

**A SURVEY OF FACTORS THAT INFLUENCE THE ATTITUDES
OF SURVIVORS OF DOWNSIZING TOWARDS MANAGEMENT
AND JOB SECURITY IN THE BANKING SECTOR**

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BY

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SEPTEMBER 2002

DECLARATION

THIS PROJECT IS MY ORIGINAL WORK AND HAS NOT BEEN PRESENTED FOR A DEGREE IN ANY OTHER UNIVERSITY

SIGNED

DATE



27th September 2002

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ABSTRACT

The survey for the study was carried out between July and August 2002.

The study sought to determine the attitudes that survivors of downsizing have towards management and job security. The survivors were composed of employees and managers in the organizations.

The respondents were drawn from the banking sector in Nairobi and distributed to five employees and a manager.

The information was collected using a structured and uniform questionnaire. Seven managers and thirty-one employees completed the questionnaire.

The findings of the study suggest that the managers generally had faith in management although they expressed job insecurity as a result of the downsizing. The employees felt that the management was unfair in the downsizing. The employees from the study experienced job insecurity ranging from anger, increased job stress to resentment.

In conclusion, it was found that the managers scored higher than the employees regarding attitudes towards management but this was to be expected since the issue was management. Both the groups experienced job insecurity, which was more marked in the employees.

CHAPTER - 1.0 INTRODUCTION

1.1 Background

During the last two decades, downsizing has become the strategy favored by many companies attempting to cope with fundamental structural changes in the world economy. This trend is set to continue with more companies planning to downsize over the next few years. This is especially due to the continuing recession, which has been further impacted by the terrorist bombing of 11th September 2001 in the United States of America (Nation 15th February 2002).

The 1960's had limitless possibilities of growth and expansion (Burke and Cooper, 2000). This was followed by a period of industrial strife, conflict and retrenchments in the 1970's. After the turmoil of the 1970's the came the "enterprise" culture of the 1980's. This was a decade of privatization, statutory constraints on industrial relations, mergers and acquisitions, strategic alliances, joint ventures, proceed re-engineering and the like transforming the workplaces into free market, hot-house cultures (Burke and Cooper, 2000).

Since the mid 1980s and as an outgrowth of recessionary pressures (Fluhr, 1989), companies have increasingly used early retirement programs in response to competitive conditions. Companies increasingly trimmed their workforce in the late 1980s and early 1990s through various means such as attrition, layoffs, plant closures and early retirement programs (Davidson 111, Worrell and Fox 1996). The early years of the 1990s were dominated by the

effects of recession and in the effort to get out of it, organizations “downsized”, “delayed”, “flattened” or “right sized”. The hard reality experienced by many was job loss and constant change (Lamertz and Baum, 1998). There were fewer people doing more work and feeling more insecure. Trust and morale often erode as workloads increase and job insecurity escalates (Fisher, 1991). More than one-half of survivors report increased job stress and symptoms of burnout following downsizing (Cascio, 1993). Layoffs and plant closing strategies enable firms to carry out large-scale employees reductions, but they often lead to dysfunctional consequences for “outplaced” and surviving employees (Brockner, Greenberg, Brockner, Bortz, Davy, & Carter, 1986; Flaim & Sehgal, 1985; Kinicki, 1985)

However, some survivors do not experience emotional distress; instead, they are energized and consider downsizing to be an opportunity for personal growth (Emshoff, 1994; Henkoff, 1994; Isabella, 1989). Empirical researchers have documented a range of seemingly contradictory survivor responses to downsizing. For example, following a downsizing announcement, survivors have responded by working harder, reducing their efforts or not changing their efforts at all (Brockner, Grover, & Blonder, 1988). Some survivors increase their good citizenship behaviors (Bies, Martin, & Brockner, 1993), whereas others withdraw (Brockner, 1990).

Three types of organizational institutions have received increasing attention during the past few years: mergers and acquisitions, restructurings and downsizing, and privatization (Burke and Nelson, 1998). All these forces represent the effects of economic recession and attempts

by organizations to survive and to increase productivity (Marks, 1990). These changes also have vast implications for both practice and intervention at both individual and organization levels (Cameron, Freeman, and Mishra, 1991, Cascio 1993 Martin and Freeman, 1998).

Of the above changes, downsizing has been the most adopted practice. Increasingly, organizations are cutting back to save money and remain competitive (Dupuis, Boucher & Lorraine, 1996). Many scholars have defined downsizing as a purposeful reduction in the size of an organization's workforce (Cameron, Freeman, & Mishra, 1991; Cascio, 1993). Downsizing is conceptually distinct from organizational decline, because its aim is the improvement of organizational efficiency, productivity, and competitiveness (Cameron et al., 1991; D'Aunno & Sutton, 1989; Kozlowski, Chao, Smith, & Hedlund, 1993).

Victims of downsizing are those who have lost their jobs. Survivors of downsizing are those who remain employed at the organization. They are so named as they can either facilitate or impede the outcomes of the downsizing (Davy, Kinicki, & Scheck, 1991). Some researchers have speculated that intended outcomes, such as greater productivity or profitability, do not result because of poor survivor morale or implementation problems (Cascio, 1993).

While organizations may have well succeed in handling the victims through financial support, unemployment compensation, health insurance, job search support and psychological support, they many have problems in dealing with survivors of this painful process (Soukup, Rothman, and Brisco, 1987). (Dupuis, Boucher and Lorraine, 1996)

observe that those people who have survived these cuts are finding it more difficult to cope, suffering from burnout or insecurity at the prospect that they might be the next to go. They are victims of what is called the "survivor syndrome". Further to this, (Jackson, 1996) notes that it is almost impossible to convince people of their value to the organization when one is chopping away their job security. (Solomon, 1992) states that since commitment starts from mutual trust between employer and employee, one cannot expect this same loyalty when the organization seems to be shying away from its end of the bargain. In fact, to overcome their sense of disillusionment, employees would seem to have no other choice but to put their own interests ahead of the organizations.

As the survivors are so visible, they have little or no room for error and must live with anger, even contempt, of many of their subordinates. Since most have not been involved in downsizing before, they have no model to go by. The inexperience can lead to severe tension. It is evident that managers are not immune to the survivor syndrome; indeed, they need to confront the possibility that they too can fall victim to it. Unless they recognize this, they will be unable to understand or help their employees. Employees who survive one wave of downsizing exist in a fearful expectancy as the next wave is anticipated. Managers also are expected to manage long-term career paths, which have been dramatically altered by the downsized organization. Given the record number of organizations turning to downsizing in today's business environment, a framework is needed to guide managerial practice. (Mishra & Spreitzer, 1998).

The downsizing strategy is undertaken with the aim of positively affecting the company's overall productivity. Although firms that reshape their workforce through early retirement have a good chance to be more profitable, early retirement programs can backfire (Davidson 111, Worrell & Fox, 1996). The profitability of the firm will depend on the performance of the survivors. The victims of downsizing have been shown to suffer from shock, grief, disbelief, anger, and feeling of betrayal, fear, shame, embarrassment, fantasy and despair.

The survivors are also affected by the dismissal or exit of their colleagues. They suffer from fear, insecurity and uncertainty; frustration, resentment and anger, sadness, depression and guilt; injustice, betrayal and mistrust (Tylezak, 1991). These negative effects lead to the "survivor syndrome" (Noer, 1993), which is manifested in a variety of ways through a spectrum of attitudes and perceptions. It has been noted that if these problems are neglected or mishandled or worse still if their existence is denied, the consequences for the organization can be severe if not devastating. The response of employees to downsizing is influenced by their cognitive appraisal of the problem.

Cognitive appraisal is the process of evaluating or categorizing an encounter, and its various facets, with respect to its significance for "well-being" (Lazarus & Folkman, 1984:31). According to Lazarus, there are two main types of cognitive appraisal: primary and secondary. Through primary appraisal, individuals evaluate their own resources and capability for coping with the stressor. According to Mishra & Spreitzer (1996), if survivors appraise downsizing as threatening or harmful (i.e. primary appraisal) they are likely to

respond less constructively, and when they believe they can cope with the downsizing (i.e. secondary appraisal), they are likely to respond more positively.

Downsizing reflects a potentially stressful encounter for survivors (Brockner et al., 1988), stemming, in part, from its inherent ambiguity (Sutton, 1987). Harm or “an irrevocable loss” (Lazarus, 1993:5) may be one view survivors have of downsizing, for they may have lost valued coworkers or been subjected to pay cuts to preserve their own jobs. Threat or “anticipation of harm that has not yet taken place” (Lazarus, 1993:5) may be an alternative view, for survivors may fear that they could lose their own jobs in the future (Greenhalgh & Rossenblatt, 1984), that fewer promotional opportunities will be available as hierarchies are flattened (Sutton & D’Aunno, 1989), or that smaller pay raises may become the norm as cost cutting is emphasized (Brockner, Grover, O’Malley, Reed, & Glynn, 1993). Moreover, survivors may anticipate workload increases since fewer people are available to do the required work (Sutton, 1990). On the positive side, challenge or “an opportunity for growth, mastery or gain” (Folkman, 1984:840) is another way in which survivors may view downsizing; they may learn new skills as they take over the responsibilities of the downsized victims.

The “survivor syndrome” has been widely studied in the U.K., U.S.A. and Canada; but much less in Kenya where downsizing is a relatively new phenomenon in all the sectors of the economy, market with employees expecting lifetime employment with their respective employer. The effects of downsizing have been very painful especially in the Kenyan public

sector where employees were content with low pay as long as employment was guaranteed. The success of the downsizing strategy depends on how well it is carried out. Trust in management and a perceived justice, in the implementation of downsizing both work to reduce the appraised threat inherent in downsizing. Mishra & Spreitzer (1998), argue that these perceptions will lead to more constructive survivor responses. There are six human resource factors which determine the extent of failure or success in managing the downsizing by the organization namely, job satisfaction or dissatisfaction; staff motivation; perceived promotion opportunities after the changes in the structure; staff commitment to the organization; morale and concern about job security. The key factor that determines survivor success is job security.

1.2 The Banking Sector in Kenya

The banking sector in Kenya is composed of forty-nine (49) banks of which one (1) is under statutory management by the Central Bank of Kenya and another is under liquidation. The industry is dominated by three major banks in deposits and assets, namely Barclays Bank of Kenya, Kenya Commercial Bank and Standard Chartered Bank in that order. These banks make-up 45% in terms of deposits and assets.

The banking industry made a total profit before tax in 2001 KShs 8,771 million, which was an improvement from KShs 2,774 million the previous year. This shows a slow growth towards the peak of KShs 15795 million in 1997. The dismal performance in 2000 was attributed to the huge losses posted by the big banks like Kenya Commercial Bank (KCB),

National Bank of Kenya (NBK) and Co-operative Bank. In 2001 (KCB) showed a profit while the losses of NBK and Co-operative Bank have been substantially reduced.

Central Bank of Kenya, in the Central Bank (Amendment) Act, 1996 has the primary objective as the protection of "the value of the currency of the Republic of Kenya of balanced and sustainable economic growth in the Republic". The Central Bank of Kenya plays a regulatory role of the financial activities on all commercial banks that operate in Kenya. The role of the Bank Supervision Department of the Central Bank of Kenya is to foster a sound, liquid and stable banking system.

In 1998 five commercial banks (Trust Bank, Reliance Bank, Bullion Bank, Prudential Bank and City Finance) were placed under statutory management owing to problems of liquidity. As a result of these failures Central Bank of Kenya has become strict to ensure that it does not recur.

The dismal performance in the past five years of the banking sector has made the management to take drastic steps in order to make profits. Most of the banks have had bad debts as a result of poor economic performance in the Kenya. Almost all the banks have had to opt for the retrenchment strategy. There are at least five international banks, which are managed in Kenya but also centrally controlled by their parent branches. These international banks have had to retrench employees despite making profits as recently occurred in July 2002, when 200 employees were in response to dictates of the head office.

There are also at least five public banks, which were initially managed by government appointees. These banks have given unsecured loans to politicians leading to massive non-performing loans in that sector of the industry. As a result of this as part of the structural adjustments from World Bank, these banks have had to retrench in the past five years.

1.3 Statement of the Problem

The brief literature review in the background shows the following gaps in knowledge, and thus constitute research problem for this study:

It is not clear why some survivors of retrenchment find it threatening while others perceive it positively with a lot of excitement.

From the available literature, it appears that no study has been done in Kenya on survivors of downsizing. Given the acute nature of unemployment benefits from the government, downsizing is likely to have a more devastating effect on the survivors in Kenya than in the developed economies of North America and Europe where finding alternative job is relatively easy and social security programmes are well developed. Given this scenario, it is reasonable to expect Kenyan and North American/ European workers to exhibit significant differences in their reactions to downsizing. This obviously needs to be tested.

Studies done in developed countries show that survivor syndrome is moderated by the survivors' perceived justice and trust in the management and the reasons for downsizing. It is not clear how Kenyan workers have generally perceived the exercise, given the common

tendency among Kenyans to attribute discretionary decisions involving important choices to tribalism and corruption.

1.4 Objectives of the study

The objectives of the study were:

- a) To find out factors which influence the perception of surviving workers concerning downsizing in the banking institutions.
- b) To determine the extent to which perception of justice and trust towards the retrenchment process affects the survivors' reaction within the banking institutions.

1.5 Importance of the Study

The study is expected to be of benefit to various groups in different ways:

- a) The downsizing strategy is affecting many organizations, and any study carried out in this area will contribute to the overall development of these firms.
- b) The study will inform and provide information to the employees / human resources of all organizations, on the effects of downsizing on their work, and how these can be used positively to improve their work and gain competitive advantage as a result of downsizing.

- c) It is informative to the management of the different firms on the inevitability of the downsizing strategy, and they can take advantage of this new positive aspect in management.
- d) To human resources practitioners and academicians, the study is important as an addition of knowledge because it will stimulate further research in other aspects of survivor syndrome and any issues related to it

1.6 Overview of the Study

The study was divided into five sections. Section I dealt with the introduction and covered the background of the study, its scope, the statement of the problem, objectives of the study and its importance. The second section dealt with the literature review on the subject of downsizing strategy and survivors syndrome. Section three detailed the research design, which covered the population of the study, the sample, and the data collection and analysis methods, while Section four has analysis and presentation of the results followed by the discussion. Section V summarized and concluded the study by providing the limitations of the study and offering suggestions for further research.

1.7 Definitions

Downsizing strategy is defined in this study as a reduction in the size of the workforce. Downsizing does not necessarily imply a reduction in the assets of the organization; for example, an organization may contract out a function that was previously done by permanent

employees. The elimination of jobs of the employees constitutes downsizing. Victims of downsizing these are those who have lost their jobs. Survivors of downsizing -those who remain employed at the organization.

CHAPTER - 2.0 LITERATURE REVIEW

Downsizing strategy has been adopted by many organizations as a way to deal with the economic pressures from the environment. This was first witnessed in the private sector, but has now spread to all levels of government. The private organizations that adopted this strategy in Kenya include East African Breweries, East African Industries, Bata Shoe Company, Coca Cola Company Nestle (K) Ltd, Glaxo Wellcome (K) Ltd amongst others. The parastatal organizations that have undertaken downsizing include Kenya Airways, Kenya Tea Development Authority, Kenya Commercial Bank and National Bank of Kenya. Amongst the civil service, various ministries have reduced their staff since 1994 in an effort to reduce costs and increase efficiency. Hamael and Praahald (1994) noted that too often in downsizing, the urgent drives out the important when firms, via aggressive “denominator management” get smaller faster than they get better. Downsizing was once seen as a short-term measure, but it has become the way to increase profitability. For most organizations, labor costs account for a large part of expenditure and since these organizations generally enjoy a certain amount of latitude in terms of their payroll, they are tempted to cut salaries first to achieve immediate economic benefits (Dupuis, Boucher, and Clarel, 1996).

Downsizing is not a new phenomenon; workforce reductions, closure of branch offices, regions has been going on since the Great Depression of the 1930s and is part of the normal economic business reorganization process. At the moment something new is happening in terms of the magnitude, scale, the target involved, and the cause and effects of the

downsizing (i.e. change in the business environment) as opposed to the traditional causes where it arose out of normal business cycles.

Downsizing is the elimination of jobs of the employees. For example an organization may contract out a function that was previously performed by permanent employees. According to researchers the term means a deliberate organizational reduction of the workforce. This reduction can be proactive (planned in advance and usually integrated with a larger set of objectives) or reactive, shown by cost cutting as a last resort after prolonged period of inattention to looming problems of management (Kozlowski et al., 1993).

The expected outcomes of downsizing include increased productivity, improved quality, enhanced competitive advantage, and potential regeneration of success (Hoskisson and Hilt, 1994). In addition, organizations hope to achieve lower overheads, less bureaucracy, more effective decision-making, improved communication and greater innovation (Burke and Greenglass, 2000) as a result of downsizing. The downsizing strategy may be seen as a method for increasing organizational viability and as a step towards organizational change and regained effectiveness (Weitzel & Jonsson, 1989)

Many organizations have in the 1980s and 1990s gone through mergers, acquisitions, downsizing, restructuring re-engineering, and culture change and leadership succession. Most these are overlapping. These events have not changed the organizational systems but have had a major effect on workers, mainly negative (Ferrie et al., 1998; Kivimaki, 1997). The

number of victims, survivors, destroyed careers and career paths, and cynicism has gone up, while trust in organizational leadership has gone down. Senior managers are excited about opportunities while middle managers are angry, depressed and tired. The negative psychological, behavioral and profitability consequences of these feelings weigh heavily upon them. The organizations that downsize can re-energize tired workers and heighten their aspirations, shift the organizations focus to future possibilities, strengthen the pay-for performance link, increase investment in training and development, encourage innovation, improve communication and produce clearer mission (Marks, 1994; Cascio, 1993).

The surviving workers experience difficulty in coping with bigger workloads because they over the duties of their former colleagues who become victims of downsizing. One negative response among surviving employees is increased absenteeism and sick-offs with obvious costs to the organization and the society. Downsizing may exacerbate the "classic" equation for stressful working conditions (Cox, 1993; Karasek and Theorell, 1990)- increased job demands, decreased job control and decrease social support- and it is entirely possible that such an effect may partly mediate its other effects on absence and health.

Survivors of downsizing report work-related stress, dissatisfaction and intent to leave the organization, increased guilt and decreased morale and productivity (Brockner, 1998) The survivors' attitudes and behaviors are consistently negative, where perceived justice was low, organizational trust and support were highly related to perceived outcome negativity

(Brockner et al., 1994). These negative reactions combined with the fact that survivors must do more with few resources makes the aftermath of layoffs difficult to deal with.

The psychiatrist W. G. Niedenand named the "survivor syndrome" in 1968 (Peters, 1989) in reference to survivors of the holocaust of nuclear bombs dropped in Hiroshima and Nagasaki, Japan and of other catastrophes throughout the world. The individuals who have survived such calamities suffer disorders, which are recognized as severe pathologies and are collectively referred to as posttraumatic stress disorder (PTSD) (Bourque, 1995). These symptoms range from fear of persecution, inner tension, diminished self esteem, lack of initiative and general apathy right up to depression and a paradoxical sense of guilt at having survived (Peter, 1989) are directly observable in survivors. The survivors in organization downsizing have symptoms that resemble (PTSD) but the emotions involved are not as severe.

Downsizing threatens the continuity of both the job and its features, especially in the growing number of organizations undergoing multiple downsizing. Employees who survive one wave of downsizing still exist in a state of "fearful expectancy" as the next wave is anticipated (Applebaum, Simpson, and Shapiro, 1987). Even employees who are secure in their own positions experience loss as co-workers are dismissed, power and resources are re-allocated.

Below are some perceptions displayed by survivors of downsizing:

Fright, depression and worry- The survivors exhibit reduced concentration, (Kets de Vries & Balazs, 1997) a sense of being out of control (Folkman, 1984; Lazarus & Folkman, 1984)

and may reduce their level of commitment to the organization, because they identify with the loss of respected coworkers and friends (Brockner et al., 1987). Anger, disgust, and resentment- these survivors may engage in acts of vandalism or sabotage (Kets de Veries & Balazs, 1997). The survivors' experience these feelings may even interfere with the downsizing process. Calm, relief, or even gratitude as they do not feel personally threatened by the downsizing. These types of survivors do not aggressively seek out new courses of action but, instead, stick to familiar ways of doing their work (Mishra & Spreitzer 1998.). They follow orders.

Hope, excitement, & optimism- These type of survivors are hopeful that things will get better with time, are willing to take risks and to develop novel ways to improve things (Mishra & Spreitzer, 1998). Cognitively, because hopeful survivors believe they have the resources to effectively cope with the downsizing, they tend to be optimistic about the outcome of it (Smith et al., 1996). They experience a sense of ownership in helping to enhance the performance of the organization (O'Neill & Lenn, 1995). These types of survivors place efforts to improve conditions by discussing problems or taking actions to solve them (Rusbult et al., 1988). Hopeful survivors are not to take risks or to develop novel ways to improve things and might be referred to as "active advocates"(Mishra & Spreitzer 1998).

The reaction and feeling is hardly the first thing to be considered with mass layoffs. Managers also find themselves in this crisis experience feelings of fear, isolation and guilt. They must also often work in an environment of ambiguity and uncertainty in the future of

the organization. Since most managers have never been involved in downsizing before, they have no model to go by; this inexperience can lead to severe tension since they are convinced that they must appear to be control and as a result hide their emotions and vulnerability.

CHAPTER - 3.0 RESEARCH DESIGN

3.1 Population of the Study

The population of the study comprised employees who had survived downsizing in the banking sector in Nairobi which is attached as Appendix 7.6.

3.2 Sample Description

The samples for the study were obtained from a list from Federation of Kenyan Employers, which provided a sampling frame for banks, which had downsized in the past 5 years. The list is attached as Appendix 7.6. From this list a random sample drawn comprising of 10 banking institutions. The sample size of 10 banking was deemed to be an appropriate representation of all banking institutions that had downsized in Kenya. The study was concerned with two groups of respondents' – the employees and the managers. The researcher used 5 responses amongst the workers in each bank from the following groups of employees: cashier, customer service officer or personal banker, secretary, driver, credit control officer and at least 2 must be either male or female. The number of 5 was a reasonable and manageable in this kind of research. The Human Resource Manager assisted in the distribution of the questionnaires to the employees. The Human Resource Managers responded to the questionnaire too

3.3 Data Collection

Primary data was collected using a uniform, structured and standardized questionnaire. The questionnaire consisted of categorical questions and Likert-type scales containing statements pertaining to various aspects of job security and management.

The questionnaire consisted of three main parts:

Section A This was to collect personal data on the respondent.

Section B The questions 1 to 24 in this section related to objective 2:

Section B The questions 25 to 36 related to objective 1.

The researcher called the relevant organizations first and informed them of the intended research. The researcher with the aid of some research assistants dropped and later picked the questionnaires from the respective respondents. Fifty questionnaires were distributed to the employees out of whom 31 were filled and returned to the researcher constituting 62% response rate. Ten questionnaires were distributed to the managers out of which 7 were filled and returned to the researcher constituting 70% response rate.

CHAPTER - 4.0 RESEARCH FINDINGS AND DISCUSSIONS

4.1 Introduction

The data from the study was summarized and presented in percentages and tables to facilitate analysis.

Out of the 10 (ten) managers who comprised the sample size of the study, 7 (seven) completed the questionnaires. This is approximately 70% of the target. The completed questionnaires obtained were as follows:

- Public owned organization 3
- Private and Locally owned 1
- Foreign owned 1
- Local and foreign owned 2

Out of the 50 (fifty) employees who comprised the sample size of the study, 31 (thirty-one) completed the questionnaires. This is approximately 62% of the target. The completed questionnaires were as follows:

- Public owned 15
- Private and Local 3
- Foreign 5
- Local and Foreign 7
- Government and Foreign 1

The analysis is presented as follows:

- Data on the perception of justice and trust towards the retrenchment process and the effects on the survivors' reaction.
- Data on factors that influence the perception of the surviving workers concerning downsizing.

4.2 Type of Respondents

The questionnaires were directed to both the management and employees in the banking sector. The response from the managers was given from Credit Risk Manager, Customer Service Manager, Relationship Manager and Human Resources Manager, as indicated by the graph below. The response from Credit Risk Manager was (14.3%), Customer Service Manager, (14.3%), Relationship Manager (14.3%) and Human Resources Manager (57.1%).

Table 1: Distribution of Respondents: Management Cadre

	Frequency	Percent
Customer Service Manager	1	14.3
Credit Risk Manager	1	14.3
Relationship Manager	1	14.3
Human Resource Manager	4	57.1
Total	7	100

The response from the employees in the banking sector was given by the following graduate clerk (38.7%), personal banker (12.9%), secretary (19.4%), cashier (9.7%) driver (9.7%)

input analyst (3.2%), administration assistant (3.2%) and personal finance consultant (3.2%).

The distribution is presented in Table2.

Table 2: Distribution of Respondents: Non-Management Cadre

	Frequency	Percentage
Graduate Clerk	12	38.7
Secretary	6	19.4
Personal Banker	4	12.9
Cashier	3	9.7
Driver	3	9.7
Input Analyst	1	3.2
Administration Assistant	1	3.2
Personal Finance Consultant	1	3.2
Total	31	100

4.3 Perception of Justice and Trust in Management following the Retrenchment Process

Out of the first 24 statements provided in Section B of the questionnaire, 14 portray different aspects of justice and trust in management according to various proponents of downsizing.

Table 3 shows the distribution of responses obtained from the respondents' on perception of justice and trust in the retrenchment process; column one of the table shows the question relating on each item on perception; column two shows the frequency of responses obtained by the respondents in the corresponding rows in column one; and column three the percentage response

Table 3: Distribution of response of Managers' Perception of Justice and Trust in Management

Question relating to each item on perception	Frequency (f)	Percentage (%)
Was notice given to the retrenched	1	14.3
Was criterion used in selection of workers to be retrenched	7	100
Was criterion fair	5	71.4
Who was involved in selection	7	100
Were retrenched worker paid compensation	7	100
Was the amount paid sufficient	4	57.1
Were retrenched workers given training upon selection	3	42.9
How was reason for retrenchment communicated	2	28.6
Do you believe the reason given was the real one	6	85.7
Would you recommend a friend or relative to join bank	6	85.7
Were retrenched workers from management only	7	100
Were non-management workers treated in similarly	7	100
Were non-management selected in similar manner as management	7	100
Which group was treated better	7	100

Generally, the managers respondents' were found to perceive justice and trust in the management on the retrenchment process. The overall distribution of responses was above 70% in ten of the responses. This indicated above average level of perception.

This was not surprising as the respondents who were managers stated that perceive justice and trust following the retrenchment process in which they involved in the selection.

Table 4: Distribution of Response of Employees' Perception of Justice and Trust in Management

Question relating to each item on perception	Frequency (f)	Percentage 100%
Was notice given to the retrenched	4	12.9
Was criterion used in selection of workers to be retrenched	27	87.1
Was criterion fair	12	38.7
Who was involved in selection	29	93.5
Were retrenched workers paid compensation	30	96.8
Was the amount paid sufficient	7	22.6
Were retrenched workers given training upon selection	12	38.7
How was reason for retrenchment communicated	13	41.9
Do you believe the reason given was real one	22	71
Would you recommend a friend or relative to join bank	11	35.5
Were retrenched workers from management only	30	96.8
Were non-management workers treated in similarly	28	90.3
Were non-management selected in similar manner as management	23	74.2
Which group was treated better	7	22.6

Generally, the respondents who were employees perceived justice and trust in the management of the retrenchment process. The overall distribution of responses was above 70% in seven of the responses. Amongst the employees respondents' none scored 100% as was found with the managers. In totality indicated below average level of perception.. This

was not surprising, as the employees had stated that the managers were involved in the selection of the retrenched workers.

4.4 Factors that Influence Surviving Workers' Perception of Various aspects of Downsizing

The questions number 25 to 30 relate to a feeling of excitement while 26 to 31 to threatening perception of the downsizing process.

For purpose of scoring the responses in the last Part B of Section B of the questionnaire the following key was used.

Table 5: Key for scoring Response on Factors that Influence Survivors Perception as Positively or Negatively

Scale	Scores for positive statements	Scores for negative or threatening statements
Not a problem at all	+2	-2
Minor problem	+1	-1
Not sure	0	0
Major problem	-1	+1
Very major problem	-2	+2

If a respondent ticked not a problem at all or minor problem for a positive statement, the score was 2 or 1, respectively. The same applied to negative statements. Minor problem with a negative statement earned a score of -1 and major problem with a positive statement earned the same. A zero was scored for not sure while very major problem with a positive statement and not a problem at all with a negative statement each fetched a score of -2.

Table 6: Managers versus Non-managers Respondents' Attitudes Toward Downsizing

Attitude	Managers %	Non-managers 100%
Positive	42.86	22.58
Neutral	28.57	25.81
Negative	28.57	51.61
Total	100	100

No of respondents (n) = 31 for non-managers and 7 for managers

Table 6 is a summary of the distribution of managers' and non-managers' respondents' scores on the attitudes towards downsizing. The table shows that 42.86% of the managers respondents had a positive attitude towards downsizing. The table also shows that the non-manager respondents' 51.61% had a negative attitude towards downsizing. The findings in the research support those in the literature that following retrenchment surviving workers have varying views of the process ranging from excitement to threatening. There were minor variations on these attitudes for both sets of respondents (see appendix 7.2 and 7.3 for managers and non-managers respectively).

As a whole it can be noted that managers had a more favorable attitude towards downsizing than the non-managers. These research finding gives the implications that managers are likely to favor policies and practices that invoke retrenchment processes when organizations are not performing well or cost-cutting measures have to be undertaken in their organizations.

Table 7: Female versus Male Attitudes Toward Downsizing

Attitude	Male Respondents %	Female Respondents %
Positive	19.05	35.29
Neutral	28.57	23.53
Negative	52.38	41.18
Total	100	100

No of respondents are 17 for female and 21 for male respondents.

Table 7 summaries the distribution of the female verses male respondents toward downsizing. 35.29% of the female respondents had a positive attitude towards it. The distribution of the male respondents towards downsizing 19.05% had a positive attitude downsizing. From the research it was found that the female surviving respondents had a higher chance of perceiving the retrenchment better than the males.

To test whether the difference in attitudes between the female and male respondents was significant, the chi-square test was used. The confidence value of 95% was used, the critical value was $\alpha = 0.05$ for 2 tailed curve. The results were insignificant $P = 0.456$ since the calculated value was larger than the critical value, it was concluded that none had a more positive attitude towards downsizing.

The findings therefore imply that neither the gender held a better view of downsizing. The female workers may perceive the downsizing slightly better than the male.

Table 8: Single versus Married Respondents Attitudes Toward Downsizing

Attitude	Married %	Singles %
Positive	22.58	42.86
Neutral	25.81	28.57
Negative	51.61	28.57
Total	100	100

No. of respondents are 7 for single and 31 for married respondents

Table 8 summarizes the distribution of single versus married respondents. The single respondents had a positive attitude towards downsizing of 42.86% compared to the married whose response was 22.58%. From the research it found that single respondents had a higher perception of the downsizing positively than the married.

To test whether the differences in attitudes between the singles and married respondents was significant, the chi-square test was used. The confidence level of 95% was used, the critical value $\alpha = 0,05$ for 2 tailed curve. The results obtained were insignificant as $P = 0.245$ since it was larger than the critical value.

The findings therefore imply that neither the single nor the married held a truly positive attitude towards downsizing. However, the management may use the fact that single employees perceive downsizing better to influence that perception to the married people in the organizations.

Table 9: Non-University Graduates versus University Graduates Respondents' Attitude Toward Downsizing

Attitude	Non-University Graduates	University Graduates
Positive	11.11	31.03
Neutral	22.22	27.59
Negative	66.67	41.38
Total	100	100

No of respondents was 9 for non-university and 29 for university graduates respondents

Table 9 summaries the distribution of non-university graduates and university graduates respondents' scores on the attitude towards downsizing. 11.11% of the non-university graduate respondents had a positive attitude towards downsizing, while among the university graduates had 31.03%. From the research findings, it was found that university graduates respondents had a higher chance of perceiving downsizing more positively than non-university graduates.

To test whether the difference in attitudes between the non-university and university respondents was significant, the chi-square test was used. A confidence value of 95% was used, the critical value $\alpha = 0.05$ for a 2-tailed curve. The results were insignificant $P = 0.546$ and as the calculated value was larger than the critical value, it was concluded that neither non-university graduates nor university graduates had a more positive attitude towards downsizing.

The research findings gives the implication that neither non-university nor university graduates would perceive downsizing positively.

Table 10: Old versus Young respondents attitudes toward Downsizing

Attitude	Old	Young
Positive	28.57	25.81
Neutral	42.86	22.58
Negative	28.57	51.61
Total	100	100

No. of respondents was 7 for old and 31 for young. For the purpose of this study the researcher categorized the respondents above 40 years as old and those at 40 years and below as young..

Table 10 summarizes the distribution of old versus young respondents towards downsizing. 28.57% of the old respondents had a positive attitudes downsizing while 25.81% of the young had a similar attitude. From the research findings , it can be noted that both the old and young had very similar perception towards downsizing.

To test whether the difference in attitudes between the old and the young respondents was significant, the chi-square test was used. The confidence value of 95% was used, while the critical value $\alpha=0.05$ was for a 2-tailed curve. The results were insignificant $P= 0.145$ the calculated value was larger than the critical value; the researcher concluded that neither the old nor the young had a positive attitude towards downsizing. No implications could be drawn from this research regarding the age of the surviving worker.

4.5 Discussion of the Results

As had been anticipated, the managers as compared to the non-managers had a more favorable attitude towards decisions and actions taken by management concerning

retrenchment. This may be due to the fact that the respondents had been involved in the selection of the employees who left the banks as a result of retrenchment.

On the issue of job security both groups of respondents had similar attitudes whereby the majority had a negative or neutral attitude towards downsizing. This attitude made the respondents feel insecure and therefore affected their work. The chi-square tests for the differences between categories of respondents as regards feelings of insecurity were not significant.

CHAPTER - 5.0 SUMMARY AND CONCLUSIONS

This chapter summarizes the findings of the study. It also includes conclusions and limitations of the study and suggestions for future research.

5.1 Summary

In summary, the study shows that the managers who participated in the study had a more than average level of the perception of justice and trust in the management of the retrenchment process. It was noted that the managers had also been involved in the selection process. However, non-managers in the study had a relatively low trust of the management's decisions and actions in the retrenchment process. They also had a relatively strong feeling that there was injustice in the process.

Most respondents were also found to have a negative attitude toward downsizing this is a fact that organizations should know as they carry out this process. From the comparative analysis that were carried out in the following groups of respondents: managers verses non-managers, female verse male, singles verse married, non-university verse university graduates and young verse old all were insignificant differences in their attitudes towards downsizing.

From the study the some respondents were found to have a positive attitude toward downsizing. This variation was expected as it was noted in the background, that some surviving workers have positive attitude towards downsizing.

5.2 Conclusions

The findings of the study point to the fact that generally, managers perceived justice and trust in management of the retrenchment process. However, they had feelings of insecurity. This means that they would support the use of downsizing in order to achieve sustained growth of their organizations. This should be seen as an eye-opener especially in organizations where measures of performance include reduction of costs.

The findings of the study also point to the fact that generally, non-managers have a relatively low trust of the management's decisions and actions in the retrenchment process. The non-managers also had a relatively strong feeling that there was injustice in the retrenchment process. As the downsizing process becomes a favored method of sustained growth in organizations, management should work at regaining feelings of justice and trust within their organizations.

5.3 Limitations of the Study

The scope and depth of the study was limited by the time factor. Owing to the short time within which the study was to be completed, it was not possible to follow up and collect all the questionnaires. Out of the sixty questionnaires distributed only thirty-eight were collected. Also the samples size was small. This may explain the non-significant statistical tests.

The study also had more respondents who were married, graduate and young than the non-married, non-graduate and the old who were represented by nine respondents. These may not

be conclusively be taken to be sample representatives of all managers and employees in the banking sector.

The respondents may not have given an honest response given that downsizing may have taken place a long while back, hence the initial attitude had possibly worn-off.

There are also limitations of measurements, which is common to all surveys. Beliefs and feelings that are used in attitudes may change over time and also respondents may give biased or dishonest answers.

The respondents were also not asked to state the reasons behind their responses and therefore to arrive at the conclusions, made in the study reference had to be made to the background material and the literature reviewed.

5.4 Suggestions for Future Research

From the study, it was not possible to find out the reasons behind the respondents' attitude towards downsizing. Further research should be conducted to determine why certain attitudes are held.

Research should be carried out to determine whether respondents from other areas such as rural areas would have similar attitudes and trust in management as a result of downsizing, compared to those in Nairobi.

Research should also be carried out to determine the attitudes of survivors of downsizing in other sectors such as manufacturing.

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CHAPTER - 7.0 APPENDICES

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Appendix 7-1: Letter of Introduction

Elizabeth K. Mwangi
P.O. Box 39834
Tel. 792534
NAIROBI

4th July 2002

Dear Respondent,

I am a postgraduate student at the University of Nairobi. In partial fulfillment of the requirements for the award of the Master of Business and Administration degree, I am conducting a study titled **“A survey into factors that influence the attitudes of survivors of downsizing towards management and job security in the banking sector”**.

Your organization which falls within the population of interest has randomly been selected to form part of this study. This therefore is to kindly request you to assist me collect data by filling out the accompanying questionnaire or affording me an opportunity to come and help you fill.

The information/data provided will be used exclusively for academic purposes and will be treated with strict confidence.

Your co-operation will be highly appreciated.

Yours faithfully,

ELIZABETH N.K. MWANGI

**MBA STUDENT
REG. NO. D/61/P/8401/99**

DR. MARTIN OGUTU

**COORDINATOR
MBA PROGRAM**

Appendix 7-2: Responses of Managers to Questions No 25 to 36.

Sex	M.S.	Ed	Age	25	26	27	28	29	30	31	32	33	34	35	36	Sum
M	M	Uni	>40	1	0	0	1	0	0	0	0	-2	+1	-1	0	0
F	M	Uni	<40	0	1	+1	0	0	-1	+1	+1	+2	-2	-1	+1	+3
M	M	Uni	<40	-2	-2	-1	-1	-1	-2	-1	-1	-2	+2	0	+2	-9
F	M	Uni	<40	+1	+1	+1	0	0	-1	+1	+2	-2	+1	-2	+1	+2
M	M	Uni	>40	0	0	+1	0	-1	0	-1	-1	+1	+1	+1	0	0
M	M	Uni	<40	+1	0	0	0	-1	0	0	0	+1	+1	-1	-2	-1
M	M	Uni	<40	+1	0	0	0	+1	0	0	0	+1	+1	-1	0	+3

Appendix 7-3: Responses of Non-Managers to Questions No. 25 to 36

Sex	M.S	Edu	Age	25	26	27	28	29	30	31	32	33	34	35	36	Sum
M	M	Uni	<40	+2	+1	0	+2	+1	+1	-1	+1	-1	-1	0	-1	+4
F	S	Uni	<40	0	-1	+1	0	+1	+2	+1	0	-1	-2	0	-1	0
M	M	Uni	<40	+1	-1	0	-1	-1	0	-1	0	-1	-1	+2	+1	-2
M	S	Uni	<40	-1	-2	-1	0	0	-2	-2	+2	+1	+1	+1	0	-3
F	M	N-U	<40	-2	-1	0	-1	-1	-2	-2	+1	0	+2	+1	+1	-4
F	M	Uni	<40	-1	-2	-1	0	0	-2	-2	-1	0	+1	+2	+2	-4
M	S	Uni	<40	0	-1	+2	+1	-1	0	-1	+2	+1	0	-1	+1	+3
F	M	N-U	<40	-2	-1	0	-2	-1	0	+1	0	+2	-1	0	0	-4
M	M	Uni	>40	+1	+2	-1	0	-1	0	+1	-1	-1	-1	-1	-1	-3
F	M	N-U	<40	-1	0	0	-1	0	-2	+2	+1	+1	-2	+1	+1	0
M	S	Uni	<40	0	0	+2	+1	0	-1	-1	0	-1	0	0	0	0
F	M	Uni	<40	+1	0	-1	0	0	0	-1	+1	+1	0	0	+1	+2
F	M	Uni	<40	0	0	0	-2	+1	-2	-2	+2	0	0	+1	+2	0
M	M	N-U	<40	-1	-1	0	-1	-2	-2	-1	+2	+1	-1	+1	-1	-7
F	M	N-U	<40	0	-1	0	-1	-1	-2	0	0	+1	0	+1	+1	-2
M	M	Uni	<40	+2	+1	0	+1	0	+1	0	0	-1	0	+1	+1	+6
M	M	Uni	>40	-1	-1	-1	-1	-2	-2	-1	0	+1	+1	0	+1	-6
F	M	Uni	<40	-1	-1	0	-2	0	-1	+1	+1	+1	-1	0	-1	-4
M	M	N-U	>40	+2	0	-1	+1	+2	0	-2	-1	-1	0	0	-1	-1
F	M	Uni	<40	+2	-1	-1	+2	-1	0	-1	+2	0	0	-1	0	+2
M	M	N-U	<40	-2	-1	0	-1	-1	-1	-1	+1	0	-1	+1	+1	-5
F	M	Uni	<40	-1	0	0	-1	0	-2	-1	0	+1	-1	0	-1	-6
F	S	Uni	<40	-1	+1	-1	-1	0	0	0	+1	0	0	+1	0	0
M	M	Uni	<40	0	-1	+1	0	-1	-1	0	-1	+2	+2	+1	+1	+3
F	M	Uni	>40	-1	-2	-1	-1	0	0	0	+1	+2	+2	+1	+1	+2
M	M	Uni	<40	-1	0	0	-1	-1	-1	+2	-1	0	-1	-2	-1	-6
F	M	Uni	<40	+1	+1	+1	0	+1	0	0	+2	+1	+1	+1	0	+9
F	M	Uni	<40	-1	0	+2	+1	0	0	-1	+1	0	-1	0	0	0
M	S	Uni	<40	0	+1	0	-1	0	-1	+1	0	0	+1	0	-1	0
M	M	N-U	>40	-1	-2	-1	0	-1	-2	-1	-1	-2	-1	0	0	-13
M	M	Uni	<40	-1	0	-2	-1	0	-1	-2	-1	+1	0	-1	+1	-7

Appendix 7-4: Questionnaire to Employees

Employees experience as survivors in downsizing exercise

For the purposes of analysis only, please answer the following questions about yourself and your work with the organization. Your answers will remain anonymous and strictly confidential. This information is crucial to the study.

SECTION A: PERSONAL DATA

Please answer the following questions.

1. What is your current job title? _____
2. Please tick one to indicate your job.
Professional () Support () Other () Please specify _____
3. How long have you been employed by the organization?
Less than 3 years() 3-6 yrs () above 6 yrs ()
4. Please tick the box that indicates your age bracket
25 or below ()
26 – 30 ()
31 – 35 ()
36 – 40 ()
Above 40 ()
5. Gender:
Male() Female()
6. Marital status
Single () Married() Other (please state) () _____

7. What is the highest educational qualification that you have attained? Example: Diploma in Human Resources Management, Bachelor of Commerce (Accounting)

.....

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8. Please specify any professional qualification you have attained. Example: CPA (K)

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SECTION B

GENERAL ORGANIZATION INFORMATION PERTAINING TO THE DOWNSIZING

In this section, please circle the number that provides the most accurate or correct answer to the question to which it corresponds.

Organization specification

1. Name of the organization _____
2. Who owns the organization?
 - Public owned
 - Private Local ownership ()
 - Foreign ()
 - Combination of local and foreign ()
 - Other () please specify _____

3. The number of year's organization has been in operation in Kenya?

Less than 5 years ()

5-10 Years ()

11-15 years ()

Over 15 years ()

4. How many employees are in the organization?

1-50 () 51-100 () 101-150 () Over 150 ()

How many times has your organization downsized	1	2	3 and above
How many people in your department left due to downsizing	Less than 3	3-6 Employees	Above 6 Employees
What reasons were given to employees for downsizing each time	To improve profitability	To layoff non performing staff	To save the organization from close down
How many of those employees who left were directly under you	2 and below	3-5 Employees	6 and above employees

Please answer the following questions regarding how the retrenchment in the organization was carried out:

5. When was the retrenchment carried out? _____ (year)

6. State if advance notice was given to the persons who were retrenched in your organization?

Yes () No ()

7. If your answer to item 6 is yes, state how long was the advance notice?

6 months ()

3months ()

1 month ()

- Other (specify) _____
8. Was there a criterion was used in selection of workers to be retrenched?
Yes () No ()
9. If your answer to item 8 is yes, state whether the criterion was fair?
Yes () No ()
10. Who was involved in the selection of those to be retrenched?
The organization senior management ()
External consultants ()
Combination of senior management and external consultants ()
Other specify _____
11. Were the retrenched workers paid some compensation?
Yes () No ()
12. If your answer to item 11 is yes, how soon were the retrenched workers paid?
Immediately ()
After 1 month ()
3 months ()
6 months and above ()
13. Was the amount of money paid for compensation sufficient?
Yes () No ()
14. Were the retrenched workers given training upon selection?
Yes () No ()
15. If the answer to item 14 is yes, which of the following training given to the retrenchees?
Financial management ()
Health management ()
Starting a business ()
Other (specify) _____
- Tick any that apply.
16. What reason was given to workers on the need for retrenchment?
Please specify _____

17. How was the reason for retrenchment communicated? Tick any of the following that apply.
- Notice boards ()
- Newsletter ()
- Internal memos ()
- E-mail ()
- Other (specify) _____
18. Do you believe the reason given by the management was the real reason for the retrenchment?
- Yes () No ()
19. Would you recommend a friend or a relative to join the organization?
- Yes () No ()
20. If the answer to item 19 is no, please state the reason why not?
- _____
21. Were retrenched workers from management only?
- Yes () No ()
22. If the answer to item 21 is no, state whether the non-management workers were treated in a similar way as those of management?
- Yes () No ()
23. Were the non-management workers selected in a similar method as management staff?
- Yes () No ()
24. If the answer to item 23 is no, which group of employees was treated better?
- Management () Non-management ()

Please indicate the extent to which each of the following statements is a problem to you as an employee in dealing with the survivor problems, by ticking against one of the spaces provided in each of the following scales:

	Not a problem at all	A minor problem	Not sure	Major problem	Very major problem
	[1]	[2]	[3]	[4]	[5]
25. A feeling of excitement	[]	[]	[]	[]	[]
26. A feeling of calmness	[]	[]	[]	[]	[]
27. Feeling of able to cope with responsibilities	[]	[]	[]	[]	[]
28. Increased work motivation	[]	[]	[]	[]	[]
29. Ability to take risks	[]	[]	[]	[]	[]
30. Ability to work better without colleagues	[]	[]	[]	[]	[]
31. Job stress	[]	[]	[]	[]	[]
32. A feeling of anger	[]	[]	[]	[]	[]
33. A feeling of fear	[]	[]	[]	[]	[]
34. A feeling of low esteem	[]	[]	[]	[]	[]
35. A feeling of resentment	[]	[]	[]	[]	[]
36. A feeling of being of let down	[]	[]	[]	[]	[]

SECTION C

Thank you very much for completing this questionnaire. Please write below any other comments you wish to include which is relevant to the subject.

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THANK YOU FOR YOUR COOPERATION

Appendix 7-5: Questionnaire to Management

Employees experience as survivors in downsizing exercise

For the purposes of analysis only, please answer the following questions about yourself and your work with the organization. Your answers will remain anonymous and strictly confidential. This information is crucial to the study.

SECTION A: PERSONAL DATA

Please answer the following questions.

1. What is your current job title? _____

2. Please tick one to indicate your job.
Professional () Support () Other () Please specify _____

3. How long have you been employed by the organization?
Less than 3 years() 3-6 yrs () above 6 yrs ()

4. Please tick the box that indicates your age bracket
25 or below ()
26 – 30 ()
31 – 35 ()
36 – 40 ()
Above 40 ()

5. Gender:
Male() Female()

6. Marital status
Single () Married() Other (please state) () _____

7. What is the highest educational qualification that you have attained? Example: Diploma in Human Resources Management, Bachelor of Commerce (Accounting)

.....
.....
.....

8. Please specify any professional qualification you have attained. Example: CPA (K)

.....
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SECTION B

**GENERAL ORGANIZATION INFORMATION PERTAINING TO THE
DOWNSIZING**

In this section, please circle the number that provides the most accurate or correct answer to the question to which it corresponds.

Organization specification

1. Name of the organization _____
2. Who owns the organization?
Public owned
Private Local ownership ()
Foreign ()
Combination of local and foreign ()
Other () please specify _____
3. The number of year's organization has been in operation in Kenya?

Less than 5 years ()

5-10 Years ()

11-15 years ()

Over 15 years ()

4. How many employees are in the organization?

1-50 () 51-100 () 101-150 () Over 150 ()

How many times has your organization downsized	1	2	3 and above
How many people in your department left due to downsizing	Less than 3	3-6 Employees	Above 6 Employees
What reasons were given to employees for downsizing each time	To improve profitability	To layoff non performing staff	To save the organization from close down
How many of those employees who left were directly under you	2 and below	3-5 Employees	6 and above employees

Please answer the following questions regarding how the retrenchment in the organization was carried out:

5. When was the retrenchment carried out? _____ (year)

6. State if advance notice was given to the persons who were retrenched in your organization?

Yes () No ()

7. If your answer to item 6 is yes, state how long was the advance notice?

6 months ()

3months ()

1 month ()

Other (specify) _____

8. Was there a criterion was used in selection of workers to be retrenched?
 Yes () No ()
9. If your answer to item 8 is yes, state whether the criterion was fair?
 Yes () No ()
10. Who was involved in the selection of those to be retrenched?
 The organization senior management ()
 External consultants () _____
 Combination of senior management and external consultants () _____
 Other specify _____
11. Were the retrenched workers paid some compensation?
 Yes () No ()
12. If your answer to item 11 is yes, how soon were the retrenched workers paid?
 Immediately ()
 After 1 month ()
 3 months ()
 6 months and above ()
13. Was the amount of money paid for compensation sufficient?
 Yes () No ()
14. Were the retrenched workers given training upon selection?
 Yes () No ()
15. If the answer to item 14 is yes, which of the following training given to the retrenchees?
 Financial management ()
 Health management ()
 Starting a business ()
 Other (specify) _____
 Tick any that apply.
16. What reason was given to workers on the need for retrenchment?
 Please specify _____

17. How was the reason for retrenchment communicated? Tick any of the following that apply.
- Notice boards ()
- Newsletter ()
- Internal memos ()
- E-mail ()
- Other (specify) _____
18. Do you believe the reason given by the management was the real reason for the retrenchment?
- Yes () No ()
19. Would you recommend a friend or a relative to join the organization?
- Yes () No ()
20. If the answer to item 19 is no, please state the reason why not?
- _____
21. Were retrenched workers from management only?
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22. If the answer to item 21 is no, state whether the non-management workers were treated in a similar way as those of management?
- Yes () No ()
23. Were the non-management workers selected in a similar method as management staff?
- Yes () No ()
24. If the answer to item 23 is no, which group of employees was treated better?
- Management () Non-management ()

Please indicate the extent to which each of the following statements is a problem to you as an employee in dealing with the survivor problems, by ticking against one of the spaces provided in each of the following scales:

	Not a problem at all	A minor problem	Not sure	Major problem	Very major problem
	[1]	[2]	[3]	[4]	[5]
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26. A feeling of calmness	[]	[]	[]	[]	[]
27. Feeling of able to cope with responsibilities	[]	[]	[]	[]	[]
28. Increased work motivation	[]	[]	[]	[]	[]
29. Ability to take risks	[]	[]	[]	[]	[]
30. Ability to work better without colleagues	[]	[]	[]	[]	[]
31. Job stress	[]	[]	[]	[]	[]
32. A feeling of anger	[]	[]	[]	[]	[]
33. A feeling of fear	[]	[]	[]	[]	[]
34. A feeling of low esteem	[]	[]	[]	[]	[]
35. A feeling of resentment	[]	[]	[]	[]	[]
36. A feeling of being of let down	[]	[]	[]	[]	[]

SECTION C

Thank you very much for completing this questionnaire. Please write below any other comments you wish to include which is relevant to the subject.

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THANK YOU FOR YOUR COOPERATION

Appendix 7-6: List of Banking Institutions in Nairobi Which Have Downsized

1. Abn – Amro Bank
2. African Mercantile Banking Co Ltd
3. Akiba Bank
4. Bank of Baroda (Kenya) Ltd
5. Barclays Bank of Kenya Ltd
6. Biashara Bank of Kenya
7. Bullion Bank Ltd
8. Central Bank of Kenya
9. CFC Bank Ltd.
10. CharterHouse Bank Ltd
11. Chase Bank (K) Ltd
12. Citibank N A
13. Commercial Bank of Africa Ltd
14. Consolidated Bank of Kenya Ltd
15. Co-operative Bank of Kenya
16. Daima Bank Ltd
17. Delphis Bank Ltd.
18. Development Bank of Kenya Ltd
19. Diamond Trust Bank Kenya Ltd
20. Dubai Bank Kenya Ltd
21. East African Development Bank

22. Eastern & Southern African Trade & Development Bank (PTA)
23. Fina Bank Ltd
24. First American Bank of Kenya Ltd
25. Giro Commercial Bank Ltd
26. Guardian Bank Ltd
27. Habib Bank AG Zurich
28. Housing Finance
29. Industrial Development Bank Ltd
30. Investments & Mortgages Bank Ltd
31. Kenya Commercial Bank Ltd
32. Middle East Bank Kenya Ltd
33. National Bank of Kenya Ltd
34. National Industrial Credit Bank Ltd
35. Postbank
36. Southern Credit Banking Corp Ltd
37. Stanbic Bank Kenya Ltd
38. Standard Chartered Bank Ltd
39. TransNational Bank Ltd
40. Victoria Commercial Bank Ltd

UNIVERSITY OF NAIROBI
LOWER KABETE LIBRARY