

UNIVERSITY OF NAIROBI
DEPARTMENT OF SOCIOLOGY

**IMPACT OF RETRENCHMENT ON SERVICE DELIVERY: A CASE
STUDY OF UNIVERSITY OF NAIROBI**

BY

JOSEPHINE MISARO

C50/P/8717/06

CSO 698: MA PROJECT PAPER

**A PROJECT PAPER SUBMITTED IN PARTIAL FULFILMENT OF
THE REQUIREMENT FOR THE AWARD OF MASTER OF ARTS
DEGREE IN SOCIOLOGY (LABOUR RELATIONS MANAGEMENT)**

SEPTEMBER 2008

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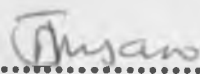
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DECLARATION

I, the undersigned, declare that this project is my original work and that it has not been presented to any other university or institution for academic credit.

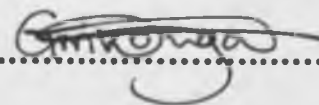
Josephine Misaro

C50/P/8717/06

Signed  Date 29 10. 2008

This project has been submitted for examination with my approval as the University supervisor.

Dr. Mike Chepkong'a

Signed  Date 30/10/2008

DEDICATION

To my parents, who taught me the value of education at an early age. To my husband Chrys Misaro, for being supportive and understanding throughout the study period. Finally, I dedicate this research project to my two sons Leroy Misaro and Kevin Misaro, for the time I denied them as a mother.

ACKNOWLEDGEMENT

I acknowledge my family for being beside me all the way. Their support and encouragement has been instrumental in putting this work together. My acknowledgements also go to my close friends who encouraged me to enrol for the course and give it my best. I also acknowledge the able guidance by my supervisor, Dr. Mike Chepkong'a, throughout the research period. My acknowledgement also goes to the entire staff and management of University of Nairobi, without whom, gathering of information regarding this project would have been impossible. Your contribution to this research was invaluable, and for that I am deeply indebted to you.

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ABSTRACT

Retrenchment in the Public Sector is a government-initiated policy to cut down the number of employees and subsequently reduce costs. The objectives of this study were to establish the quality of service delivery after rightsizing. Perceptions of the retained employees of the University of Nairobi towards retrenchment and assessment of the impact of retrenchment on their performance are sort through a retrospective survey.

The study comprised of 90 non-teaching staff of the University of Nairobi representing central administration and 6 colleges of the institution. The sample was chosen using stratified random sampling technique. Data was collected using structured questionnaires and the findings presented using frequency tables, pie charts and bar charts.

The results of this study indicate retrenchment at the University of Nairobi has led to improved quality of service delivery. However, it was observed that the non-teaching staff were frustrated as workload had increased while salary had remained the same. In addition, staff complained of poor working environment and lack of staff welfare. It was therefore concluded that better service delivery could be achieved and sustained by improving the working conditions of the employees. This could be done by boosting morale of workers through better remuneration commensurate with responsibilities, training, improved working environment and establishment of a staff welfare.

LIST OF ACRONYMS/ABBREVIATIONS

CAE	College of Architecture and Engineering
CAVS	College of Agriculture and Veterinary Sciences
CBPS	College of Biological and Physical Sciences
CEES	College of Education and External Studies
CHS	College of Health Sciences
CHSS	College of Humanities and Social Sciences
DFID	Department For International Development
ODA	Official Development Assistance
IMF	International Monetary Fund
PSRP	Public Service Reform Program
SIDA	Swedish International Development Program
SAP	Structural Adjustment Programs
SSA	Sub-Saharan Africa
UNDP	United Nations Development Program
UoN	University of Nairobi

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

1.1.1 Public Sector Reforms

In Sub-Saharan Africa (SSA), as in other regions of the world, Public Service Reform (PSR) has evolved over time. In a general perspective, there have been three waves of PSR in the region. However, these are not explicitly defined. One notes that there is a considerable overlap. In other words, some countries still have a pronounced element of the first and/or second wave, while moving into the third wave in their reform programmes. Notwithstanding this, it may be generalised that:

1. The first wave occurred in the mid-80s to mid-90s. Its distinctive feature was its focus on the restructuring of the public service. This has been aptly described as the structural reform wave.
2. The second wave was dominant in the late 1990s. Its predominant trait was capacity building.
3. The third wave started around the year 2000, with the particular objective to improve service delivery.

The impetus for the first wave of PSR in the region, as was the case in other developing countries, emerged from the macro-economic and fiscal reforms that were embedded in structural adjustment programmes (SAPs), sponsored by the World Bank and the International Monetary Fund (IMF).

Staff training was for many years a pronounced element of capacity building in the public service of most governments in the region. In the mid-1990s, there was a remarkable shift to a broader definition of what capacity building entailed, which was accompanied by new initiatives in the context of Public Service Reform Programs (PSRPs). One such initiative was the UNDP and

World Bank-led donors' "Partnership for Capacity Building". Countries responded to such initiative with projects and strong components of capacity building in their PSRPs.

Besides the perceived inadequacies of the first and second waves of PSRPs, the added impetus for the reform programmes in the countries to focus on service delivery improvement originated from six factors, namely; the need to demonstrate early results; public demands for transparency and accountability, the shift to market economies and private sector-led economic growth, influence of "new public management", the need for PSRPs to support sector-wide approaches and pursuit of an integrated systems approach. What followed was a massive retrenchment program that saw many staff lay-offs. However, there are no reports in the literature of any study done to determine the impact of the process on the quality of service delivery by the remaining staff. This study seeks to study this relationship.

The University of Nairobi (UoN), established by an Act of Parliament and which falls under the Ministry of Education, is a public university which is among the public sectors we have in Kenya. Just like other public sector institutions in Kenya, UoN has undertaken retrenchment on its staff in the quest of being lean and ensuring quality service provision. Given that there are few studies done on retrenchment in the public service (Nyabiage, 2002), this study seeks to fill the gap in literature by assessing the impact of retrenchment on service delivery in the University of Nairobi.

In doing this, it has experienced both positive and negative effects. The current research is on the transition of employee's performance in UoN and determines the impact of retrenchment on service delivery.

1.1.2 Retrenchment Policy

Retrenchment exercise was a Government directive to all Public Universities to reduce the number staff to manageable levels. Public Universities Reform Programme was part of the ongoing Public Service Reform which had just been launched for the first time in the year 2000. The main objective of this programme was to improve productivity and work performance in the Public Universities. In the short and medium term, the Public Universities Reform Programme sought to reduce University wage bill and consequently:

1. improve Universities operational efficiency through rationalization of structures and functions;
2. strengthening capacity;
3. improve operations and maintenance facilities.

The directive, like the launch of Public Service Reform, was issued in the year 2000 and the exercise was to be carried out and completed by the year 2001. Public Universities therefore implemented a Retrenchment Plan that would result in approximately 5,000 staff exiting the University Services. This was to be carried out in three phases. The first phase targeted junior staff (staff in grades I-IV). This was to be followed by the second phase of staff in middle management grades (grade A-F) and the last phase was to target the senior management. Only the first phase has been effected todate.

Before the retrenchment exercise, the University of Nairobi had sections that were over-manned causing duplication of duties, while others were under manned. The University was also characterised with mismatch of staff and tasks to the detriment of efficiency and effectiveness. This in some sections caused competition amongst staff of who is to do what which in the end left several tasks unattended. In this exercise, the University was to identify its core peripheral functions and focus on them. The staff identified for

retrenchment would come from over manned areas, duplicated programmes and departments and functions to be abolished, privatised or contracted out.

University of Nairobi adopted the following selection criteria in its retrenchment policy:

Scheme of service

Scheme of service was used to identify staff who had reached their efficiency bars and no longer met the requirements of the scheme and were therefore, unsuitable for that particular scheme. This criteria was only applicable to those in areas that were surplus to requirement.

Qualification

Analysis of the qualifications and competence in handling the job as demanded by relevant schemes formed criteria in selecting staff for retrenchment. Lack of academic, professional and other equivalent qualifications were used as guidelines.

Performance Appraisals

Information extracted from past performance records would be used.

Interview panels

Interview panels were used to determine staff to be retrenched where performance records and schemes of service failed. Interviews focused on job performance-related issues.

FIFO and LIFO

FIFO and LIFO was applied as the last resort when other criteria failed to identify staff for retrenchment.

FIFO (First in First Out)

It is based on the principle that the most recently recruited persons should be the last ones to be retrenched under this scheme. FIFO as a criterion is regarded as consistent with the principle of good succession planning, survival and revitalization of an organization. It is also perceived as humane and fair, given that those who have been in the service longer would qualify for terminal benefits.

LIFO (Last In First Out)

LIFO is based on the principle that the most recently recruited persons should be the first ones to be retrenched. It recognizes the experience of employees as an important attribute and favours the retention of old staff who have served for longer periods.

1.1.3 Brief History of University of Nairobi

The University of Nairobi is the oldest public university in Kenya. Its inception is traced back to 1956, with the establishment of the Royal Technical College which admitted its first lot of A-level graduates for technical courses in April of the same year. However, the Royal Technical College was transformed into the second University College in East Africa on 25th June, 1961 under the name Royal College Nairobi and was admitted into a special relationship with the University of London whereupon it immediately began preparing students in the Faculties of Arts, Science and Engineering for award of degrees of the University of London. Meanwhile, students in other faculties such as the Faculty of Special Professional Studies (later renamed Faculty of Commerce) and faculty of Architecture continued to offer diplomas for qualifications of professional bodies/institutions.

On 20th May 1964, the Royal College Nairobi was renamed University College Nairobi, a constituent college of the inter-territorial, Federal University of East Africa, and henceforth enrolled students to study for degrees of the University of East Africa and not London as was the case before. In 1970, the University College of Nairobi became the first national University in Kenya and was henceforth renamed the University of Nairobi.

In view of the rapid expansion and complexities in administration, the University underwent a major restructuring in 1983 resulting in the decentralization of the administration, by creation of six (6) campus colleges headed by principals. The following are the names and respective locations of the colleges:

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Table 1.1: University Colleges

College	Location
College of Agriculture & Veterinary Sciences	Upper Kabete Campus
College of Architecture & Engineering	Main Campus
College of Biological & Physical Sciences	Chiromo Campus
College of Education & External Studies	Kikuyu Campus
College of Health Sciences	Kenyatta National Hospital Campus
College of Humanities & Social Sciences:	Main Campus
Faculty of Arts	Main Campus
• Faculty of Law	Parklands Campus
• Faculty of Commerce	Lower Kabete Campus

Source: University of Nairobi Information Booklet

Throughout its history, the University of Nairobi has stood out as the leading institution in Kenya in terms of many frontiers such as academia and research. Nevertheless, the reforms that were introduced by the Government in the early 1990s, e.g. reduction of the workforce did not spare the institution. The overall rationale was that the public sector had to borrow the management philosophies that had been applied in the private sector. In essence therefore, public institutions among them University of Nairobi were required to operate as private institutions with profit making as one of their objectives. They, therefore, had to look for the means of sustaining their programs as well as their workforce with little support (less than 50%) from the Government.

In their review of the civil service reforms in Kenya, Apiyo and Omolo (2006) found out that the implementation of staff retrenchment exercise was marked by

lack of respect for workers' constitutional rights of freedom of association, representation and collective bargaining. Therefore, the impact of retrenchment strategy on civil servants in Kenya was negative. For the University of Nairobi, one area that was affected by the reforms is the personnel department. The argument was that there were so many non-value adding workers that were redundant hence the need to lay them off. This was seen as a major boost to the cost cutting strategy adopted by the university.

On the other hand, the Civil Service Reform had specific objectives, namely; improvement of general service delivery to the public, financial viability in the short and medium term, strengthening of capacity and reversal of the progressive decline in public service efficiency and effectiveness. In order to attain the above objectives, several strategies were devised, one of which was retrenchment. The main objective of retrenchment was to reduce the size of the civil service and thereby cut down on Civil Service employment/recurrent costs. This was anticipated to improve salaries, quality of work life and performance of workers. In part, improvement of service delivery was a long-term objective of retrenchment.

1.2 Statement of the Problem

Retrenchment is a government-initiated policy, for enabling the public sector to cut down on the number of employees and subsequently, reduce costs incurred by the government. This policy is within the Civil Service Reform Programs that have been implemented in Kenya. Civil Service Reform in Kenya was seen to be necessary since the civil service was by the mid-80s experiencing a myriad of problems including low pay and benefits, poor management skills, dysfunctional institutions, inadequate personnel management and training; among others. These had led to abuse of office and misuse of government property; corruption; indiscipline; erosion of rules and regulations; thin

managerial and technical skills; poor public service attitudes and massive bureaucratic redtape (Hansen and Twaddle, 1989).

Although the civil service retrenchment has been going on since 1994, Apiyo and Omolo (2006) reported that the policy had not led to improved service delivery. There is no study so far on the impact of retrenchment on service delivery at the University of Nairobi. This study therefore focuses on the motivation of employees of the University of Nairobi as the backbone of quality service delivery in the institution.

Furthermore, University of Nairobi's retrenchment exercise is to be implemented in phases. The first phase was effected in the year 2001 targeting the junior staff. This is to be followed by second phase that will focus on middle level staff. This study therefore intends to establish the impact of the first phase on quality of service delivery and give its recommendations before the second phase.

1.3 Objectives of the Study

The objectives of this study are:

- i. To establish the perceptions of the employees of University of Nairobi towards retrenchment.
- ii. To assess the impact of retrenchment on the performance of employees of University of Nairobi.
- iii. To establish the quality of service delivery from the employees' perception after the retrenchment exercise.

1.4 Justification of the Study

By giving the recommendation on retrenchment and the impact on employee's performance the study will contribute to the growing body of knowledge of human resource management in UoN and other public sector institutions in Kenya. It will also benefit other researchers by proposing areas of research for example: The impact of retrenchment on private sectors. In addition, the study may also benefit policy makers in the public sector, particularly if they utilise the resultant recommendations to improve the performance of remaining staff after retrenchment has occurred. If the suggested improvements are effected, it is likely to go a long way in reducing employee turnover usually experienced after the retrenchment process.

Besides, students and researchers will also benefit from this study as a reference material in discussions on civil service reforms or for purposes of further research in the same area of study.

1.5 Scope and Limitations of the Study

This study focuses on the support staff (junior staff in grades I-IV) of the University of Nairobi. A sample size of 90 employees are randomly selected from junior staff in the Central Administration and the 6 campuses located within Nairobi. Thus, the geographical coverage is limited to Nairobi area only. Concept coverage will be the impact of retrenchment on the current employees. Limitation of the study is that it does not get the views of the customers of the University who may have a clearer picture of service delivery. Perception of service delivery is therefore assessed from those within the institution i.e. the employees.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter gives the literature review on the impact of retrenchment on service delivery: a case study of the University of Nairobi. It focuses on the past studies that are relevant to the retrenchment on service delivery. This includes the first wave that focuses on structurally-oriented Public Service Reforms; second wave that deliberates on Capacity Building and the third wave looking at Service Delivery Improvements. The chapter further looks at implementation of Retrenchment Strategy, Costs and Benefits of Retrenchment and finally disadvantages of Retrenchment.

2.2 Background of the Public Service Reforms

2.2.1 First Wave: Structurally-Oriented Public Service Reforms

Public service reform sought to make Government affordable and lean through cost reduction and containment measures, especially by way of rationalising the machinery of Government, divesting non-core operations, retrenching redundant staff, removing ghost workers from the payroll, freezing employment and adopting measures to control the wage bill and other personnel-based expenditures.

The results with the macro-economic and fiscal-driven structural PSR in the five countries were mixed, and varied among countries. Ghana was a pioneer in embarking on World Bank- and IMF-sponsored structural reforms, via a “Programme for Economic Recovery and Structural Adjustment” launched in 1983. Under this programme, the number of central government employees was reduced from 301,000 in 1986, to 260,000 in 1990.

In Uganda, there was a drastic downsizing of Government during that period. Between 1990 and 1997, the numbers on the Government’s payroll reduced by more than half, from roughly 320,000 to 147,000. The number of ministries was

also reduced from 39 to 17. Tanzania, which was about two years behind Uganda in launching serious structural reforms, also reduced its workforce by about 30 percent between 1992 and 1997 from about 355,000 to approximately 270,000.

Furthermore, in both countries, as a measure to control the wage bill, there were successful efforts to monetise in-kind pay benefits and consolidate these and non-salary allowances in a transparent gross salary structure. However, the objective to lower the wage bill was not realised because the reduction in staff numbers was more than offset by real rises in the pay levels. The wage /salary increases were in turn aimed at reversing the steep in the previous decade.

However, in both Kenya and Zambia the pace of implementing structural PSRPs has been comparatively slow and less far-reaching. In Kenya, the retrenchment of public servants through a voluntary early retirement scheme, between 1994 and 1996, was reversed through the hiring of teachers. Thus, in a new wave of PSRP in 1999, retrenchment of 42,329 employees (about 10 percent of the total public service payroll) and “restriction of the wage bill to an affordable level” were set as new programme targets. In Zambia, the downsizing of the public service started in earnest only in 1997. From then until the beginning of 2000, the total number in government employment fell from 139,000 to 102,000. Therefore, in both countries, although there was formal launch of structural PSRPs in the early 1990s, macro-economic and fiscal adjustment-driven reform measures are still major components of the PSRPs.

Generally, the structural PSRPs have had little positive direct impact on delivery of public service (Biller, R.P., 1980). On the contrary, they have in most instances severely constrained both capacity building and service delivery (Behn R.D., 1988). According to staff in organizations that have had retrenchment exercises, reduction and employment freeze have provoked a shortage of skilled professionals and technicians throughout the services, even

as the frontline workers needed to sustain and/or improve quality and expand public services in such key areas as education, health and agriculture extension. Even the reduction of such semi-skilled support staff as drivers, which for example happened under Kenya's voluntary early retirement scheme, significantly constrained the performance of public service managers.

Another example of structural PSRP measure that negatively impacted on service delivery is cost sharing. In Kenya, prior to commencing the cost sharing policy, gross enrolment in primary education was about 100 per cent. Following an aggressive, albeit, covert policy of cost sharing, through introduction of user-fees and other levies, enrolment by end of 1990s had dropped to about 70 per cent.

Thus many of the gains of structural PSRPs measures have been reversed in many countries. This is particularly noteworthy with the pioneer success cases of Ghana and Uganda. In Ghana, a wage hike in 1992 cancelled out the previous gain of controlling the wage bill, which as a percentage of GDP nearly doubled to 8 percent. Further, by 1996, the size of the public service had risen to 330,000, about a quarter above the level achieved in the late 1980s. In Uganda, public service numbers have also been on the rise since 1998. Also, the measures to improve transparency of the compensation package are being reversed by the reintroduction of non-salary allowances. Even late comers, such as Kenya, exhibit difficulties associated with sustaining structural PSRP interventions. As earlier indicated the results of initial downsizing were quickly reversed through recruitment of teachers and re-hiring of some of those "erroneously" retrenched such as drivers.

On the whole, the structural PSRPs failed to impact positively on service delivery because, firstly, the programmes' strategies and interventions generally had little or no direct link to improvements in the services (Apiyo and Omolo,

2006). Secondly, some of the interventions, such as the freeze in recruitment, directly undermined capacity building for service delivery.

2.2.2 Second Wave: Focus on Capacity Building

The conceptual underpinning for the initiatives to shift PSRPs' focus from cost-reduction and cost-containment (structural) orientation was : that a weak capacity was the root problem in the poor delivery of public services. This conceptual frame apparently derived from the perceived success in improving and expanding public service delivery in developing countries in the decade after independence through capacity building interventions. It was therefore assumed that it would naturally lead to improved service delivery.

The key interventions in this second wave of PSRPs included:

1. **Enhancing staff skills:** This aspect of the reform perpetuated past practices but there was a heightened sense of the need to give more emphasis to on-the-job and short-term training and to manage technical assistance (TA) differently.
2. **Improving management systems and structures:** The systems targeted for improvement included those for human resources, financial and information management. Improvement in structures extended in some countries to encompass structural (as contrasted with governance-oriented) decentralisation.
3. **Restoring incentives and improving pay:** Negative incentives have also been included, i.e., sanctions for non-compliance with new codes of ethical conduct.
4. **Improving the work environment:** Elements of this have been identified to include raising budgetary allocations for operations and maintenance expenditures, office equipment re-tooling and multi-skilling.

Thus most of the donor-funded PSR projects in the countries launched in the mid-1990s were mainly about capacity building in a more broadly defined sense. The World Bank, for example, provided technical assistance credits to Ghana (1995), Kenya (1994), Tanzania (1993) and Uganda (1995) (World Bank, 1995). UNDP was another multilateral agency that actively supported capacity building-based PSRPs in all the countries in the later half of the 1990s. The bilateral donors supporting PSRP projects were also largely involved in capacity building interventions. UK's DFID (then ODA), for example, focused much of its support to systems development, especially in financial and human resources management, so that it had such projects in all the countries, except Zambia. Similarly, the Swedish International Development Agency (SIDA) then focused its support on development of financial management systems. It had such projects in Kenya and Tanzania.

Generally, however, the capacity building-oriented PSRPs did not have any perceptible impact on service delivery in the countries. In addition, the capacity building measures were in many instances piecemeal and fragmented. One singularly significant shortcoming was the conspicuous absence of effective pay and incentives reform, which remain critical to sustainable capacity building (World Bank, 1995).

Even in those countries where major downsizing of the public service had taken place, there was limited progress in pay reform thus resulting in failed retrenchment strategy. The resources released from retrenchment were not enough to appreciably lift the low salaries of public servants. Consequently, morale and discipline in the public service remained low, and unethical conduct in ways of bribery and corruption were on the rise. In the circumstances, service delivery continued to deteriorate in most countries throughout the 1990s (World Bank, 1995). A recognition of this trend is at the heart of the recent and ongoing initiatives to design the third wave PSRPs.

2.2.3 Third Wave: Focus on Service Delivery Improvements

Besides the perceived inadequacies of the first and second waves of PSRPs, the added impetus for the reform programmes in the affected countries to focus on service delivery improvement originated from six factors. These are:

- i. The need to demonstrate early results;
- ii. Public demands for transparency and accountability;
- iii. The shift to market economies and private sector-led economic growth;
- iv. Influence of “new public management”;
- v. The need for PSRPs to support sector-wide approaches; and
- vi. Pursuit of an integrated systems approach.

As elaborated in the next paragraphs, the second to fourth factors are related and reflect a response to global trends that impact on the environment in which the states will operate in future. The first, fifth and sixth factors present a more strategic approach in the design of PSRPs.

Wave 1 (structural reforms) resulted in severe social and political pains, especially in the downsizing and retrenchment of employees. Consequently, the majority of the public and most political leaders ended up not supporting the reform programmes, and even became quite hostile to it. In the circumstances, both the political and administrative leaders of the PSRP perceived the need to demonstrate early progress in service delivery improvements in order to achieve and/or sustain crucial public and political support for the overall PSRP. In other words, there was an imperative urgency to respond to the shortcomings of past PSRPs. This is precisely what happened in Tanzania, where the response was the launch of a “quick wins” service delivery improvement programme.

The global political surge in liberalisation and pluralism, enhanced democratic environment in the 1990s has provoked a demand for good governance. The voices for transparency, integrity and accountability have demanded of the public service not just improved service delivery, but also demonstrable value-for-money in public expenditures, the fight against corruption in service delivery, the observance of meritocratic principles in human resources management, and greater participation from the civil society. It is such pressures that hastened the introduction of the Result-Oriented Management (ROM) component in the Uganda PSRP in 1997(World Bank, 1995).

The collapse of socialist and communist economies in the early 1990s heralded the total shift to market economies (capitalism) and private sector-led economic growth strategies. This paradigm shift in the role of the State was well captured and indeed exploited in the definition of the new vision and mission of the second wave of PSRPs. Generally this trend provoked serious attempts by PSRPs in the affected countries to impact on the role of the State in promoting private sector development and even foreign investment.

In Tanzania, for example, a component of “private sector facilitation” was introduced into the PSRP in 1997. In Ghana, at about the same time, the PSRP design brought in the “Gateway Project” with the explicit objective of supporting the country to be the leading destination of foreign investment on that part of the continent. While a quantitative and independent evaluation of these initiatives is not yet available, the public officials involved are convinced that they are making positive and significant contributions in the delivery of public services to private sector investors.

The so-called “new public management” (NPM) has reached the countries in various strands and forms. In the main, institutional pluralism in the delivery of public services has been embraced in the context of redefining the role of the State. It is in this context that all countries have embarked in some measure of

decentralisation of the local governments, and corporatisation of public service delivery through establishment of executive agencies. Most countries have launched decentralisation cum local government reform programmes.

These programmes have devolution orientation in Ghana, Tanzania and Uganda, and therefore may be expected to have more extensive and profound impact on public service delivery in the medium-to-long term. Even in countries with limited decentralisation measures, such as Kenya, the potential impact on service delivery is discernable. Among the countries, Ghana appears to have pioneered the recourse to the “agency model” in the search for alternative options for improved public service delivery of services. It, for instance transformed its Rural Water and Sanitation Department to an agency in 1994. Today, this agency is considered to be a model for comparatively efficient and effective delivery of rural water and sanitation services in Sub-Saharan Africa (SSA). More recently, all the other countries have embarked on programmes to establish agencies. Among the latter countries, Tanzania has at present the more systematic, comprehensive and active programme that is judged to have significantly impacted on service delivery.

2.3 Implementation of the Retrenchment Strategy

Appropriate skills, strategies and tactics are needed in implementing and managing retrenchment. This is partly because, retrenchment implies organizational change and change is normally resisted. Biller (1980,) highlights some of the tactics used in carrying out retrenchment as: indicating that there are no losers or winners, no favouritism for special categories of people who will win all the time, advancing general reasons for cutbacks (that are difficult to challenge), preference to some across-the-board cuts that increase fairness and legitimacy, concentrating on incentives especially for those who remain; having open minded management which is innovative, and involving customers in the search for ideas and problems to solutions. In short, having a corporate

strategy is important for successful implementation of retrenchment (Behn, 1980).

Having corporate strategy for example, ensured successful retrenchment and restructuring of the shipping and ship building industry in Sweden during the crisis of the 1970s. In 1988, Behn indicated that to make retrenchment work, there are basic responsibilities of cutback management which include deciding what to cut, maintaining morale, avoiding mistakes, developing support of key constituencies or stake holders, creating opportunities for innovation, attracting and keeping quality people. According to him, retrenchment has stages. These are: assessing economies needed to carry out retrenchment, taking a long term view, development of performance criteria, creating incentives for co-operation, and being compassionate to the stake-holders. Behn (1980, 1988) says that managers should maintain productivity. Retrenchment is dependent on leadership and management. He further asserts leaders must explain the reality, take a long term view, develop a corporate strategy, develop measures of performance, and be passionate or considerate.

Burke (1988) suggests that the manager or consultant should do the following: set goals, participate in decision-making, redesign jobs to improve person-environment fit and orientation programs and programs to manage staff reductions. On a general note, Bentley (1986) listed 3 issues which in effect summarize what has been discussed above to include: redefining the organization's mission, reorganizing the structure, and re-staffing/adjusting personnel. These will help improve retrenchment management. Furthermore, Bennett, *et al.* (1994) highlighted on the importance of organizational culture during the retrenchment period and recommended the designing of, and implementation of a cultural intervention strategy before and after retrenchment. The conclusion here is that retrenchment must be effectively implemented and managers should have the required skills to do this.

2.4 Costs and Benefits of Retrenchment

Retrenchment has attracted different interpretations and effects (Standing and Tolkman, 1991). It has costs and benefits depending on how it is managed. The conceptual model shows that the need for retrenchment, its planning, implementation and impact are related. Implementation may result in positive or negative consequences and this has implications for employees who are retrenched and those who stay on their jobs. Retrenchment has implications for both organizations, and the country. Feedback about retrenchment effects is necessary whether the effects are positive or negative. Particularly, corrective feedback on consequences is necessary to improve subsequent steps and future retrenchment exercises.

Positive impact implies that the retrenchment exercise is likely to achieve its main objective which is improved quality of service delivery. Baron and Greenberg (1990) argued that for retrenchment to be effective, it needs to follow the sequential steps of identifying the need for change, planning for the change, implementation, evaluation and feedback.

2.5 Disadvantages of Retrenchment

Levine (1984) found that retrenchment results in fiscal stress and human resource shrinkage that causes many difficult problems for government managers. These problems are caused by methods used by managers to cope with the need to retrench. The major problem is decrease of human resource that results from cost cutting measures which brings loss of skills, energy, morale, commitment, physical and mental health degradation that results from employees withdrawing physically and emotionally.

Biller (1976) is of the view that organizational costs increase as a result of retrenchment due to the package granted on retrenchment and catering for the needs of re-training those retained by the organization. Cascio (1986) supports

this view. He says that although lay-offs are intended to reduce the costs, some costs like the severance package, out-of-placement benefit, pension and administrative processing costs may increase. It seems thus likely that the cost bill reduction as an advantage of retrenchment is not attainable in the short run. But even in the long run, its achievement may be bleak. The retained workers are assumed to be more productive and if the Productivity Theory of wages rules, the wages go up pushing the wage bill up (Levine, 1978).

Retrenchment may create demoralization, dampen organizational productivity and increase voluntary retrenchment, discourage the organizations' most talented and productive members who will end up leaving the organizations (Behn, 1980). Standing and Tolkman (1991) warn that the introduction of voluntary retrenchment arrangements may impose considerable financial burdens on the organisation. Wilburn and Worman (1980) say that retrenchment threatens one's faith in the value of his contribution to the organisation and sense of control over the future. Retrenchment causes industrial unrest. Biller (1980) notes that people whose status, income, and future are dependent on the programs that employ them will inevitably resist the change. This is further enhanced by trade unions, which resist un-called-for layoffs. Wilburn and Worman (1980) says that further resistance may come from members of management who have spent time developing policies and programs and whose end may not be seen. Innovation might be dampened because of retrenchment (Biller, 1980).

Denga (1987) points out that retrenchment of workers inflamed psycho-social problems reduced self-esteem, general irritability, stomach ulcers, tendency to commit crimes, high blood pressure, heart disease, financial emaciation and depression. Such stressful events are not limited to low cadre employees; managers are equally adversely affected. For example, Burke (1988) found that contemporary sources of stress both managerial and professional included

organizational retrenchment and decline and future job ambiguity and insecurity.

Russell (1989) investigated responses of administrators and lower personnel to retrenchment in the western culture and concluded that administrators' responses about events leading to cutbacks have been reactive activities that centralize, formalize and increase downward communication and directiveness. These responses exacerbate the existing problems connected to employee morale, trust, depression and productivity. Cutbacks and cutback management can introduce threatening environments that engage individual, and psychosocial actions to intervene between environmental change and pressures and internal organizational response.

Levine (1984) found that organizations facing crises, for example, reduced resources by implementing cutbacks in personnel and retrenchment cope with and adapt to their environment by unwittingly exhibiting certain crisis-syndrome characteristics. In hard times, most of them tighten controls of expenditure, centralize authority and decision-making, pursue inappropriate strategies that worked in the past, and distort information. These responses affect members and create secondary crises as members try to cope with anxiety. Their working habits may deteriorate filled with resentment, hostility, anger and may develop a sense of dependence and search for a leader to save them. Such crises cause physical and psychological problems in the employees.

2.6 Theories related to Retrenchment

The motivation behind this study is drawn from four theories that are applicable to firms that are looking out for quality service delivery and increased productivity leading to retrenching some of their staff.. These are explained below.

2.6.1 Taylor's Scientific Management Theory

Taylor's theory is used to relate to the various waves of public sector reform which focused on restructuring the public service, aptly described as the structural reform wave, capacity building and improvement of service delivery. Taylor in his works warned of the risks managers make in attempting to make change in what would presently be called, the culture of the organization. He stated the importance of management commitment and the need for gradual implementation and education.

The facts of this theory guided this study to establish the manner in which retrenchment could be achieved without creating psychological effect on both the management and the workers. It is evident that retrenchment at the University of Nairobi had a substantial impact on the workers involved. However, the effect can be much more widespread. It is noted that employees who were left behind and managers who dealt with the retrenchment are psychologically affected by the process. A poorly executed retrenchment process can lead to loss of productivity, low morale, and decreasing economic performance. While it will always be difficult to maintain employee morale during a retrenchment exercise, there is likely to be a better response to a process that appears to be based on clear grounds that employees and their representatives can understand and contribute towards.

Taylor, in his study of scientific management gives ways in which production and quality of service delivery could be improved. At Bethlehem Steel Works,

his management style was able to reduce shovelling staff from 500 to 140 while achieving at the same time quality service. It is due to specialization in particular fields that quality of service is achieved. Retrenchment process is therefore guided by this theory to ensure the remaining staff are well trained in their fields for improved production while at the same time improving the remuneration of the employees in commensurate with their workload.

2.6.2 McGregor's Theory X

In this theory, management assumes employees are inherently lazy and will avoid work if they can. Because of this, workers need to be closely supervised and comprehensive systems of controls developed. A hierarchical structure is needed with narrow span of control at each level. According to this theory, employees will show little ambition without an incentive program and will avoid responsibility whenever they can. Theory X manager tends to believe that everything must end in blaming someone (in this context is the employees who are to blame). He or she thinks all prospective employees are only out for themselves. Usually these managers feel the sole purpose of the employees interest in the job is money. They will blame the person first in most situations, without questioning whether it may be the system, policy, or lack of training that deserves the blame (Blake and Mouton, 2003).

Furthermore, Theory X supervisors cannot trust any employee, and they reveal this to their support staff via their communications constantly. A Theory X manager can be said to be an impediment to employee morale and productivity. Managers that subscribe to Theory X, tend to take a rather pessimistic view of their employees. A Theory X manager believes that his or her employees do not really want to work, that they would rather avoid responsibility and that it is the manager's job to structure the work and energize the employee. The result of

this line of thought is that Theory X managers naturally adopt a more authoritarian style based on the threat of punishment (Blake and Mouton, 2003).

The implication for this study is that managers decide to lay-off some of the workers as a strategic tool for increasing the productivity of the organization. Its applicability in the public sector is to the extent that the employees are viewed by the management as not supportive to achieve the organisational objectives but their own hence the management must do something for them to be productive.

Retrenchment is used here as a tool by the manager to reduce staff to the level which the he can afford close supervision. Fewer staff will be closely supervised and hence increase production.

2.6.3 Ajzen's Theory of Planned Behaviour

The Theory of Planned Behavior (TPB) of Icek Ajzen (1988, 1991) helps to understand how we can change the behavior of people. The TPB is a theory which predicts deliberate behavior, because behavior can be deliberative and planned. TPB is the successor of the similar Theory of Reasoned Action of Ajzen and Fishbein (1975, 1980). The succession was the result of the discovery that behavior appeared not to be 100% voluntary and under control, which resulted in the addition of perceived behavioral control. With this addition the theory was called the Theory of Planned Behavior (Gollwitzer, 1999).

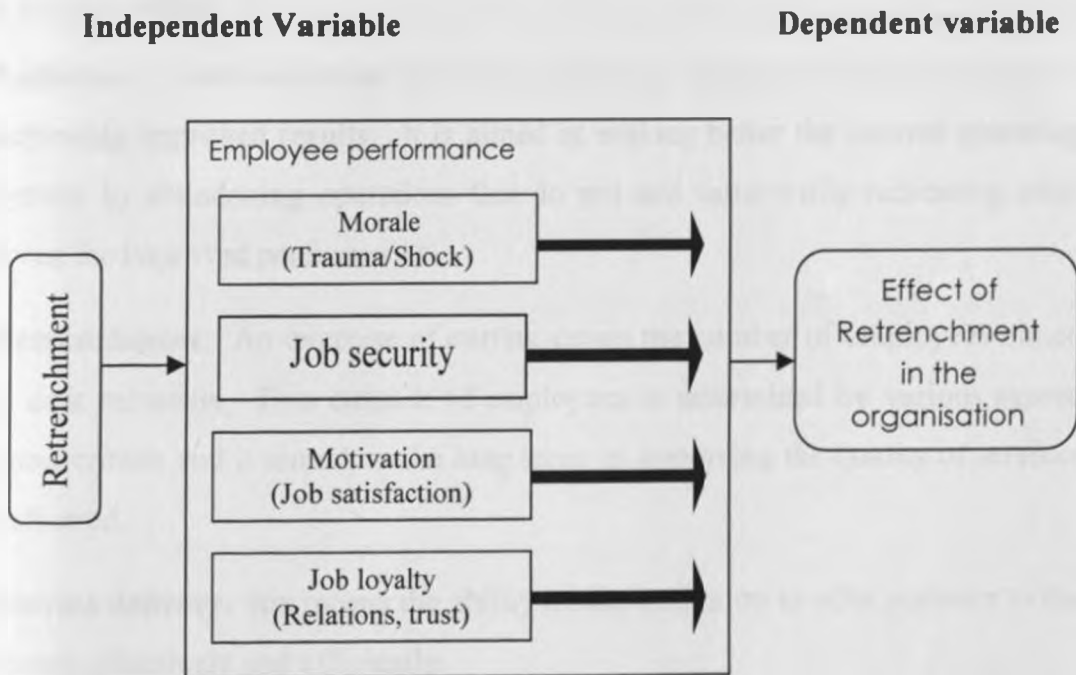
Briefly, according to TPB, human action is guided by three kinds of considerations: behavioral beliefs (beliefs about the likely consequences of the behavior); normative beliefs (beliefs about the standard expectations of others); and control beliefs (beliefs about the presence of factors that may facilitate or impede performance of the behavior). Ajzen's three considerations are crucial in circumstances / projects / programs when changing behavior of people. In their

respective aggregates, behavioral beliefs produce a favorable or unfavorable attitude toward the behavior, normative beliefs result in perceived social pressure or subjective norm, and control beliefs give rise to perceived behavioral control. In combination, attitude toward the behavior, subjective norm, and perception of behavioral control lead to the formation of a behavioral intention. As a general rule, the more favorable the attitude and subjective norm and the greater the perceived control, the stronger should be the person's intention to perform the behavior in question (Gollwitzer, 1999).

In the context of this study, the theory helps in explaining the behaviour of the survivors after the retrenchment process is carried out. When the employees are retrenched on grounds of non-performance, those who remain adjust their behaviour. Fear gets in. This theory can help managers facing such situations to put up measures that improve their morale. Thus, the theory can be used to establish the perception of employees towards retrenchment exercise. The theory can also explain the impact of retrenchment on the performance of employees as the behaviour change has ripple effects on the performance of employees.

2.6.4 Conceptual frame work

Various literature review carried out reveals several variables which determine motivation of employees. This has led to the development of a conceptual framework which explains the dependent variable as determined by several independent variables. The figure below is framework which shows these.



2.7 Definition of Key Terms and concepts

Government: A body of persons authorised to administer the laws or to govern a state.

Performance: Act of getting something done. A manner of success in working. The ability of delivering, having worked done to the satisfaction of the stakeholders.

Public Sector: This refer to state-owned organizations usually meant to serve the public

Reforms: Transformation of the operating systems usually aimed at achieving improved results. It is aimed at making better the current operating system by abandoning operations that do not add value while redressing other areas for improved performance.

Retrenchment: An exercise of cutting down the number of employees aimed at cost reduction. This cutback of employees is determined by various agreed upon criteria and is aimed, in the long term, at improving the quality of services delivered.

Service delivery: this means the ability of the institution to offer services to the clients effectively and efficiently.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the methodology that was used to carry out this study. This includes Research design, site description, unit of analysis and observation, Target population, sampling technique, data collection method and Data Analysis.

3.2 Site Description

The University of Nairobi central administration is located in the main campus on Harry Thuku Road, off University way, opposite the Central Police Station. Decentralization of the administration led to establishment of 6 colleges in different locations as given below:

College of Agriculture and Veterinary Sciences

The College of Agriculture and Veterinary Sciences (CAVS) is one of the six colleges of the University of Nairobi. It was established in 1985 by the University Act. CAVS comprises two faculties; Agriculture and Veterinary Medicine. These faculties comprise 4 and 5 teaching departments respectively, backed up by teaching, research and consultancy facilities / units. CAVS is situated about 14 kilometres to the north-western city boundary. It can be accessed via Kabete Technical Institute/AHITI road, through the Naivasha road roundabout at Uthiru, onto the fly over past Ndumbuini shopping centre, off Kapenguria road.

College of Architecture & Engineering

The College of Architecture and Engineering is the premier institution for education and training in Engineering, the Built Environment and Design in this region. The College traces its roots to the Royal Technical College of East Africa founded in 1956 and the predecessor of the University of Nairobi. The

study disciplines of the College were among the founding departments of the Royal Technical College of East Africa namely Electrical, Civil and Mechanical Engineering, Surveying and Architecture and Art.

The College is located at the Maim campus and it comprises three Schools and one institute namely:

- School of the Arts and Design
- School of the Built Environment
- School of Engineering
- Institute of Nuclear Science and Technology

College of Biological & Physical Sciences

The College is located at Chiromo Campus off Riverside drive. It consists of School of Biological Sciences, School of Computing and Informatics, School of Mathematics, School of Physical Sciences and Pre-Clinical departments of Human Anatomy, Biochemistry, Medical Physiology and Veterinary Anatomy and Physiology.

College of Education & External Studies

Located in Kikuyu close to Alliance Boys School, the College of Education and External Studies (CEES) has evolved over the years to meet new demands for higher education and fresh challenges in the educational sector. The first Department of Extra Mural Studies was founded in Makerere in 1953, and under this Department, the first resident Tutor for Kenya was appointed in 1956. In 1963 the responsibility for organizing the Extra Mural studies in Kenya was transferred to a New Extra-mural Department of the then University College, Nairobi. At the same time the Extra Mural Studies absorbed the College of Social Studies at Kikuyu, which had been in operation as an Independent Centre

for residential Adult Education since 1961. The Institute of Adult Studies comprising the Department of Adult Studies at Kikuyu was renamed Adult Studies.

In 1983, the Institute of Adult Studies was accorded College status and became the College of Adult and Distance Education (CADE) following the recommendations of the Inspection and Visitation Committee, which also established other Colleges of the University of Nairobi. In September 1985 the government accepted the recommendation of the University Council, which elevated the three divisions of the College into the Institute of Extra-Mural Studies., School of Distance Studies and Institute of Adult Studies. A new Faculty of External Studies was thus established. In August, 1988 the College was re-organized, restructured and renamed the College of Education and External Studies (CEES).

College of Health Sciences

The College of Health Sciences is in a strategic and well-serviced locations within the city of Nairobi. The clinical departments are located at Kenyatta National Hospital (KNH), the teaching hospital of the University of Nairobi while the pre-clinical departments are situated in Chiromo campus. The Dental School is located along Argwings Kodhek road.

The College has extensive physical facilities for teaching and research backed with efficient ICT connectivity enabling staff and students easy access to electronic library and general Internet. It is therefore the preferred institution for local and international collaborations and linkages. Currently the College has 39 international partnerships and linkages.

The College comprises the Schools of Medicine, Pharmacy, Nursing Sciences, Dental Sciences, the Institute of Tropical and Infectious Diseases (UNITID) and

a Centre for HIV Prevention and Research (CHIVPR). There are twenty-one (21) teaching departments inclusive of thirteen (13) thematic units.

College of Humanities & Social Sciences

The College of Humanities and Social Sciences (CHSS), located in the main campus, is the largest of the six colleges of the University of Nairobi. The college was established in 1985 following recommendations of the Presidential Visitation Committee headed by Geoffrey Kariithi. The College comprises of the Faculty of Arts, School of Business, School of Law, School of Journalism and Mass Communication, School of Economics, Institute of Diplomacy and International Studies, Population Studies and Research Institute, the Institute for Development Studies and the Institute of Anthropology and Gender Studies.

The College has about fifty percent of the total student enrolment and staff component in the university. It operates in several locations: Main Campus, Parklands, Lower Kabete and the National Museum. The other locations are in Mombasa and Kisumu Cities. These institutes, schools and faculties offer over 60 disciplines from certificate to Doctoral level programmes.

3.3 Research Design

The study is a retrospective survey design. In this design, respondents are to describe their perceptions about retrenchment, assess their performance in terms of service delivery before and after retrenchment

3.4 Unit of Analysis

Unit of analysis is defined by Singleton et al (1988:20) as what or who is analysed in the study. The unit of analysis is the University of Nairobi as a whole whereas the unit of observation was non-teaching staff selected from

central administration and the six campuses, namely: CAE, CAVS, CBPS, CEES, CHHS, CHS.

3.5 Target Population and Sample

The population of interest is the non-teaching staff of the University of Nairobi. This is because the non-teaching staff were the targeted group in the UoN retrenchment exercise. The total population before retrenchment was 4,799 comprising of 3,142 males and 1,657 females. These figures now stand at a total of 3,608, with 2,177 males and 1,431 females after retrenchment. The tables below illustrate this.

Table 3.2: Population of Non-teaching staff before Retrenchment

College	Male	Female	Total
Central Administration	946	493	1439
College of Agriculture and Veterinary Science	401	168	569
College of Architecture and Engineering	150	62	212
College of Humanities and Social Sciences	151	148	299
College of Biological and Physical Sciences	164	100	264
College of Health Sciences	239	160	399
College of Education and External Studies	93	49	142
Students Welfare Authority	998	477	1,475
TOTAL	3,142	1,657	4,799

**Source: Information & Communication Technology Centre (ICT),
Chiromo campus, University of Nairobi (2008)**

Table 3.3: Population of Non-teaching staff after retrenchment

College	Male	Female	Total
Central Administration	741	438	1179
College of Agriculture and Veterinary Science	263	126	389
College of Architecture and Engineering	141	66	207
College of Humanities and Social Sciences	139	134	273
College of Biological and Physical Sciences	142	82	224
College of Health Sciences	288	269	557
College of Education and External Studies	92	66	158
Students Welfare Authority	371	250	621
TOTAL	2,177	1,431	3,608

Source: Information & Communication Technology Centre (ICT), Chiromo campus, University of Nairobi (2008)

From the tables above, it is analysed that a total of 1,191 non-teaching staff members were retrenched. This comprised of 965 males and 226 females. It was noted that more males were victims of retrenchment than females as the junior grades that were a target of the retrenchment are dominated by males. Such positions include plumbers, groundsmen, carpenters, swimming pool attendants, machine operators, painters among others.

3.6 Sampling Procedure

A random stratified sampling technique was used to select the sample size. The stratification was in terms of campuses. A sample size of 5% was selected from each stratum. This gave a total number of respondents as 180 as shown in the table below. Mugenda and Mugenda (2003) contends that a sample size should be at least 30, or 10% of the entire population. This sample size was therefore considered satisfactory. Below is the table showing sample selection and the sample size for the study.

Table 3.4: Sample selection

College	Popu- lation	Sample	Percentage
Central Administration	1179	59	5%
College of Agriculture & Veterinary Science	389	20	5%
College of Architecture & Engineering	207	11	5%
College of Humanities & Social Sciences	273	14	5%
College of Biological & Physical Sciences	224	11	5%
College of Health Sciences	557	29	5%
College of Education & External Studies	158	8	5%
Students Welfare Authority	1,475	74	5%
TOTAL	3608	180	5%

Source: Author (2008)

3.7 Data Collection Method

The source of data was primary data from selected respondents and secondary data from available literature. An interview guide was also used to interview selected administrators. The primary data was selected using structured questionnaires. The respondents to the questionnaires were the non-teaching staff in the six campuses and central administration. The primary data was collected by use of questionnaires administered to target population while secondary data was also referred to by use of available literature (desk-top research).

3.8 Data Analysis

The data collected was analysed using descriptive statistics such as mean scores and percentages. Inferential statistics such as standard deviation was also used . This analysis was aided by the statistical package for social sciences (SPSS). The unit of analysis was the University of Nairobi.

CHAPTER FOUR: DATA ANALYSIS AND INTERPRETATION

4.1 Introduction

This chapter presents analysis and interpretation of research findings. The target population for this study comprised of 180 respondents, which represents 5% of the total population. However, of the 180 questionnaires distributed, 90 were either not returned or were incomplete. The study therefore analysed and presented results from 90 non-teaching staff. The findings are presented using frequency tables, bar charts and pie charts.

4.2 General Information

Table 4.5: Distribution of Respondents by Gender

	Frequency	Percent (%)
Male	63	70.0
Female	27	30.0
Total	90	100.0

On the gender of the respondents, the study revealed that the majority of the respondents were males as indicated by 63 (70%), while females were 27 (30%). This information indicates that junior cadres of non-teaching staff in the University of Nairobi is dominated by males. It was observed that this is

because of the masculine nature of such jobs that include security personnel, drivers, groundsmen, plumbers, carpenters, masonry, machine operators, among others. This information was also presented using the pie-chart below.

Figure 4.1: Distribution of Respondents by Gender

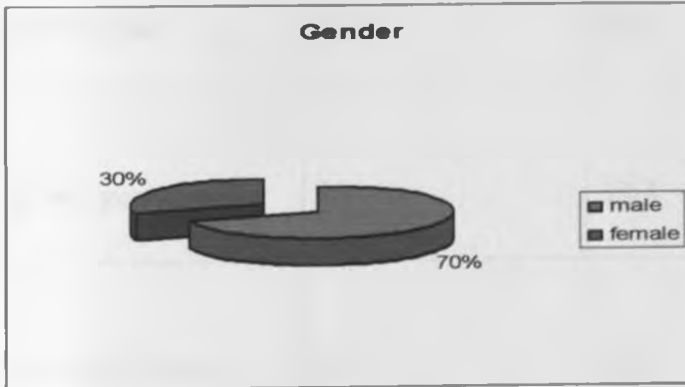


Table 4.6: Distribution of Respondents by Age-bracket

	Frequency	Percent
26-32 years	9	10.0
33-40 years	30	33.3
41-45 years	30	33.3
Above 45 years	21	23.3
Total	90	100.0

The age bracket of the respondents was investigated in the study thus yielding the following results: Majority of the respondents were in the age brackets of 33-40 and 41-45 years representing 30 (33.3%) each. 21 (23%) of the respondents were above 45 years, while 9 (10%) of the respondents were in the age bracket of 26-32 years. It was observed that majority of the respondents were mature people who were able to give credible information. This information was also presented using the bar- chart below.

Figure 4. 2: Age of Respondents

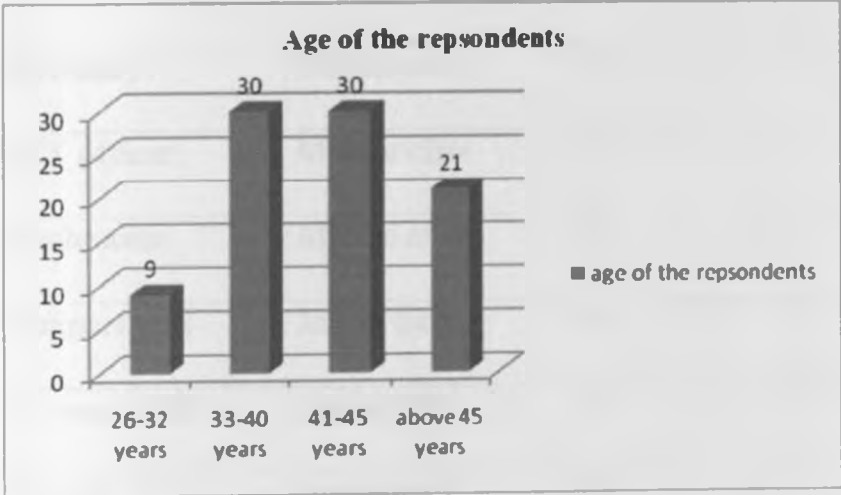


Table 4.7: Position in the department

	cadre	Frequency	Percent
Administrator	Senior staff	12	13.3
Secretary	Middle class	15	16.7
ICT officer	Middle class	3	3.3
Technician	Middle class	12	13.3
Support staff	Junior staff	24	26.7
Clerical staff	Junior staff	6	6.7
Driver	Junior staff	12	13.3
Others	Temporary employees	6	6.7
Total		90	100.0

The study investigated on the position that respondents held in their respective departments. From the findings, majority of respondents as shown by 24 (26.7%) were support staff. These are staff in categories of cleaners, groundsmen, messengers, plumbers, masonry and carpenters. Because the categories are diverse, the researcher found it logical to classify them in one group., hence support staff. 15 (16.7%) were secretaries who were drawn from various departments. These category was also classified together as the departments are too many and tabulating them would have given several tables. Positions of administrators, technicians and drivers were reported by 12 (13.3%) each, while those who held the position of clerical staff were represented by 6 (6.7%) each. ICT officers were 3 (3.3%). It was observed that the institution

had workers classified as Temporary. Some of these workers had been in the institution for more than 10 years and their perception was therefore valuable. This group was therefore classified as others and had 6 (6.7%) respondents. The study noted that categories of junior and temporary staff had a total of 53 (50%) respondents. This number was considered adequate to give a true picture of employee perceptions on retrenchment as those affected were drawn from these grades.

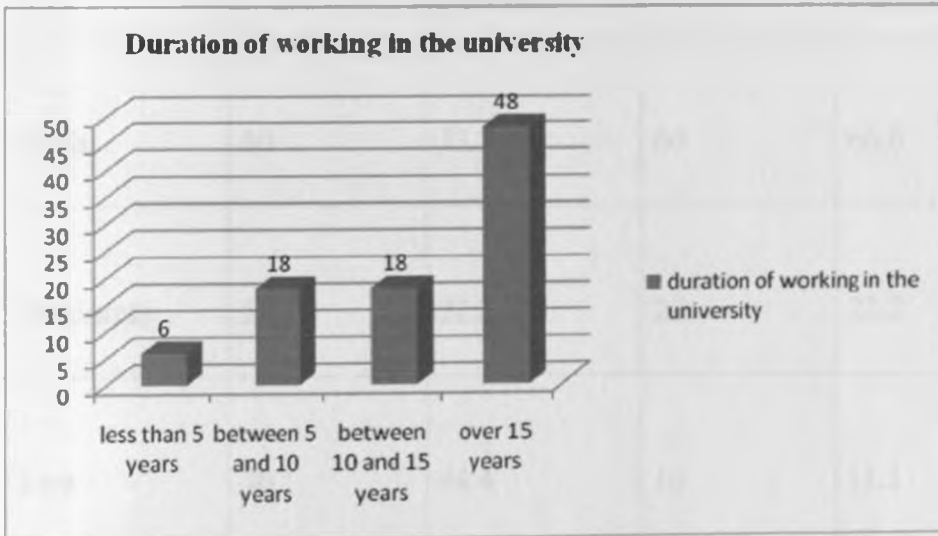
Table 4.8: Duration of working in the University of Nairobi

	Frequency	Percent
Less than 5 years	6	6.7
Between 5- 10 years	18	20.0
Between 10-15 years	18	20.0
Over 15 years	48	53.3
Total	90	100.0

The number of years that respondents had worked at the university was investigated in the study. This revealed majority of respondents had worked in the University of Nairobi for over 15 years as indicated by 48 (53.3%) of the respondents. 18 (20%) have worked at the university for a period ranging between 10-15 years and the same number has worked at the institution for 5-10 years. Those who have worked at the university for less than 5 years were represented by 6 (6.7%). It was therefore observed that majority of respondents were well versed with the impacts of retrenchment on service delivery in the organization because they were part of the service delivery team before

retrenchment and are part of the current team. This information was also presented using the bar-chart below.

Figure 4.3: Duration of working at the University



4.3 Retrenchment and Employee Perceptions on Performance

Table 4.9: Level of job satisfaction

	Before Retrenchment		After Retrenchment	
	Number	Percent	Number	Percent
High	30	33.3	60	66.6
Moderate	20	22.2	20	22.2
Low	40	44.4	10	11.1
	90	100	90	100

The study sought to investigate the level of current staff morale as a result of job satisfaction. Respondents were asked to rate the level of their job satisfaction before and after the retrenchment period. 30 (33.3%) of the respondents expressed high satisfaction before retrenchment while 60 (66.6%) reported high satisfaction after retrenchment. The study therefore noted that satisfaction was higher after the retrenchment. The respondents attributed higher satisfaction after retrenchment to improved working conditions and working environment. 20 (22.2%) indicated their level of morale was moderate both before and after retrenchment. They reported that although working conditions and remuneration was to their perception relatively good, they expected a better package than was being offered. 40 (44.4%) reported their

level of morale was low before retrenchment. This number dropped to 10 (11.1%) after retrenchment. Majority of staff in this category comprised of junior staff. It is observed that the retrenchees were from this group of personnel hence the increased workload. This data reveals improved job satisfaction after the retrenchment exercise.

Table 4.10: Current workload as compared to period before retrenchment

	Before Retrenchment		After Retrenchment	
	Number	Percent	Number	Percent
Workload is heavy	30	33.3	60	66.7
Workload is moderate	40	44.4	20	22.2
Cannot tell	20	22.2	10	11.1
	90	100	90	100

The study revealed the current workload in the institution had increased. 30 (33.3%) reported the workload was heavy before retrenchment. This number doubled having 60 (66.7%) report the workload weight as heavy. 40 (44.4%) of the respondents felt the workload was moderate in the period before

retrenchment while this number reduced to 20 (22.2%) to the period after retrenchment . Those respondents who simply could not tell the difference or did not care what happened had 20 (22.2%) before retrenchment and 10 (11.1%). These results were interpreted to indicate the workload for the remaining staff had increased. This was evident as in some sections duties performed by 3 members of staff before retrenchment are now managed by one member of staff.

Table 4.11: How do you view current Quality of service delivery

	Before Retrenchment		After Retrenchment	
	Number	Percent	Number	Percent
Quality of service is excellent	18	20.0	69	76.7
Quality of Service is moderate	40	44.4	15	16.6
Quality of service is poor	32	35.5	6	6.6
	90	100	90	100

The researcher sought to find out the quality of service delivery at the University of Nairobi as perceived by the employees. This was to be compared

between the period before retrenchment and that after the exercise. 18 (20.0%) reported the quality was excellent during the period before retrenchment while 69 (76.7%) had the same perception after retrenchment. 40 (44.4%) indicated quality of service was moderate before retrenchment. This number dropped to 15 (16.6%) for the period after retrenchment. 32 (35.5%) reported the service to have been poor before retrench but the number drastically reduced to 6 (6.6%) in the period after retrenchment. These findings indicate quality of service delivery has increased in the institution as compared to the period before retrenchment.

Table 4.12: Has the quality of service provided by the remaining staff improved?

	Frequency	Percent
Same as before	24	26.7
It has improved	63	70.0
Below standard	3	3.3
Total	90	100.0

The findings in table 4.10 revealed that the quality of service provided by the remaining staff had improved as shown by the majority of the respondents 63

(70%). This is attributed to improved working environment and better working tools, for example, use of computers for registration of students. Nevertheless, 24 (26.7%) said that it was the same as before, while 3 (3.3%) reported that it was below standard. This information was also presented using the bar-chart below.

Figure 4.4: Quality of Service Provided by remaining staff

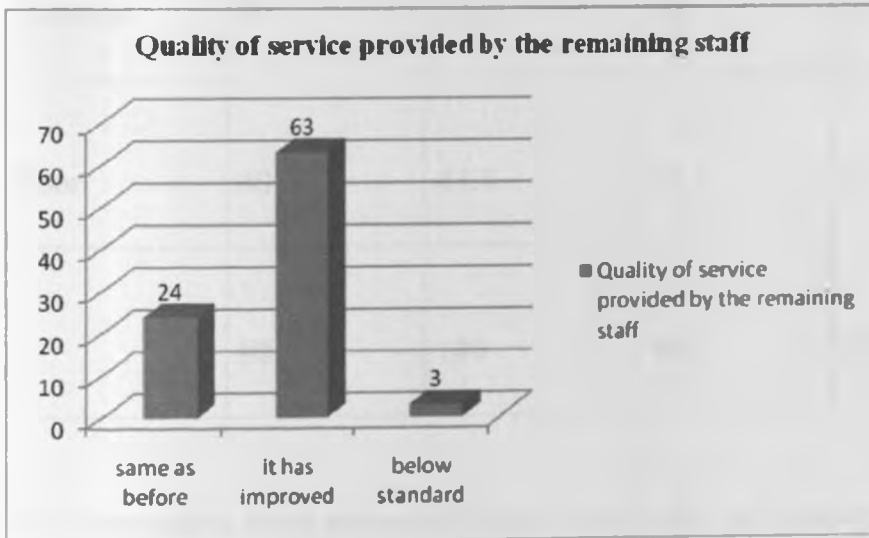


Table 4.13: Quality of working environment

	Before Retrenchment		After Retrenchment	
	Number	Percent	Number	Percent
Good	30	33.3	60	66.6
Average	20	22.2	20	22.2
Poor	40	44.4	10	11.1
	90	100	90	100

The respondents were requested to rate the quality of working environment as compared to the period before retrenchment. Majority of respondents as shown by 30 (33.3%) before retrenchment and 60 (66.6%) after retrenchment reported the working environment had improved. 20 (22.2%) reported the working environment had remained the same, while 40 (44.4%) who had indicated the working environment was poor before retrenchment had the number reduced to 10 (11.1%). This improvement was attributed to cleaning services contracted from a private company that had improved general cleanliness of the institution. It was also noted that gardening, was well done in the University with all the buildings having been painted to give a pleasant picture to the institution. In addition, employees reported that several offices were now supplied with computers and apart from using such computers for official work, they could

now access the internet. Information about the University was also posted on the website making it easier to get whatever information you needed easily. Such information included admission details, commencement of courses, available job vacancies, registration of various courses, among others. However, those respondents who reported the working environment was average in both cases complained that cleaning services did not extend to individual offices and this therefore was an outside cover up. Majority of these respondents complained only a few members of staff had access to machines like computers. This information was also presented using the bar-chart below.

Table 4.14: Respondent's loyalty to the organization

	Before Retrenchment		After Retrenchment	
	Number	Percent	Number	Percent
High	30	33.3	60	66.6
Moderate	20	22.2	20	22.2
Low	40	44.4	10	11.1
	90	100	90	100

The findings in table 14 above show that the loyalty of the majority of respondents to the organization had increased as indicated in the table above. 30 (33.3%) of the respondents reported their loyalty as high before retrenchment but the number went up to 60 (66.6%) after retrenchment. Only 10 (11.1%)

reported low morale after the retrenchment exercise. This is therefore interpreted to mean increased loyalty after retrenchment.

Table 4.15: Was the Retrenchment exercise transparent

	Frequency	Percent
Absolutely yes	21	23.3
Not at all	57	63.3
I do not know	12	13.3
Total	90	100.0

The respondents were asked whether, according to their perception, the retrenchment exercise was transparent. Majority of the respondents as shown by 57 (63.3%) felt the exercise was not transparent. According to them, some hard working employees were laid off and uncooperative lazy ones retained because they are known to senior management. It was therefore a case of "who do you know to survive". 21 (23.3%) of the respondents reported it was absolutely transparent. This is because according to them, only those who had certificates in their areas of specialization were retained and therefore it had nothing to do with hard work or team spirit. 12 (13.3%) of the respondents

simply indicated they did not know. This category are those who still live in fear of losing their jobs in subsequent retrenchments and would therefore opt not to comment on organizational issues.

Table 4.16: Would you blame the organization for the retrenchment exercise

	Frequency	Percent
Not at all	36	40.0
I am not sure	36	40.0
Absolutely yes	18	20.0
Total	90	100.0

This study sought to find out whether the employees blamed the organization for retrenching its staff. 36 (40%) of respondents reported they did not blame the institution at all. This was because, according to them, there were too many people to do the same job which made no sense. This led to competition at the work place of who will do what which ended up leaving some jobs undone. The same number of respondents, 36 (40%) were not sure whether to blame the organization or not. This group simply did not want to commit themselves while 18 (20%) absolutely blamed the institution. They attributed this to mass

employment that followed after the retrenchment. According to them, the same number of employees who were retrenched had been replaced with new recruits. "It therefore made no sense to send people home and bring in others". These findings are illustrated on the pie-chart below.

Figure 4. 5: Blaming the organization for retrenchment

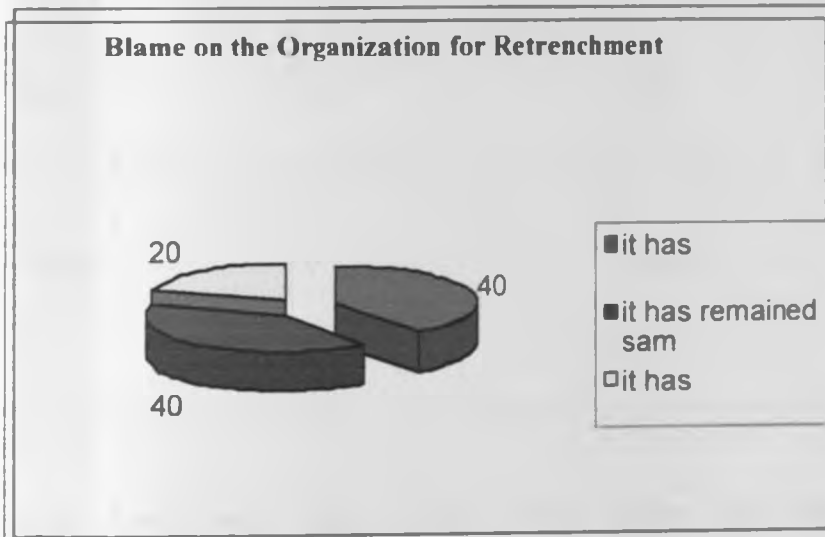


Table 4.18: Was your salary increased after the retrenchment exercise?

	Frequency	Percent
Yes	6	6.7
No	84	93.3
Total	9	100.0

Respondents were asked whether their salary had been increased after retrenchment as a result of increased workload. Majority of the respondents as shown by 84 (93.3%) reported their salary had not been increased despite the reduced staff. However, 6 (6.7%) of the respondents reported that their salary was increased as a result of reduced staff. This group of staff referred to normal annual increment. This information was also presented using the figure below.

Figure 4.6: Increase in Salary

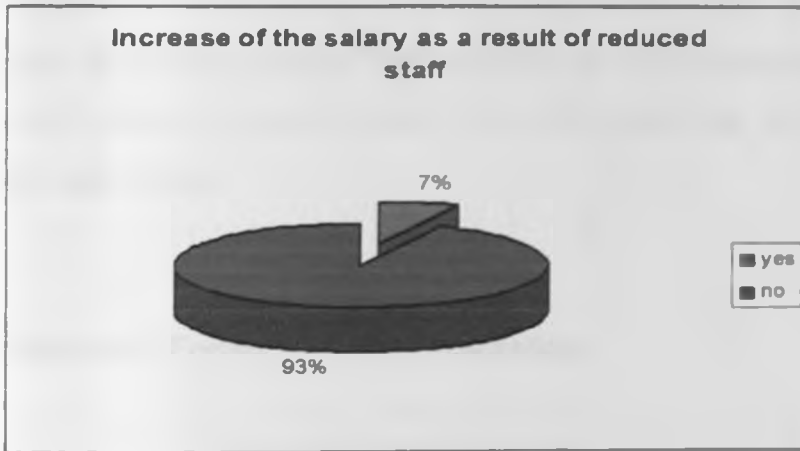


Table 4.19: How do you feel about the salary stagnation?

	Frequency	Percent
Frustrated	72	85.7
I don't mind	12	14.3
Total	84	100.0

Respondents who reported their salary was not increased as a result of reduced staff were requested to state how they felt about it. From the findings, the study revealed that majority of these respondents as shown by 72 (85.7%) were

frustrated. This was because it was apparent workload had increased whereas the institution was adamant about increasing their salary. 12 (14.3%) of the respondents said they did not mind. This is because they considered themselves lucky for having survived the retrenchment exercise and therefore increment of salary was not an issue to them. This information was also presented using the pie-chart below.

Figure 4.7: Feeling on Salary stagnation

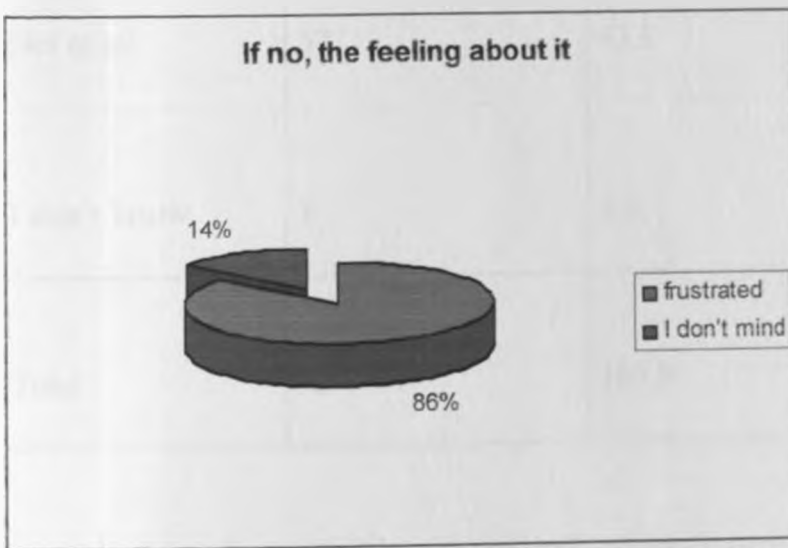
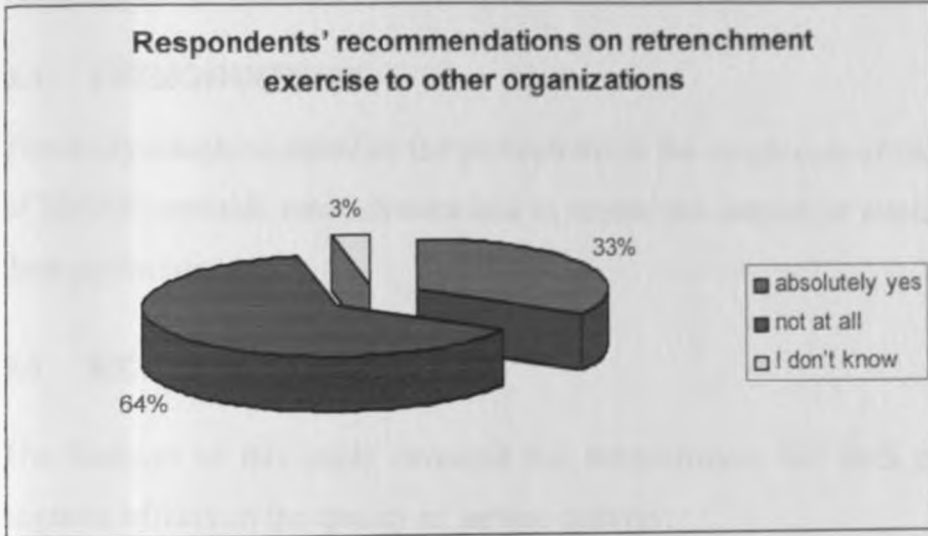


Table 4.15: Would you recommend retrenchment exercise to other institutions?

	Frequency	Percent
Absolutely yes	30	33.3
Not at all	57	63.3
I don't know	3	3.3
Total	90	100.0

On whether they could recommend retrenchment exercise to other organizations, as shown in table 4.16 above, majority as shown by 57 (63.3%) said they could not recommend retrenchment exercise to other organizations, 30 (33.5%) said they would absolutely recommend this exercise to other organizations. This according to them was because the exercise had led to quality of service while 3 (3.3%) said they did not know whether to recommend the exercise or not to other organizations. This was because they thought it was not fair to lay employees off. This information was also presented using the figure below.

Figure 4.8: Recommendation of Retrenchment to other organizations



CHAPTER FIVE: SUMMARY OF KEY FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 INTRODUCTION

The study sought to establish the perceptions of the employees of the University of Nairobi towards retrenchment and to assess the impact of retrenchment on their performance.

5.2 KEY FINDINGS

The findings of this study revealed that retrenchment had both positive and negative effects on the quality of service delivery.

1. Quality of service delivery in the institution has increased. This was attributed to improved working conditions that included use of computers for registration of students and online course registration. Majority of respondents agreed that retrenchment has been associated with improved general employee performance, increased efficiency and effectiveness, punctuality, reduced absenteeism, employee responsibility, accountability, loyalty and discipline
2. Working environment had improved. This was due to cleaning services contracted from a private company that had improved the general image of the institution. In addition, employees, unlike before had access to better working tools like computers that improved students registration among other duties. Employees also had access to the internet, use of email and could now access University information from the website.
3. However, majority of respondents on the other hand perceived retrenchment exercise negatively as individual workload had increased while salary had stagnated. Majority of employees were dissatisfied with current salary packages and their inability to meet most of their financial

need. This caused frustration . Some of the respondents reported poor motivation and morale, lack of job satisfaction and organizational commitment.

4. Negative perceptions were noted from the way retrenchment was designed and implemented. Some respondents reported managers saw retrenchment as a chance to victimize some employees.

5.3 Conclusions

Retrenchment in organizations can have a substantial impact on the workers involved. However, the effect can be much more widespread. It is noted that employees who are left behind and managers who deal with the exercise are psychologically affected by the process. A poorly executed retrenchment process can therefore lead to loss of productivity, low morale, and decreasing economic performance. While it will always be difficult to maintain employee morale during a retrenchment exercise, there is likely to be a better response to a process that appears to be based on clear grounds that employees and their representatives could understand and contribute towards.

Retrenchment in the University of Nairobi as perceived by the employees has led to increased workload . This is perceived negatively by the employees as salary has not been increased despite extra responsibilities.

However, quality of service delivery has improved. Working environment has also improved, so has the loyalty of staff to the organization.

The study therefore concluded that retrenchment had an overall positive impact on the Institution's service delivery.

5.4 Recommendations

1. University of Nairobi should look into ways of improving salary packages of employees as this appears to be the major problem.
2. Employees should be made to understand that change is a process that comes gradually. There is need for a team of change consultants to assist managers in the organization to get the way forward. It is noted that service delivery has improved but if employees are not assured of better compensation, service delivery could as well drop.
3. Staff welfare should be addressed by the institution. This will go a long way in improving staff motivation and morale as well as job satisfaction.
4. The rationale and criteria for retrenchment should be made clear right at the beginning. Managers should take caution not to use retrenchment, as an opportunity to punish employees they think are uncooperative or disobedient. Rather, they should be objective in applying the criteria for retrenchment. The process of retrenchment should be made as transparent as possible.
5. Management of Physical Resources like Retooling should be encouraged. This has to do with supply of tools and equipment to improve work performance, for example computers. From the findings, it is apparent use of computers has helped in boosting staff morale.

5.5 Suggestions for Further Research

Other areas established in the course of the study to be in need of research include:

1. The impact of reduced budgetary allocation by the Ex-chequer to public institutions.
2. Impact of Retrenchment in the Private Sector
3. Impact of retrenchment on the retrenches. It may be difficult to trace the retrenches but it will be good to find out how the exercise impacted on them and their families.

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APPENDICES

Appendix 1: Research Questionnaire

Section A: General Information

1. What is your gender?

Male ()

Female ()

2. In what bracket does your age fall?

18-25 ()

26-32 ()

33-40 ()

41-45 ()

Above 45 ()

3. State your highest level of education?

PhD ()

Masters degree ()

Undergraduate ()

Diploma ()

Certificate ()

Secondary ()

Primary ()

None ()

4. What department do you work in?

5. What is your position in the department?

Administrator ()

Librarian ()

Secretary ()

Support Staff ()

Technician ()

Clerical Staff ()

Transport Officer ()

ICT Officer ()

Accountant ()

Other (specify)

6. How long have you been working in the University of Nairobi?

Less than 3 years ()

Between 3 and 5 years ()

Between 5 and 7 years ()

Between 7 and 10 years ()

Between 10 and 15 years ()

Over 15 years ()

Section B: Retrenchment and Employee Performance

1. What is the level of your morale in the organisation now as compared to the period before retrenchment.
All time high ()
Moderate ()
Low ()
All time low ()
2. Is your level of morale as a result of the retrenchment process in the Institution?
Absolutely yes ()
Not really ()
Not at all ()
3. How do you view the morale of the other employees to be as compared to the period before retrenchment?
It has dropped ()
It has remained the same ()
It has improved ()
4. How would you rate the current workload as compared to before retrenchment?
It has increased ()
It is still the same ()
I cant tell the difference ()

5. How would you rate your quality of service delivery now as compared to the period before retrenchment.

It has improved ()

It is still the same ()

It has dropped ()

6. How would you rate the quality of service provided by the remaining staff?

Same as before ()

It has improved ()

Below standard ()

7. Has your salary been increased as a result of reduced staff?

Yes ()

No ()

8. If your answer is No to question 5 above, how do you feel about it.

Frustrated ()

I don't mind ()

9. Are you worried about the security of your job in the organisation?

Yes ()

No ()

10. If yes in 8 above, what would you attribute the fact to?

Possibility of lay-off ()

Lack of required skills ()

11. What has happened to your level of job security in the organisation?

Declined ()

Remained the same ()

Improved ()

12. Can you conclude that other employees feel more certain of their stay in the organisation?

Yes ()

No ()

13. How would you rate quality of worklife now as compared to the period before retrenchment?

Improved ()

Remained the same ()

Declined ()

14. What can you say of the level of job satisfaction of the other employees in the organisation?

More satisfied ()

Somehow satisfied ()

Less satisfied ()

Least Satisfied ()

15. What would you say about your loyalty to the organisation

Declined ()

Remained the same ()

Improved ()

16. What is the rate of absenteeism in the organisation?

Increased ()

Reduced ()

Remained the same ()

17. What has happened to the productivity of the company since the implementation of retrenchment programs?

Increased ()

Remained the same ()

Decreased ()

18. Would you recommend retrenchment exercise to other organizations?

Absolutely yes ()

Not at all ()

I don't know ()

Dear Respondent,

**RESEARCH PROJECT TITLED: “THE IMPACT OF
RETRENCHMENT ON SERVICE DELIVERY: A CASE STUDY OF
THE UNIVERSITY OF NAIROBI.”**

I am undertaking a Research study mentioned above as part of the requirements of my studies. I am therefore engaged in data collection.

This is therefore to kindly request you to give the information requested in the attached questionnaire. The information given will be dealt with confidentially and is meant for no other purpose other than for this study.

I thank you sincerely for your assistance.

Josephine Misaro

Appendix 2: Interview Guide

1. What is your current position?
2. How long have you been working in your present position?
3. Who were most affected during the retrenchment exercise?
4. What departments were mostly affected during retrenchment exercise?
5. How did the retrenchment process affect the employees who remained in the University?
6. How did the remaining employees react to the retrenchment exercise?
7. In your opinion, do you think that the retrenchment exercise affected the level of service delivery?