downsizing condition, meaning that, conditional on all other effects, and once two employees have been approached for advice by the same third partner, these employees are more likely to form an advice cycle. The transitivity term could not be estimated for the pre-downsizing situation because, under this condition, advice cycles were sparse.

We can assess our hypotheses on their empirical value by investigating the coefficients of the hierarchy-related terms in both the pre-downsizing and the post-downsizing network. The control for hierarchy popularity is significant for the pre-downsizing model, indicating that the odds of being sought after for advice increase by approximately ($e^{.48}$) 1.62 with each unit increase in hierarchical rank. Hence, under conditions of organizational stability, the higher one's hierarchical rank, the more sought after one is by colleagues who seek advice. This effect disappears under conditions of downsizing. Instead, as reflected by the coefficient for hierarchy homophily, the log odds of forming an advice tie between members at the same hierarchical rank is ($e^{.62}$) 1.86 higher compared to the odds of tie formation between members of different hierarchical ranks under conditions of downsizing. All in all, a clear shift takes place: whereas keeping other effects constant—under conditions of organizational certainty—employees tend to seek advice from those that are at higher hierarchical ranks, this tendency disappears when downsizing sets in: under this condition, employees tend to seek advice from colleagues that are at the same hierarchical rank instead.

For the hierarchical orientation variable, that is and individual's

tendency to form advisory relationships with those higher on the organizational ladder, we observe a positive and significant effect in Model 6, meaning that compared to a situation of organizational stability, the odds for employees that are hierarchically oriented to seek advice from others after downsizing is $e^{0.95}$) 2.59 higher compared to employees that are not hierarchically oriented. In other words, employees seeking upward advice before downsizing are generally more active in seeking advice from others in the post-downsizing network. This finding supports *our first hypothesis*, suggesting that employees who are already upward-oriented in their advice activity before the downsizing event will be more active in seeking advice than those who did not have this initial tendency to form connections and seek advice from individuals higher in the organizational hierarchy.

Hypothesis 2 predicted that a shift from organizational stability to downsizing due to downsizing causes employees to shift advice-seeking behaviour from advice sought at a higher hierarchical rank to advice seeking at an equal hierarchical rank. Indeed, when we compare Model 3 with Model 6, we see a shift from hierarchy popularity (employees with a higher hierarchical rank are more popular, i.e., in general, there is an upward orientation in this network) to hierarchy homophily (employees similar in hierarchical rank tend to seek advice from one another, i.e., in general advice seeking is horizontally oriented regarding hierarchy). This shift provides *support for* hypothesis 2.

5. Discussion and conclusion

Downsizing aims to reduce labour costs and is often expected to boost efficiency and performance (Cascio et al., 2021). However, it also risks damaging the relational fabric of the workforce (Aalbers, 2020; Shah, 2000). In contribution to the literature on strategic networking behavior (e.g., Bensaou et al., 2014; Hallen & Eisenhardt, 2012; Ter Wal et al., 2020; Vissa, 2012), we highlight that the forced reconfiguration of advice networks during downsizing significantly affects organizational performance (ter Wal, Criscuolo & Salter, 2023). Beyond disrupting existing relationships, downsizing can prompt employees to form new advice ties as a response to weakened management-employee relations. Repairing relationships within an organization can reduce stress and alleviate social uncertainty for individuals, as previous research on suddenly introduced organizational uncertainty has shown (Aalbers, 2020; Byron & Landis, 2020; Mirc & Parker, 2020; Zheng & van Dijke, 2020). The interdependence between subordinates and superiors in the hierarchy can also impact the formation of future task-related ties, revealing patterns between formal structure and emerging ties (Casciaro & Lobo, 2015). Yet, we still know little about this pattern before and after organizational downsizing. Crossing hierarchical divides can benefit and harm employees' propensity to provide discretional advice. This insight aligns with recent work suggesting that an organization's structural design routinely presses employees into social interactions they might not willingly choose (Casciaro & Lobo, 2015). With the motivation to better understand the theoretical mechanisms shaping voluntary intra-organizational network patterns as its starting point, our study posits that as fault lines deepen between employees and their hierarchical superiors under downsizing, individuals vary in their relational adaptability to such abrupt change. Our findings uncover a relational shift in advice-seeking behaviour towards peers at similar hierarchical levels and reduced interactions with colleagues in higher hierarchical positions when suddenly confronted with downsizing. Our findings have important implications for understanding organizational behaviour under downsizing, allowing for several theoretical claims.

First, our findings advance a theoretical perspective to explain *when* and *how* voluntary advice ties reallocate under the exogenous trigger of downsizing (Chen et al., 2022). In doing so, we respond to recent calls for work that captures the role of time in organizational change research as we address the influence of group-level dynamics in response to sudden radical change (e.g., Ertug et al., 2022; Kunisch et al., 2017). Building on current work that seeks to steer management towards organizational change initiatives that are less harmful to the social fabric of an organization (Brennecke et al., 2024; Aalbers, 2020), we found that the hierarchical position of those constituting a firm's discretionary advice network affects individual's propensity to seek advice from others under the condition of downsizing. This finding is an important step forward in understanding collective behavioural reactions to sudden change. Specifically, and to address the multilevel antecedents and consequences of downsizing triggered by sudden organizational change, we address the influence of group-level dynamics in response to change on coping with sudden downsizing in a manner that combines individual-level agency with collective adaptation to the new normal.

Second, while the organization network literature lacks clarity on whether and when to prioritize hierarchical relations or reorient towards hierarchical equals within one's discretionary advice network, our findings add to prior work that suggests that direct new relations tend to be more horizontally inclined under alternative conditions of uncertainty (Bordia et al., 2014; Emerson, 1976). Seeking discretionary advice offers an opportunity to foster informal management-employee relationships by displaying care and attention beyond the formal workflow (Aalbers, 2020; Costa & Coyle-Shapiro, 2021). In times of sudden uncertainty, such as downsizing, management is held accountable for violating psychological contracts with employees. This violation can prompt the reorientation of advice seeking towards equals rather than superiors (Battilana & Casciaro, 2012; Stevenson & Greenberg, 2000). To understand social network formation, the specific context of network dynamics and individual preferences matters. In knowledge-intensive organizations, advice-seeking networks are influenced by the status of advisors (McGrath et al., 2003; Agneessens et al., 2022). If high-status advisors do not meet expectations, advice seekers will look for new advisors, causing significant shifts in network connections. As such advice networks can provide individuals with a platform to signal their discontent towards management at the individual level (Battilana & Casciaro, 2012; Stevenson & Greenberg, 2000). This study speaks to recent calls to further unpack how these micro-level interactions impact the broader network formation in an organizational context (Brenneke et al., 2024; Hock-Doepgen et al., 2024; Renzini et al., 2024).

Third, while an individual's a preference for upward advice related networking has frequently been ignored in intra-firm network studies or, at best, is incorporated with hierarchy as a dyadic control, advice relations can be both hierarchical and cohesive, the latter indicating advice relations principally exist among those that occupy similar positions in an organization's social structure (Whelan et al., 2011; White & Leigh, 1974). Extending on recent work that acknowledges uncertainty as a moderating factor in advice relationships and how they can change over time (e.g., Agneessens & Wittek, 2012; Mirc & Parker, 2020; Park et al., 2020; Tröster et al., 2019; Wu et al., 2021), we emphasize the relevance of organization structure—and specifically sender-receiver hierarchy—to understand why some advice ties sustain while others dissolve under downsizing and ensuing enhanced uncertainty. As discretionary advice ties are dynamic and largely voluntary, recent work on network agency in advice-seeking has started to call for a better understanding of the antecedents to shifts in advice-seeking behaviour (Brenneke et al., 2024; Renzini et al., 2024). As such, we both add to an established stream of literature on the dynamics of advice networks, adding discernment with upward hierarchical influence as a contributor to network change.

5.1. Managerial implications

Downsizing disrupts organizational collaboration and significantly impacts the remaining workforce's response to change. This self-inflicted source of uncertainty, introduced top-down by management, exacerbates fault lines between employees and their hierarchical superiors. However, our findings indicate that downsizing can also present opportunities at the individual level. By focusing on the design of

discretionary advice networks, we provide insights that can help management prepare for downsizing and facilitate post-downsizing recovery. Hierarchical rank emerges as a central attribute under management's control, capable of mitigating the negative effects of collective turnover. This focus allows managers to anticipate and influence employees' voluntary advice-seeking behaviours, which are foundational to their future engagement with the organization. Specifically, by understanding how individuals navigate their network connections amid unexpected exogenous shock, such as inflicted by sudden downsizing, our findings steer management that faces such restructuring arrangements in better understanding when and how employees are able to veer back and adjust their advice ties based on their extant hierarchical positions.

5.2. Limitations and suggestions for future research

Notwithstanding its key contributions, this study has its limitations. While we could compare network behaviour over time, a more fine-grained analysis of the network evolution within an organization that combines multiple relational layers into its analysis, thus accounting for relational multiplexity, would be valuable to observe beyond the temporal effects of network evolution observed in this study. In addition to the existing research on the structural and psychological antecedents influencing network evolution and tie decay choices in response to changing opportunity structures (e.g., Kleinbaum, 2017; Smith et al., 2012), future work could explore the behavioural antecedents that drive relational preferences. Factors such as trust, motivational preferences, and self-monitoring similarity among actors could play a currently underexplored role in shaping intraorganizational advice network dynamics. This study has been incapable of including the cognitive mechanisms that may also drive network change due to data constraints. Hence, future research could additionally investigate the cognitive drivers behind network change under varying conditions of downsizing and change.

6. Conclusion

In conclusion, our study highlights how individuals make discretionary choices during sudden organizational downsizing, impacting the reallocation of voluntary advice ties and organizational absorptive resilience. We demonstrate that hierarchical propensities influence individuals' willingness to form new advice connections amid disruption. Our findings outline that advice tie reallocation reflects not only personal coping strategy but also collective adaptability to sudden organizational turmoil, linking individual agency to the organization's resilience. Our findings have implications for managerial strategies that aim at influencing individuals' participation in the firm's advice network during such turmoil.

CRediT authorship contribution statement

Rick Aalbers: Writing – review & editing, Writing – original draft, Validation, Resources, Project administration, Methodology, Investigation, Formal analysis, Data curation, Conceptualization. **Alexander Smit:** Writing – review & editing, Writing – original draft, Visualization, Software, Methodology, Investigation, Formal analysis, Data curation.

3. Data and methods

3.1. Empirical setting

We established the empirical value of our theoretical ideas by collecting original data on the advice relations between members of two organizational units in one of Europe's largest payment processors. This organization leads the market for secure payments and card processing solutions and, at the time of data collection, had a market share within the Eurozone of more than 10%. The total number of individuals it employed was 1500. Access to the organization was negotiated through the company's senior innovation management, operating directly under the supervision of the board of directors. The organization had a significant operational unit, a marketing unit, and a separate unit to develop new business. This last unit's activities focus on the theme of innovative payment methods. Zooming in on the customer front-end of the company's innovation funnel, our focus in this paper is on the advice relations within and between members of both the marketing and the new business development departments as the two central departments within the firm.

During the data collection period, the organization faced a significant downsizing event due to a largely ignored changing customer landscape. This event comprised a sudden restructuring aimed at cutting back costs instantly through layoffs as a manner to to stem survival-threatening performance decline (Aalbers et al., 2019). The abruptness of this event and its exogenous nature—being unknown to both the labour force and middle management until the very last moment—provided an ideal setting for examining the role that sudden downsizing plays in possible shifts in the hierarchical orientation of advice offered at the individual employee level.

3.2. Data collection

We conducted a pilot to prime our data collection to the specific context of our case study and interviewed eight individuals throughout the organization to get their reactions to an initial survey. In each interview, we prompted people to reflect on key contacts and the wording of questions. A pretest with twelve organisation members followed this pilot to test the survey. The final survey was administered via e-mail, introducing a link to an online data collection survey. We guaranteed participants that we would hold their responses in confidence and that data would be aggregated and not assessed individually. The survey captured two kinds of data.

We collected data on advice relations using a two-stage approach. In the first stage, we used a standard name-generator/interpreter methodology to identify people who provided the respondents with valued resources (Bernard et al., 1982; Freeman et al., 1987; Scott, 2000). Specifically, and following recent work that reports on advice ties (Shah et al., 2015), we asked respondents to list important individuals in a respondent's professional network who are the *"most influential people that provide you with information or resources to do your job, help you think about complex problems posed by your work or provide developmental advice or personal* support *helpful in your day to day working life,"* which we then used to construct a bounded network of the organization. This stage was part of a larger data collection effort that gauged multiple employee relations.

In the second stage, we used the general list of colleagues mentioned as important in stage one to collect data on the advice relations formed with these colleagues. More specifically, we used a roster model by laying out all individuals active in the organization's New Business Development practice and then asking the respondents to list their associated advisory relations within this population. Following Lomi et al. (2014), respondents were approached via an electronic questionnaire, presenting them with the following narrative to assist them in reconstructing their advice relations: *"It is not unusual to rely on colleagues for help and advice on work-related matters. In this section of the questionnaire, we are interested in obtaining information about whom you might go to for help and advice on problems you may encounter in your work. Please indicate your answer by placing a check next to the names of people you generally go to for help and advice. If there is only one person you might go to, check that person's name. If there are several people you might go to, then check these several names. If there is no one you would go to for help and advice on work-related matters, then do not check any name. When checking a name, please place the check in the section that classifies the frequency of the interaction related to the advice-seeking"*. We asked respondents to

answer this question both before the downsizing event and after, and we invited them to report on the frequency of the interaction based on a 5-point scale that varied from a daily frequency to a quarterly frequency.

We represented the advice-seeking networks for both years using all reported advice relations between members of the new business development unit and the marketing unit with at least a weekly frequency. Although this type of single-item measure is not ideal and may cause recollection bias (that is, the inability to accurately recall interactions from too far in the past), they are typical in network research (Borgatti & Cross, 2003; Shah et al., 2016) and considered reliable when proper procedures are followed (Marsden, 1990). To counter recollection bias, a cutoff value of at least weekly advice-related interaction was used for our analysis.

Table 1 reports the nodal and relational changes before and after the downsizing event. From this table, we deduce that, even though many individuals disappeared from the network after downsizing, only seven new individuals have entered the post-downsizing network at T2. Tie dynamics, however, show a much more pronounced change: about 80% of the ties that appeared in the pre-downsizing network dissolve, and the percent of new ties in the post-downsizing network is 75%. The breakdown of tie dissolution and formation shows that ties that dissolve in the pre-downsizing network are spread equally in terms of being hierarchically upward, similar, or downward. However, new ties formed in the post-downsizing network seem more likely to be upward-oriented even though this image is somewhat blurred because some hierarchical promotions and degradations occurred between pre-downsizing at t1 and post-downsizing at t2.

The second data type captured several respondent attributes and our main variables of interest. When a response was incomplete with respect to these attributes (e.g., tenure, department), we referred to an internal employee list that the organisation's HR department provided on request.

3.3. Measurements

Tie formation. The dependent variable in this study is either the formation or non-formation of a new advice relation between two individuals in the organization studied in both years. We derived this variable from the network data that resulted from the steps described previously.

3.3.1. Hierarchical rank (hierarchy)

The basis for this variable was information on each employee's function (e.g., "Application manager level 2", "Team manager level 4", "Secretary level 3"). A total of 42 distinct functions were used. Based on the labels of these functions and one of the author's in-depth knowledge of the organization, each function was assigned a value ranging from 1 (lowest possible hierarchical rank; e.g., the earlier-mentioned "Secretary level 3") to 5 (highest possible hierarchical rank; e.g., "Executive advisor to the Chairman"). In line with Brennecke and Rank (2017), a differentiation was made in our models between popularity (hierarchy might differentiate the extent to which individuals are sought after for advice), activity (hierarchy might differentiate the extent to which individuals seek advice from others) and homophily (employees from similar hierarchical ranks are more likely to seek advice from one another than from employees from different hierarchical ranks) (Ertug et al., 2022). As such, we move beyond recent work on network dynamics under downsizing, which, although conceptually acknowledging the relevance of hierarchical rank as predictive to network behaviour, finds constraints in its binary coding of organizational rank as either team lead or employee (e.g., Wu et al., 2021).

3.3.2. Hierarchical orientation

This variable highlights an actor's tendency to form connections and seek advice from individuals higher in the organizational hierarchy We constructed this variable as follows. First, for any network at *t*, we selected all dyads in the preceding network at *t-1*, where the advice seeker (ego) was one level lower than the advice giver (alter). Second, we calculated the proportion of this type of ties compared to the total number of advice ties forged by ego. For example, when an ego had four ties, one of which was upward, the score on this variable was .25. Similar to the hierarchy variable, we included a popularity, activity, and homophily term in the estimated two models.

3.3.3. Downsizing

The timing of our data measurements—before and after the unexpected downsizing event—allows for the specification of this variable. We estimate two models: one based on the data collected before the downsizing event (and hence reflects a situation of organizational stability) and one based on the data collected after the downsizing event (hence reflecting a sudden exogenously triggered collective turnover).

3.3.4. Control variables

In addition to the variables described above, we took three additional employee attributes into account. First, following Lomi et al. (2014), we included *gender*. This attribute was included in our analysis as a dummy variable (with the group of females being the reference category). Included in the models was gender as a popular term, as gender plays a differentiating role in the tendency for employees to be popular as advisors. We also included gender as an activity term, as gender plays a differentiating role in the tendency for employees to seek advice from others. The second attribute we considered indicated whether an individual was an internal or external employee (e.g., a hired consultant). This attribute was labelled *contract type* (with the reference category being external), and we also considered it using a popularity and activity term. The third attribute included in the analysis considered that employees from different departments are organizationally separated (Brennecke & Rank, 2017; Nebus, 2006), affecting their advice-seeking behaviour in terms of activity and popularity. This attribute was labelled *department* in our analysis, and it could take either one of the values New Business Development (NBD) or Marketing.

3.4. Representing network endogenous effects

Endogeneity is a central challenge in observational research and is particularly problematic in network studies. Therefore, in addition to the variables described previously, we included terms in our models that account for patterns related to endogenous network effects. Whereas the mentioned employee-specific attributes represent qualities of individuals that can be important to the formation of network ties (Lusher et al., 2013), self-organizing network processes should be taken into account in addition when predicting tie formation as the presence of some ties can encourage or dis-encourage other ties to come into existence (Harris, 2014; Lusher et al., 2013). The goal of including such effects is more than merely to improve the model statistically. Instead, each effect represents theoretical claims on the processes that drive the emergence of network patterns (Brennecke & Rank, 2017).

We included six distinct processes in our models. First, we included an *arc* term that accounts for the overall tendency of employees to create advice ties (Brennecke & Rank, 2017). This term reflects that, in general, no individual wishes to remain isolated and has a natural tendency to create ties with others. Second, we included a *mutual reciprocity* term. This term considers the universal tendency of individuals to reciprocate ties forged with them by others (Blau, 1964; Brennecke & Rank, 2017). Third, we include a *popularity* term in our model. In addition to the attribute-based popularity terms mentioned earlier (e.g., popularity differentiated by hierarchical rank), this term controls for general differences in the tendency to be nominated as an advisor (Brennecke & Rank, 2017). In tandem with this popularity term, we included an *activity* term. This term takes general differences in the tendency to seek advice into account. Popularity and activity control for the in- and outdegree distribution of the advice network and reflect the finding that

ties in social networks are seldom distributed evenly (Brennecke & Rank, 2017). We also included a mixed 2-star (or 2-path) in our model to account for correlations between popularity and activity. This term accounts for the possibility that employees sought after for advice frequently might or might not seek much advice themselves.

None of the network endogenous effects described so far extend beyond local dependence. Reciprocity, for example, is an example of dyadic dependence: the presence of a tie from ego to alter increases the chances of a tie from alter to ego (Lusher et al., 2013). More complex dependencies, in addition to local dependence, need to be considered to model the formation of network ties. These dependencies refer to triadic structures, the importance of which was proposed already by Simmel (1971). The first of these dependencies is the transitive *incoming two-path*. We include this dependency as it indicates the "depth" of local connectivity between pairs of nodes. Transitivity effects, in conjunction with the negative and negative three-cycle effects in both networks, reflect a tendency towards hierarchical relationship patterns (see Agneessens and Wittek (2012) for a discussion of a combination of these effects). Instead of focusing on the node at the centre, as is done with the two-path here, the focus is on connectivity between pairs of nodes at the end of the paths. As such, it is an indicator of local connectivity (Lusher et al., 2013) and a prerequisite for including terms that account for triadic structures. Different configurations of multiple two-paths are possible. The specific multiple two-path included in the model was the transitive two-path, which describes the situation in which alter nominates a third party for advice, and this third party, in turn, nominates ego.

3.5. Data analysis

The statistical model we employed considers each potential advice relation between employees a random variable. In other words, it defines a random variable for each pair of employees i and j so that $Y_{ij} = 1$ when an advice tie between employees exists and $Y_{ij} = 0$ when this advice tie is absent. Because we consider directed advice ties, Y_{ij} can be different from Y_{ji}. y_{ij} is a given value of the variable Y_{ij}. y is defined as a representation of the set of all variables Y. The observed network is one possible value of y. Considering each potential advice tie to be a random variable allows us to link our data structure directly to a class of ERGMs (Robins et al., 2009; Snijders et al., 2006). ERGMs are statistical models aimed at understanding an observed social network structure (Harris, 2014; Lusher et al., 2013), which capture structure and randomness in networks. This understanding allows one to obtain insight into the underlying processes that create and sustain the organizational network of interest in a manner that equally accounts for endogeneity (Lusher et al., 2013).

In this study, we highlight the relevance of ERGM modelling as it allows us to capture relational states as (time-invariant) covariates (Chen et al., 2022). In doing so, we counter a large body of empirical work on advice relations that tends to count the number of interactions over a certain period and assume the dyads that interact a lot have an underlying relationship (Schouten et al., 2023). The ERGM models presented in this paper and this context were estimated using the ERGM package (Hunter et al., 2008) available in R. This package is part of the R "statnet" suite for network analysis (Goodreau et al., 2008). We estimated three pre-downsizing (t1) and post-downsizing (t2) models. In the first model, we included network structural effects. Estimating this model establishes a baseline against which one can compare other, more elaborate specifications. The second model includes network structural effects and the control variables that could explain the propensity to form or receive advice ties with or from others. The last model includes the main variables of interest, hierarchy and hierarchical orientation. We explored the goodness of fit of all models, following approaches described in Brennecke and Rank (2016), Harris (2014), Hunter et al. (2008) and Robins et al. (2009).

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