

**EFFECTS OF DOWNSIZING ON SURVIVING EMPLOYEES IN THE
DOMINION FARMS – SIAYA COUNTY, KENYA**

BY:

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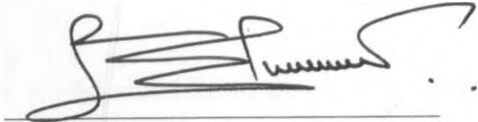


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DECLARATION

This research project is my original work and has not been presented for the award of a degree in any other university or institution of learning.



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Finally, to the staff at Dominion Farms for responding to my questionnaire in a short notice.

DEDICATION

I dedicate this research proposal to my parents, my brothers and sisters. Without their love, encouragement and support I would not have been able to complete this program at the University of Nairobi.

Finally to my wife Jullie and my children for your love and support, patience and understanding. Without you I would not have seen the dawn of this success.

ABSTRACT

Downsizing is one form of restructuring strategy in which a firm reduces the number of staff, its overall size and scope permanently with the ultimate goal of greater profitability. Effects of downsizing on surviving employees in the Dominion Farms, Siaya County, Kenya, is a topic conceived out of the researcher regular interaction with senior management of their organization. The objective of the study is to provide an understanding of the effects of staff downsizing on the surviving employees and the continued performance of the Dominion Farms. This study tries to closely examine the effects of downsizing in the context of surviving employees' psychological contract with the organization, It also contributes to the development of effective interventions for dealing with organizational change. Using the data from the survey, this paper investigates the impact of surviving employees' attitudes of affective and continuance, commitment, general and specific job satisfaction, perceived organizational support and the behavior performance, effort, turnover intention and absenteeism.

Downsizing survival was directly and indirectly associated with organizational commitment, survivors reported less commitment than unaffected employees. In addition downsizing survival was positively associated with job related stress and negatively associated with organizational support which translated into surviving employees' low level of commitment. It's targeted that the study will help managers to address such questions as well as to whether downsizing is an appropriate management approach especially during an economic down turn. The limitations are acknowledged and recommendations for further studies have been suggested to enable other scholars to examine this aspect exhaustively with different points.

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CHAPTER ONE: INTRODUCTION

1.1 Background of the study

The intentional elimination of positions or jobs continues to be a popular management technique for restructuring organizations Cameron, Freeman and Mishra, (1991); O'Neill and Lenn, (1995). It is an activity argued to be applicable to both declining and growing organizations and is typically portrayed as a means to lower overheads, simplify bureaucracy, speed decision making, facilitate communication, enhance entrepreneurship and increase productivity Cascio, (1993). Downsizing is one form of restructuring strategy in which a firm reduces the number of staff, its overall size and scope permanently with the ultimate goal of greater profitability Diwan (1994).

Even though downsizing has been prevalent and has affected millions of workers, downsizing has not been precisely defined by many authors. Therefore, different concepts, different levels of analysis and different measurement criteria have been applied to this single construct Cameron et al., (1993). Cameron and others report that the terms encountered as synonyms of downsizing include resizing, declining, restructuring, reorganizing, re-engineering, learning-up, streamlining, reduction-in- force, rightsizing, retrenching, slimming, researching, nonadaptating, consolidating and many others. Each of these concepts may share some meaning with downsizing, but each may also produce different connotations and criteria for assessment. Downsizing should be clearly defined in order to be precisely measured.

The current global economic crisis has led to many organizations to downsize in an effort to cut costs quickly and increase productivity. Organization's ability to reap the intended benefits of downsizing however, is dubious. Much of the existing downsizing research falls into one of the two categories: 1) Downsizing effects on organizations performance and 2) surviving employee's morale and well being. In general, researchers in the first category as Guthrie & Datta, (2008) report mixed effects of downsizing on various performance outcomes, while researchers in the second category as Bergmann, Vanderheiden & Roraff, (2004) report consistent negative effects of downsizing on the attitude and the well being of survivors. This is particularly true for employees who perceive the downsizing process to be unfair, (Armstrong – Stassen, 2004)

1.1.1 Downsizing

Organizational downsizing constitutes of a set of activities, undertaken on the part of the management of an organization, designed to improve organizational efficiency, productivity, and /or competitiveness. Downsizing represents a strategy implemented by managers that affects the size of the firm's workforce and its work process (Cameron et al., 1993). This definition will be one used in this research. It has become the most adopted by succeeding authors, such as: (Freeman and Cameron, 1993; Kozlowski et al., 1993; and Mishra and Mishra, 1994). Downsizing and mass layoff are certainly not a new phenomenon triggered by the rise of the financial crisis, but this trend which had started already in the 1980's and 1990's, was on going even in the time of labor market shortages. In the 21st Century, Organizational restructuring through downsizing is a popular solution in order to survive in a competitive market Guthrie and Datta, (2008). Even companies that are well run and financially successful use layoffs as part of their

regular business strategy to stay on top of their game. However, evidence for the effects on firm performance is inconclusive Datta et. al, (2010) and even with firm performance, data suggests that labor productivity of the remaining work force decreased (Baumol, Blinder and Wolff ,2003).

Especially in times of crisis, organizations depend on the commitment of their employees Baumol, Blinder and Wolff (2003). It is safe to say that lay offs have serious effects on all the individuals involved, especially on the so called downsizing victims and survivors. There is a general agreement that downsizing results into reduced organizational commitment among survivors Datta *et al* (2010). Therefore, lowered commitment of employees after painful downsizing periods is identified as one of the reasons why downsizing often does not show the intended long term effect Brockner, (1998). The effects of downsizing extend beyond those employees who lose their jobs. Downsizing may also alter the work environment for those workers who remain members of the organization here in referred to as ‘survivors’. Survivors far outnumber the victims of downsizing, making survivors an important population for social science research as this one.

Prior research has shown that downsizing can have profound effects on survivors (i.e those who remain employed subsequent to downsizing) behavior including ,for example job involvement, Allen, Freeman,(2001) good citizenship behavior, withdrawal, work effort and productivity Bies, Martin & Brockner (1993). While we know quite a bit about survivors, immediate reaction to downsizing, we have only a limited understanding of the survivors’ long term behavioral responses particularly in terms of the survivors’ willingness to remain with the firm subsequent to the downsizing.

Evidence suggests that an organizational downsizing whether or not ones job security is threatened and deeply affect the attachment survivors feel towards the organization Brockner, Groover & Reed (1987). Surviving employees may perceive that the organization is not committed to them, thereby reducing their willingness to remain with the organizations Moorman & Fuller (2001). A reduction in organizational attachment is also a powerful determinant of voluntary turn over according to Mitchel & Lee, (2005).

As companies downsize to cope with the current economic crisis, they are witnessing a growing mix of emotions experienced by staff onboard. Having retained their strongest performers, company leaders are perplexed and bewildered by outbursts of temper, attitude and reduced productivity from some of these employees. The host of emotional and health problems exhibited by survivors of downsizing is often referred to as post downsizing stress syndrome. This is not an officially recognized clinical diagnosis that is given by mental health professional, but often helps those in business put a name to the collection of enigmatic behaviors they are encountering on the job (Carol Webster, 2009).

1.1.2 Downsizing and survivors reactions

The centrality of the exchange relationship between employees and employers in predicting the level of organizational commitment among workers raises the question: What happens to commitment in the context of downsizing? Downsizing may have effects for both the process of work and the social environment in which the work takes place, resulting to lower levels of commitment among downsizing survivors. For example one common expectation of management following a wave of downsizing is that output

level will not decline even though they are fewer to complete the task Cappelli et al (2001). This suggests that survivors work experience may change because downsizing results in an altered task structure, with each worker responsible for a large amount of work or a greater number of job tasks than before. Again survivors may resist these demands by withdrawing or lessening their commitment to their organization.

Downsizing may also change the work environment by altering the relationship among coworkers. Some theorists have argued that the insecurity generated by downsizing creates a much more competitive environment for employees, one in which each employee is primarily concerned with saving his/her own job. This could be interpreted as a shift from a collective commitment to an individually based orientation. Therefore downsizing survival maybe related to reductions in the willingness of coworkers to cooperate and assists one another with job tasks potentially impairing organizational functioning.

1.1.3 Dominion Farms Yala Swamp

Dominion Farms Limited is an American-owned, Kenyan-registered company that operates a modern, irrigated farm on a 17,000-acre leasehold in western region of Kenya. The company's products include long-grain rice, tilapia fish, rotation crops and a number of by-products related to those crops. By virtue of its remote location, the farm is highly vertically integrated and relies upon crop by-products for much of its fertilizer and animal feed (Joyce Opondo explained in her Environmental Impact Assessment report, 2006). Irrigated rice production commenced in 2006 and acreage under rice continues to increase as the balance of the leasehold is reclaimed and developed. Dominion's dam on

the Yala River forms a 1,100-acre water storage reservoir for commercial and local domestic uses and will also serve as a source of energy for a hydro-electric plant now under construction. Eight miles of reinforced dikes downstream of the dam protect the farm from seasonal flooding and miles of main canals, secondary canals, check structures and gates provide irrigation water to the rice fields. A major canal carries oxygen-rich water directly to Lake Kanyaboli in order to recharge this important source of domestic water that was previously in decline due to stagnation according to the Farms' Aquaculturalist Enos Mc Were yearly report,(2007).

Dominion's Prime Harvest Rice and Tilapia are recognized for their high quality and freshness. As most of the rice reaches the consumer in one and two-kilogram bags less than one month after it is harvested, it compares favorably with imported rice shipped in bulk from Asia and handled by multiple parties before being packaged and sold at retail. Prime Harvest Tilapia is currently sold as whole fish in northern Nyanza Province. Commencing in mid-2010, fresh tilapia filets (as well as whole fish) will be available in grocers' coolers throughout the Province and expanding to include most of Kenya by 2011(Dominion farms newsletter May 2010)

Dominion Farms entered the industry as a major employer in the western region from 2004 and hit the peak in the year 2007 with 490 permanent employees and over 400 daily casual workers in the farm at any given time. The management of Dominion farms believed that employees just like any other resource in the organization could easily be substituted, like paper clips or tractor parts and that people are easily interchangeable or replaceable with one another. They viewed staff cost as the single largest cost component

and that during economic down turn, trimming the payroll could be an easier way to maintain or increase profitability in the short run subsequently the organization adapted a multiple downsizing strategy to keep a float. The downsizing strategy has also been driven by the technological advancement leading to high level of farm mechanization. The organization has not improved its bottom lines against a backdrop of massive job loses and at the same time there is a serious panic owing to job insecurity for the surviving employees.

1.2 Statement of the Problem

The dynamism in the business environment dictates that executives continually change their strategies in order to remain relevant in the market place. Sundaram & Inkpen (2004) largely classify the business environment into two parts – macro environment which includes economic, technological, political and socio-cultural dynamics; and the task environment characterized by the actions and reactions of the competitors, suppliers, partners and customers.

Downsizing has from time to time been blamed on tough economic conditions. Periods of economic slowdown are characterized by reduction of the purchasing power of the customers which ultimately depress the revenues of the firm Lurie, (1998). Management teams are therefore forced to engage in cash saving initiatives which may call for cost savings. Given that employees' costs are the biggest controllable cost components of most organizations, staff headcount reductions become imminent (Vehtera et al, 1997). While staff downsizing in Dominion farms was aimed at alleviating the economic challenges that it was facing, it still continues to struggle. 2008/2009 financial report showed an operational loss of more than ksh.300million, this was more than the loss in

the previous years report, and was after a massive staff cutback in September 2007. This indicates that downsizing did very little in improving its bottom lines. The farm is still faced with multiple challenges and has continued to reduce staff numbers from time to time. Since after downsizing, staff turnover necessitates the farm to hire more staff resulting in a vicious cycle of retrenchment. I attributed the huge operational losses mostly to operational inefficiencies, management decisions, and to a great extent surviving employees' commitment, attitude and productivity.

In theory downsizing is presumed to have positive outcome for the organization. In many situations, downsizing did accomplish what management had intended and in other unintended and negative consequences resulted. Although organizations continue to use the downsizing as a cost cutting strategy, they are beginning to weigh the relative costs and benefits against the negative impacts downsizing has on employees. Most of the research literature on downsizing has addressed its significant negative impact especially for individuals.

Downsizing researchers state that survivors' reactions aggregate to impact organizational effectiveness. From both theoretical and practical view point there exist a need for a more comprehensive understanding of downsizing effects on the individuals who remain with organization. This research intends to study the prevalent behavior and attitudes from among the survivors after staff downsizing.

Having looked through the recent literature on staff downsizing, social scientists have been slow to examine how staff downsizing affect the work experience of survivors. Instead much of the literature about downsizing survivors has focused on procedural issues, particularly how the actual process of downsizing was implemented and how the fairness of that process affects outcomes such as job satisfaction and organizational commitment but what remains unclear is if –and how- downsizing alters the relationship between the employers and the employee, the content of the job and the work environment. At Dominion Farms there has been multiple staff downsizing programs carried out frequently since September 2007, my worry is that, the strategy does not seem to yield the desired results. While the victims have very little to do with the future performance of the farm, the focus has to change to address the impacts of such strategies on the survivors of the organization. The fact is that downsizing alone will not fix a business strategy that is fundamentally flawed, Casio & Young, (2003). This study will try to examine other dimensions including looking at the perception of the survivors of downsizing and how these perceptions affect their work at the Dominion Farms. This study also intends to find out how the organization is balancing staff downsizing in the wake of operational expansion program.

Hannah K. Knudsen and J Aaron Johnson,(2003) in their study on Downsizing Survival; the experience of work and organizational commitment, observed that, although downsizing has become a common feature of work places, the existing literature has focused on the effects of how downsizing is conducted rather than how downsizing affects the experience of work for downsizing survivors. Up to date the Kenyan economy is still characterized by relatively high levels of unemployment and / or

underemployment resulting from saturated labour market, relative to the job placement opportunities (Central Bureau of Statistics, 2006 and World Bank Institute, 2008); and that the review of literature did not shed light on the implications of downsizing on the survivors in the Kenyan context

1.3 Research objectives

The objective of this study was to provide an understanding of the effects of staff downsizing on the surviving employees and the continued performance of the organization (Dominion Farms).

1.4 Value of the study

This study will come up with suggestions that will help organizations redesign work processes so as to reduce job related stress and engage in organizational practices that demonstrate organizational support for surviving employees. This study will also help managers to address such questions as to whether downsizing is an appropriate management approach especially during an economic downturn and that if downsizing is inevitable then what can be done to ensure that through this exercise the organization emerges stronger.

Managers will redirect their focus on understanding the consequences of downsizing and arm themselves with the mitigating measures that ensure the delivery of the desired outcome. It will also add to the existing literature some knowledge regarding fairness, organizational commitment and the survivors' perception in the context of corporate downsizing

CHAPTER TWO: LITERATURE REVIEW

2.1 Staff downsizing

Layoff refers to a work force reduction entailing the involuntary departure, not for cause, of one or more employees. It is the involuntary loss of one's employment or the removal of people from a work force. This research does not consider temporary or seasonal job loss as layoff. Research at this level also includes investigations of downsizing impacts on financial well-being, health, personal attitudes, family relationships, and other personal factors Kozlowski et al., (1993). Earlier studies of layoffs have tended to focus on the antecedents of layoffs Graham H.T, (1998) or the consequences of layoffs for the individuals who were laid off Fields,D.L, (2002). Those persons laid off are referred to as victims because they lost their jobs involuntarily due to an action, such as a layoff or reduction-in-force. The individuals who lose their jobs are explicitly affected by downsizing; therefore, most research on the impacts of downsizing deals with its effects on terminated personnel. In addition, the majority of research emphasizes the negative outcomes of downsizing for individuals who must leave the organization Kozlowski et al., (1993). There is another equally important group of employees to be concerned about, that is, the survivors. Survivors are employees who remain with the organization after downsizing the work force; they are the counterparts to the victims of a layoff. Survivors can also be defined as anyone in an organization that is involved in a layoff who does not lose their job because of the layoff. Survivors react to layoffs in a variety of ways. The survivors' reactions to a layoff can be referred to as the changes in the behavior of employees (survivors) from a pre-layoff environment to a post-layoff environment. The

implications of survivors' reactions to layoffs are viewed as a potentially important topic for practitioners and theory of organizational behavior.

2.2 Contextual Factors Affecting Downsizing

The ever changing business environment dictates that executives continually change their strategies in order to remain relevant in the market place. Sundaram & Inkpen (2004) largely classify the business environment into two parts – macro environment which includes economic, technological, political and socio-cultural dynamics; and the task environment characterized by the actions and reactions of the competitors, suppliers, partners and customers. Downsizing has from time to time been blamed on tough economic conditions. Periods of economic slowdown are characterized by reduction of the purchasing power of the customers which ultimately depress the revenues of the firm Lurie, (2004). Management teams are therefore forced to engage in cash saving initiatives which may call for cost savings. Given that employees costs are the biggest controllable cost components of most organizations, staff head count reductions become imminent (Vehtera et al, 2002).

Research and development in various fields bring forth new technologies that are cheaper or more productive. Love and Nohria (2005) further identified that new production lines may result in more preferable products that customers appreciate and wish to be recognized with. These shifts in taste and preferences will be seen in the dwindling sales volumes by the firm that does not change its production lines. In a bid to remain competitive business leaders must evaluate the possibility of replacing the ancient

machinery Amabile and Conti, (1999). Such a move may result to staff layoffs if the new machines require less heads to run it.

The entry of new players into the market place may result in reduces sales revenues of the incumbents. Higgins (1995) concludes that firms must therefore re-evaluate their operations in order to remain relevant in the market. The process of re-evaluation may include the implementation of cheaper technologies or reduction in unnecessary costs. Both these initiatives may have staff headcounts implications because cheaper technologies may require fewer personnel numbers while unnecessary costs may include idle staff whose jobs are no longer relevant for the business.

Changes in the regulatory framework may necessitate business t radically re-evaluate their operations Richtner, (2006). For example an increase in the capital reserve requirement by the Central Bank may necessitate smaller banks to merge because of their inability to individually raise such large amounts of capital. These mergers between small operators in order to form a bloc may result in staff layoffs since all employees may not find suitable opportunities in the combined whole without creating duplications and conflicts – for example there would not be two chief executives in the company.

2.3 Downsizing Implementation Strategies

The downsizing literature reveals that a number of distinct implementation strategies have been identified. Cameron, Freeman, and Mishra (1991, 1993) have conducted one of the most extensive and systematic studies of corporate workforce downsizing and reported three major

findings regarding downsizing implementation strategies. First and foremost, they identified and differentiated between three distinct types of downsizing implementation strategies. That is, a workforce reduction strategy, an organization redesign strategy, and a systemic strategy. An overview of the downsizing implementation strategies is exhibited in Table 1.

Table 1 Downsizing implementation strategies

	Workforce reduction strategy	Organization redesign strategy	Systemic strategy
Focus	Workers	Jobs and units	Culture
Target	People	Work	Status quo processes
Implementation time	Quick	Moderate	Extended
Temporal target	Short-term payoff	Moderate-term payoff	Long-term payoff
Inhibits	Long-term adaptability	Quick payback	Short-term cost savings
Examples	<ul style="list-style-type: none"> •Natural attrition •Hiring freeze •Early retirement •Buyout packages •Layoffs •Retrenchments 	<ul style="list-style-type: none"> •Abolition of functions •Merging of units •Job Redesign •De-layering •Reducing overall work hours 	<ul style="list-style-type: none"> •Staff involvement •Simplification of processes •Bottom-up change •Continuous improvement


Source: adapted from Cameron et al. (2000)

The workforce reduction strategy, often referred to as the “layoff strategy” Ryan & Macky, (1998: 38), concentrates primarily upon the elimination of headcount and the reduction of the overall number of employees. It encompasses activities, such as layoffs, retrenchments, natural attritions, early retirements, hiring freezes, golden parachutes, and buyout packages Cameron et al., (1991; 1993). This strategy is frequently implemented in a reactive manner as a cost-cutting measure and may serve as a short-term response to declining profits (Ryan & Macky, 2004).

According to Cameron (1994), such “grenade-type” (p 198) approaches to downsizing are rarely successful and tend to be negative in their consequences. The organization redesign strategy focuses predominantly upon the elimination of work, rather than reducing the number of employees Luthans & Sommer, (1999). It encompasses activities, such as abolishing functions, eliminating hierarchical levels (de-layering), groups, divisions, products, redesigning tasks, consolidating and merging units, and reducing overall work hours. Organization redesign strategies are commonly regarded as being difficult to implement quickly as this requires some advanced analysis of the areas concerned Cameron et al.(1991). The systemic strategy is fundamentally different from the former two strategies in the sense that it appears to embrace a more holistic view of organizational change. Thus, downsizing ought to embrace all dimensions and aspects of the organization, including suppliers, customer relations, production methods, design processes, and inventories Ricketta & Van Dick , (2005). Systemic strategy focuses primarily upon changing the organization’s intrinsic culture and the attitudes and values of its employees Luthans & Sommer, (1999). Hence, downsizing is viewed as “a way of life” Filipowski, (1993: 1) and an on-going, continuous, and incremental process Cameron et al., (1991). Within this framework, employees are not seen as the primary target of downsizing, but considered to be resources in an attempt to produce and incorporate downsizing ideas (Cameron, 1994).

Cameron and his associates have also compartmentalized downsizing on the basis of the *depth* and *breadth* of available downsizing strategies. This is depicted in Table 2.

Table 2 Depth and breadth of downsizing

Increasing <i>depth</i>	Increasing <i>breadth</i>		
	Workforce reduction strategy	Organization redesign strategy	Systemic strategy
	<ul style="list-style-type: none"> •Natural attrition •Layoffs/retrenchments •Early retirements •Buyout packages 	<ul style="list-style-type: none"> •Layer elimination •Unit combination •Product removal •Process rearrangement 	<ul style="list-style-type: none"> •System analysis •Culture change •Bottom design

Source: adapted from Cameron et al. (2000)

According to Cameron et al. (1994), organizations that incorporate a greater number of actions of the same category of implementation have more *depth* in their overall downsizing strategy. Conversely, organizations that employ a variety of strategy types have more *breadth* in their strategy. The results of a four-year study of 30 American organizations that had engaged in downsizing activities have disclosed that organizations were generally more likely to have depth rather than breadth in their overall strategy. This revelation can be attributed to the fact that most downsized organizations embarked upon workforce reduction alternatives rather than employing a multiplicity of downsizing strategies (Cameron, 1994).

2.4 Effects of Staff Downsizing

A major finding in the downsizing literature (Cascio, 2004) is that most organizations do not accomplish the desired improvements, but instead experience an escalation in negative consequence. A survey of 1005 firms shows that downsized firms between 1986 and 1991 found that only forty-six(46) percent actually reduced expenses, only thirty-

two(32) percent actually increased profits, only twenty-two(22) percent actually increased productivity, and only seventeen(17) percent actually reduced bureaucracy, although each of these goals was intended.

Downsizing is viewed as having a profound effect on the organization and the personnel including those who are terminated and those who survive. Meyer et al. (2002) state that employees who remain with the organization will also be affected by downsizing strategies intended to improve organizational flexibility, increase employee responsibility, and streamline operations. For example, employees may respond with reduced trust and organizational commitment when the organization breaks its 'psychological contract' with them. Downsizing may have unintended negative consequences for individuals and organizations Cameron, (1994); Cascio, (1993); Kozlowski et al., (1993). Brockner et al. (1992) state that some managers report that layoffs have a decidedly negative effect on their subordinates' productivity, morale, and overall commitment to the organization. While other managers report that their subordinates respond very differently even within the same organization or work group, considerable attention has been given to the effects of downsizing on individual employees.

Researchers in management science and psychology explain the kinds of responses that can be expected from survivors of such corporate change. Researchers report such downsizing effects as: feelings of job insecurity, anger, job stress, decreased loyalty and organizational commitment, lowered motivation and productivity, and increased resistance to change Skarlicki D.P and Kulik,(2005). The current literature on downsizing

presents a great variety of dependent variables, such as organizational trust, particularly at the individual and organizational levels. However, these dependent variables do not have any unifying theoretical theme which contributes to an overall view of the impact of downsizing situations on an organization and its members (Shaw and Power-Barrett, 1997).

Literature that examines the survivors of downsizing found that survivor's syndrome describes a common set of symptoms that emerges in layoff survivors. These symptoms include guilt, anxiety, fear, insecurity, anger, and in more severe cases, depression or other emotional and physical ailments. Survivor's syndrome also refers to the way some survivors react when many of their friends and colleagues are forced to terminate their relationship with the company Noer, (1993); Cascio,(1993). Baumohl (1993) also states that some survivors feel relieved; others experience guilt; and still others feel anxious, wondering if they will be next to lose their jobs. Brockner and his colleagues conducted several studies to determine survivors' reactions to downsizing Brockner et al.(,2002). Their work was based on equity theory which posits that employees' work outcomes (e.g., salary, rank) are commensurate with their work inputs (e.g., performance) and on stress literature. The conceptual framework of this work suggests that layoffs have the potential to affect survivors' psychological states which, in turn, have the potential to influence a variety of work behaviors and attitudes. Stress literature suggests that post-layoff work environments can be quite stressful, leading to worry, anger and an array of other physical and emotional symptoms.

Survivors of downsizing perceive a variety of effects. In addition to the effects mentioned above, researchers have reported such effects as: unfairness in job layoff, unfair treatment of the layoffs, perceived (procedural) justice, job performance, job security, turnover intentions, coping strategies, supervisor support, co-worker support, optimism, job satisfaction, organizational morale, effectiveness of communication, and envy of those taking advantage of separation incentive programs. These downsizing effects are of particular interest to supervisors since they will be faced with a work force at least partly staffed with survivors of downsizing.

2.5 Staff Downsizing and the Survivors' Syndrome

Since the 1980s organizational strategies have seen the rise and popularity of downsizing Mossholder et. Al, (2000). Downsizing is the reduction of the size and cost of an organization and the redesign of the work processes. It is implemented in order to improve organization efficiency, productivity and competitiveness Luthans and Sommer (1999). A central focus of most definitions is that the intended purpose is regenerative. However, more recent studies are questioning the financial benefits of downsizing strategies, Farrell and Mavondo, (2005) and highlighting the negative effects of a major loss in human capital, Nixon et.al, (2004). Though originally used for problematic organizations, it reportedly is a common response to an emergent global environment. According to Mirabal and De Young (2005: 39): "incorporating downsizing in the strategic management plan can increase organizational efficiency by maintaining a focus

on core competencies that promote competitive advantage and increases (or at least maintaining) current levels of market share.”

The practice of downsizing has become such a reality today that its detrimental effects have become accepted by management in many organizations as part of organizational success and progress. Because of the failure to consistently provide the anticipated benefits, whilst maintaining an increasing role in organizational change, Cascio, (1993), there has been a surge in the amount of research generated examining the psychological consequences for all involved in downsizing. It is widely accepted that downsizing has a drastic effect on employee morale and often leaves organizations populated with depressed survivors. Research indicates that these remaining employees suffer the negative effects of downsizing just as profoundly as the victims of retrenchment, Baruch and Hind, (2000). Survivor Syndrome has become known as the emotional and attitudinal characteristics of those who have survived a downsizing, Allen et al., (2001).

Research indicates that survivors exhibit a plethora of problems, such as de-motivation, cynicism, insecurity, demoralization and a significant decline in organizational commitment, Baruch and Hind, (2000). The emotional after-effects of fear, anger, frustration, anxiety and mistrust pose a real threat to performance and productivity as a smaller workforce is restructured to perform an increasing number of responsibilities, Mirabal and De Young, (2005). According to Shah (2000: 101), ‘A firm’s post-layoff success is contingent upon the reactions of the people in its surviving workforce’. Therefore it is critical for future organizational success that survivors be well managed.

Recent research endeavoring to clarify the characteristics of 'survivor syndrome' has presented a discrepancy in the traditional downsizing literature. Evidence that such a syndrome may not actually exist has presented an interesting view, particularly for management, Baruch and Hind, (2000). Even in early 'survivor syndrome' literature there was some evidence that effective management of downsizing can control for negative effects on the survivors, Brockner et al., (1992). Interest over perceived fairness and job security and commitment prior to the down-size were shown to significantly manipulate survivor reactions, Isaksson and Johansson, (2000). In a study by Carswell (2005) it was noted that the way in which the process was implemented went some way to improving the financial performance of downsized firms. Likewise, Sahdev (2004) found contrasting reactions from staff in two financial and manufacturing organizations experiencing downsizing and suggests that actions can be taken by organizations to avoid negative survivor reactions. As evidenced in a recent study, Cross and Travaglione (2004) argue that downsizing can be successful if the retrenchment programmes encourage the least valuable employees to leave. Therefore, evidence that downsizing has not necessarily had detrimental effects for some organizations has created fundamental discrepancies in the downsizing literature.

It is evident that organizational literature that such behaviors and attitudes as commitment, satisfaction, perceived organizational support, performance, turnover intention and absenteeism are essential for organization productivity. The present longitudinal study endeavored to examine the survivors and the literary argument of a

'survivor syndrome', as well as challenge the counter-argument that the downsizing literature is dominated by a myth. First the literature on the variables of commitment, job satisfaction, perceived organizational support, performance, effort, turnover intention and absenteeism will be reviewed.

2.6 Downsizing and considerations for employees

Layoffs affect not only those workers whose employment is terminated, but also 'survivors' of the downsizing process, whose continued efforts remain vital to organizational success, Brockner (1992). Remaining workers form attributions about their employers' intentions after observing how downsizing is carried out. These attributions influence their subsequent discretionary efforts and their willingness to stay with the organization. We consider a range of practices that may affect such attributions.

Downsizing practices may affect survivors by addressing the job insecurity that downsizing produces. Job insecurity generates stress, which in turn may manifest itself in dissatisfaction, intent to leave the organization, greater absenteeism, higher turnover, and disability claims, Boroson and Burgess, (1992); Mishra and Spreitzer, (1998) Post-downsizing workers are more motivated at moderate than at high levels of job insecurity, Brockner, Tyler and Cooper-Schneider, (1992). Credibly reestablishing some job security after downsizing should increase most workers' post-downsizing productivity and thus be associated with better organizational performance. This may not require guarantees of continued employment. Indeed, many organizations do not guarantee long-term employment to survivors, but instead acknowledge downsizing as part of a

continuous process of adaptation to changing competitive conditions, Devries and Balazs, (1997). In lieu of guarantees, organizations may offer survivors ways to enhance their marketability, such as skills training and career management training, Louchheim, (1991/1992). Survivors who believe that their organizations are committed to keeping them employable may reciprocate with greater commitment to their current jobs, and such organizations may also be more likely to retain valued workers who have good labor market opinions.

Organizations may also preserve at least some trust between managers and employees by increasing the amount and frequency of communication with employees during a downsizing program, Mishra and Spreitzer, (1998). Offering employees a detailed convincing rationale for initiating downsizing, Feldman and Leana, (1993) reduces survivors' subsequent job insecurity. The degree of dignity and compassion afforded to terminate colleagues during the intrinsically demeaning downsizing process, Feldman and Leana (1993) also affects survivors' expectations about how they will be treated in the future. Violation of employees' dignity can arouse feelings of compassion and indignation among survivors that can reduce their commitment to the organization and their productivity.

Thus we posit that among downsizing organizations, those that implement practices displaying considerations for employees' morale and welfare will perform better than those that do not. Attention to these issues should increase discretionary efforts and should also reduce subsequent voluntary turnover among survivors with marketable

skills, enhancing the firm's pool of human capital. Specifically, those organizations working to increase survivors' sense of job security and marketability, to preserve the dignity of terminated employees, to carefully explain the reasons behind downsizing decisions, to communicate more extensively with employees during the downsizing process and to counsel survivors throughout the process ought to have better performance following the implementation of a downsizing program.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Research Design.

This is a descriptive survey. It has been deemed preferable since it is the design for doing research which involves empirical investigation of a particular phenomenon within its real life context. According to Nixon Muganda (2010), a descriptive study is undertaken in order to ascertain and be able to describe the characteristics of the variables of interest in a situation. It is also preferable because the study is to be carried out on one specific organization. A descriptive survey also allows a researcher to describe a unit in details in context and holistically (Orodho, 2003)

3.2 Data Collection

The researcher used the questionnaire and as the main research instrument for collecting data. The selection of this tool was guided by the nature of data to be collected, the level of literacy of the population under study as well as by the objective of the study. Since this is both a quantitative and qualitative research and the data collected was gathered directly from the respondents through the questionnaire, the data will be mainly from a primary source. The questionnaire were distributed to all staff members, the respondents were given time to complete answering the questionnaires, and they are then collected on an agreed upon date, Kombo & Delno, (2006). The questionnaire consisted of two sections, section A sought to get the background information of the respondent and the organization, section B sought to gather information about the effects of staff downsizing on the surviving employees and the organization

3.3 Data analysis

Data was analyzed based on descriptive statistics. It involved coding the information about specific characteristics or attributes and using descriptive statistics like frequency distributions, measures of central tendency, these includes mean median and mode. Inferential statistics such as regression analysis will be used to help predict variable from other variables. (Kothari 2004).

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSIONS

4.1 Response Rate

The research targeted 180 respondents and 130 returned questionnaires representing 72.22% response rate. This rate is adequate and consistent with Gay (1981) argument that where there is minimal discrepancy in characteristics between the target groups and actual number of respondents then a minimum of 50% data response is considered reliable.

4.1.1 Background Information of the Respondents

A majority of the respondents were male representing a frequency of 95 which is 73%, the female respondents were 35 representing 26.9%

Table 3: Illustration showing distribution of respondents by gender

Gender	Frequency	Percentage
Female	35	26.9
Male	95	72.2

Source: survey data, (2011)

Out of this group of respondents, 61.51% are married while 38.4% are single. Though this may not be a variable directly affecting achievement of the objective but it justifies and underlines the maturity and responsibility levels of the respondents. The majority i.e. 75% of the respondents are in the age set of 20-30 years, they represent 57.6% of the respondents. Such group is still at the early stage of career development and usually characterized by high ambition and commitment to their first job. The distribution of respondents per age is illustrated below.

Table 4: Showing distribution of Respondents by age

Age set	Frequency	Percentage
20-30	75	57.6
31-40	30	23.1
41-50	10	7.6
51 and above	15	11.5

Source: survey data, (2011)

Out of the total respondents, 50% have served for 1-5 years. This points out the fact that they witnessed the downsizing exercise and therefore can be categorized as survivors. This underlines the authenticity of information and data used in this research project. The other group i.e. 34.6% have served for less than one year and can be categorized as new entrants who were hired either to replace the victims or those who left voluntarily. 61.5% of the respondents are employed in permanent and pensionable basis. 11.5% on temporary terms and 35% has been absorbed on contractual terms. From the findings 19.2% have 0 level qualifications of academics; 26.91% have attained certificate level; 42.3% i.e. majority have diploma qualifications partly, 11.5% are bachelor's degree holders. None of the respondents indicated that they had Master's degree or PhD qualifications.

Table 5: Showing distribution respondents by academic qualifications

Qualifications	Frequency	Percentage
PhD	0	0
Masters	0	0
Bachelors	15	11.5
Diploma	55	42.3
Certificate	35	26.9
O'level	25	19.2

Source: Survey data, (2011)

It was established that the most affected set of employees were the unionisable staff posting a high mean of 4.11 response rate in agreement. The second category was the casual staff with a mean response rate of 3.5. The middle management was third most affected category with a mean of 2.96 and the least affected were the top management posting a mean response rate of 2.61

Table 6: Showing distribution of victims as per the category

Category	Less extent%	Moderate %	G.E %	Mean	S,D
Top management	49.9	26.9	22.9	2.61	0.62
Middle management	23	53.8	23	23	0.46
Unionisable staff	3.8	19.2	76.9	3.5	0.24
Casual staff	30.7	11.5	57.6	3.5	0.81

Source: survey data, (2011)

4.2 Employee Understanding of Downsizing

It was established that 96.1% of the respondents witnessed downsizing. Out of that, 46.1% understand to a moderate extent the meaning of the term downsizing of employees in an organization. These responses posted a mean response rate of 3.46 which indicates a generally strong understanding of the term and implication of downsizing. The study however takes a selective approach to effects of downsizing to survivors and has been operationalized by a 5 point likert scale ranging from 1- less extent to 5 - a very great extent. This is collapsed in to a great extent, less extent and moderate extent, where applicable, the 5 point likert scale has been put to ranging from 1=strongly disagree to 5 = strongly agree collapsed both sides to 2=disagree to 4= agree.

Table 7: Illustrating respondents view on the causes of downsizing in the Organization

Statement	Disagree %	Neutral %	Agree %	Mean
Organization restructuring	23.0	19.2	57.6	3.34
Unfavorable economic recession	33.51	23	42.2	3.15
De-layering	30.6	38.7	30.7	3.69
Reduction in labor costs	34.5	15.3	49.9	3.23

Source: survey data, (2011)

The results indicate that 57.6% of the respondents viewed the downsizing process as being an attempt to restructure the organization, a high mean response rate of 3.34 validates this agreement. In a related issue concerning considering delayering as possible cause of the downsizing, 50% consent and the mean score of the responses is 3.69. These findings are in agreement with Luthan and Summer (1999) assertion that the organizational design strategy is the most common reason for downsizing and it focuses predominantly upon elimination of work rather than reducing number of employees. It encompasses activities such as abolishing functions, eliminating hierarchical levels (de-layering), redesigning tasks through consolidating and merging units. 42.2% of the respondents agree that the downsizing exercise may have been triggered by unfavorable economic conditions experienced by the organization, while 23% are neutral on the issue and 34.5% of the respondents disagree. The mean score of these responses is 3.15 and a standard deviation of 0.6 this indicates that respondents general feeling is that the downsizing is exercise may have been precipitated by economic factors; The result

confirms Lurie, (2004) and Vehtra et al (2002) observation that downsizing has from time to time been blamed on tough economic conditions, periods of economic slowdowns are characterized by reduction of the purchasing power of the customers which ultimately depress the revenues of a firm. Management teams are therefore forced to engage in cash saving activities and initiatives which may call for cost savings; and given that employees costs are the biggest controllable cost components of most organizations downsizing is the natural reaction and result. This argument is further augmented by the findings and responses on reduction of labor costs as the possible cause of the downsizing process, 49.9% agree while 15.3% are neutral and 34.5% disagree. The responses however tally out a high mean of 3.23.

It can be concluded therefore that the farms downsizing exercise was a cost cutting process which was affected through reorganizational restructuring process.

4.2.2 Findings on criteria used in the downsizing exercise

Table 8: Showing summarized views of modalities used to identify victims

Modality	Disagree	Neutral	Agree	Mean	S.D
Poor discipline	34.5	7.6	57.6	3.15	0.86
Poor health	53.8	34.6	11.5	2.50	0.47
Natural Attrition	15.3	23	53.8	3.30	0.67
Poor performance/Appraisal	42.2	19.2	38.3	2.90	0.80
Job Mismatch	78.9	11.5	11.5	2.00	0.45
Last in First Out	69.1	7.6	22.9	2.53	0.70

Source: survey data, (2011)

It is realized that 57.6% agree that the modality followed was largely based on discipline; This compared to 34.5% who agree, and a high mean response rate of 3.15 and standard

deviation of 0.86 points to the fact that indiscipline was a criteria used to identify those who left the organization (victims) during the downsizing exercise. The responses also point strongly to the fact that normal retrenchment through natural attrition and retirements, deaths and failing health may have been another criteria used to identify victims of the downsizing exercise. The response to this criterion also raised a high mean response rate of 3.30 and standard deviation of 0.67. On the other hand 53.85% of the respondents agree that this was the criterion. This responses on the criteria confirm early findings that the intention and the drive was more intended to reduce work force, this is also in line with Cameron et al, (1991, 1993) conclusion that natural attrition, hiring freeze, early retirement and layoffs are used if the organizations strategy is to reduce work force. Other criteria such as poor performance appraisal, job mismatch and technological advancement recorded a low mean average of 2.5. This criterion may have been used but to a negligible extent.

On the overall rating, of the fairness and equity of the downsizing exercise, 53.8% of the respondents disagree that there was equity and fairness applied; while 46.1% agree it was fair. Thus 50-50 stands on the fairness and equity, and the low mean of 2.23 are indicators of the mixed conceptualization of the process usually occasioned by poor communication of the intentions by the organization. This further confirms Brockner (1992) claim that the remaining workers form attributions about their employees' intention after observing how downsizing is carried out and the attributions influence their subsequent discretionary efforts and their willingness to stay with the organization. This claim is further proved by 76.9% of the respondents (survivors) who claimed that

they were not sure if they will be working for the organization in the next 5 years. Only 19.2% were sure and 3.8% were neutral and pessimistic.

4.3 Effects of Downsizing on the Organization Performance

It was noted from the results that the responses on to what extent the downsizing exercise at the Dominion Farms helped improve performance of the firm posted a moderate 2.7 mean response rate. 53.8% of the respondents disagree that the production per unit area improved following the downsizing. The market share did not improve either with 57.6% of the respondents confirming and only 11.5% agree that the market share improved. On the same line of argument, 45% are neutral of the sales. These findings are contrary to the Diwan (1994) definition of downsizing as a form of restructuring strategy in which a firm reduces the number of staff, its overall size and scope with the ultimate goal of profitability. But on the other hand this confirms the findings of Cascio (2004) that most organizations do not accomplish the desired improvement due to downsizing but instead experience an escalation in negative consequences.

4.3.1 Effects of Downsizing on the Surviving Employees

The discussion of the findings in this section is based on averaged feelings perception of the respondents on the whole process of downsizing on the farm and how it has affected them. It is based on Brockner's (1992) claim that the remaining employees (survivors) from attributions about their employers and this can affect their performance as

individuals and collectively as a team. It is important to note that over 79.9% of the respondents are not sure whether they will be working for Dominion Farms for the next 5 years only a paltry 3.8% showing confidence that they will still be working. This is a pointer to the pessimism of the survivors occasioned by uncertainties and this goes a long way to confirm Feldman and Leana's (1993) conclusion that whether it is well communicated or not, downsizing makes survivors develop expectations about how they will be treated in the future. If they feel the victims' dignity was violated, it can arouse feelings of compassion and indignation among survivors and reduce commitment to the organization.

Table 9: Summary of findings on employee performance

Effect on performance	Disagree	Neutral	Agree	Mean	SD
Increased job performance generally	48.4	26.9	34.5	2.92	0.722
Increased absenteeism	88.3	11.5	0.0	1.96	1.21
Improved efficiency and effectiveness	46	15.3	38.4	2.88	0.83
Improved personal responsibility	19.1	15.3	59.2	3.46	0.65
Improved employee accountability	22.9	26.9	49.9	3.46	0.65
Improved employee discipline	26.8	23.0	49.9	3.30	0.71
Increased punctuality	26.8	23	49.9	3.23	0.62

Source: survey data, (2011)

The responses were rated on a 5 point scale ranging from 1: strongly disagree to 5: strongly agree, but for easy analysis has been collapsed in to disagree (D), neutral (N) and Agree (A). The mean response rate per statement and standard deviation have been used to rate the strength of the responses.

The investigations showed that there was a negative effect on employee job performance. 48.4% of the respondents disagreed that there was increased employee job performance generally to say. 26.9% were neutral while 34.5% agreed. This is response

posted a low mean of 2.92 indicating the low regard of the downsizing in relation to the performance of the employee. However on issues of punctuality, which is considered a measure of discipline, 43.9% of the respondents agree that they have improved their punctuality on duty perhaps due to the fear of being enlisted as victims. This post lay-off reaction to the post-lay off environment (Kolzerski et al 1993), such reaction is motivated by fear and mistrust. The rate of absenteeism also reduced this proved by 88.3% of the respondent who disagreed that there was increased absenteeism after the downsizing exercise. On the other hand, 11.5% were neutral while no respondents agreed of the issue of increased absenteeism. This response posted a low mean response rate of 1.96 and standard deviation of 1.12, indicating disagreement with the facts cited. It is critical that these responses be compared to the responses on the organizational performance after downsizing exercise. The responses on organization performance posted a high level of disagreement on production increase in market share and sales volumes; this is happening at a time when punctuality has improved and absenteeism record. The correlation coefficient of -0.04 was calculated between organizational performance and the individual work input. This could be attributed to reaction guided by fear rather than increased commitment; this finding in agreement with Baruch and Hind (2000), claim that surviving employees suffer a plethora of problems, such as demotivation, cynism, insecurity, demoralization and a significant decline in organizational commitment.

It was also established that the effect of downsizing on improving discipline did however work out, with 49.9% of the respondents accepting that there was improved employee discipline, similar percentage also reported improved employee accountability and responsibility; this figures can be controlled with 46.0% who disagree that there was

improved efficiency and effectiveness ; and the two responses on discipline and efficiency posted a contrasting high and low means of 3.30 and 2.88 respectively. This finding contradicts Devies and Balazs (1997) earlier findings that downsizing increases credibly some job security and post downsizing productivity to improved organizational structure rather than employee change of attitude and commitment to the organization. In these research findings, the tools of the measure of attitude included queries on job motivation, job satisfaction, organizational commitment and organizational commitment and organizational citizenship behavior. This posted an overall low mean of 2.69 indicating the minimal change in attitude of the downsizing exercise. 72.9% disagree that they experienced some bit of increased job satisfaction 15.5 are neutral and a paltry 11.5% agree. The motivational levels also took a decrease presenting a low mean response rate of 2.23. The weak relationship between organizational performance and the employee job performance could be also be attributed to better organizational structuring emphasizing job output and supervision as opposed to focusing cutting costs to raise the organization's profit margins.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND

RECOMMENDATIONS

5.1 Summary

The exercise of downsizing at the Dominion Farms may have had good intentions for the organizations, but it is evident from the results that the anticipated organizational gains did not factor in the feelings and attitudes of the survivors. These results have confirmed assertions by Cascio (1993), that because of the failure to consistently provide the anticipated benefits, whilst maintaining an increasing role in organizational change, there has been a surge in the number of organizations that still perform poorly despite trimming their work force, if the psychological consequences for the survivors and the victims alike are not considered the organization both the organization and the employees stand to lose.

This discipline and perceived employees commitment in this research have reported high means while at the same time performance and patriotism have posted low mean response rates. However, it must be emphasized that it is difficult to measure and bring out the exact survivors syndrome. Just like in recent research; Mirabal and De-Young, (2005); Baruch and Hind, (2000) Brookner et al, (1992), the way the organization manages the whole process of downsizing really matters. This research did not endeavor to measure the management of the process by Dominion Farms but even in early “survivors syndrome” literature there was some evidence that effective management of downsizing can control negative effects on the survivors. The current longitudinal study endeavored to examine the survivors’ and literature arguments on behaviors and attitudes

as well as commitment, satisfaction, perceived organizational support, performance, turnover and absenteeism

5.2 Conclusions

The practice of downsizing has become such a reality today, and that its detrimental effects have been accepted by management in many organizations as part of organizational success and progress. The attributions formed by the survivors however need to be managed and directed to positivity, because they influence their willingness to stay with the organization. Organizations may also preserve at least some trust between managers and employees by increasing the amount and frequency of communication with employees before, during and after the downsizing exercise. This may create win-win-win situation for the parties vis organization, survivors and victims' alike.

5.3 Limitations of the Study

This research study is limited by the availability of comparable research data across studies. The effects of downsizing on the surviving employees in the context of organizational commitment, and intentions to leave as captured in this study may look overemphasized owing to the fact that this study was conducted at a time that the organization was undergoing very tough economic times. It's also true that effects of downsizing are perceptive and subjective issues which are complex to operationalize and therefore they have affected the findings and discussion in the research.

5.4 Suggestions for Further Studies

Further work studies can be carried out on this ever expanding literature on effects of downsizing on survivors by examining the perception of the survivors during downsizing, or further still researchers need to explore on precautionary approaches that the organization should take to mitigate if not ameliorate the effects of downsizing in the Dominion Farms in Siaya.

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APPENDIX I

**University of Nairobi,
School of Business,
Department of business administration,
P.O Box 30197,
NAIROBI.**

Date.....

Dear Respondent,

RE: REQUEST FOR RESEARCH DATA

I am a Masters of Business Administration Student at the University of Nairobi, specializing in Human Resource Management. As part of the degree, am required to conduct a research study on the **“Effects of downsizing on the surviving employees in the Dominion Farms Siaya”**.

You have been chosen to participate in the study and I will greatly appreciate your input in responding to all the items in the attached questionnaire. This study is purely for academic purpose and be rest assured that your response shall be kept anonymous with utmost confidentiality.

Thank you.

Yours Sincerely

**Gilbert O. Nyandiga
University of Nairobi**

APPENDIX II

QUESTIONNAIRE

SECTION A: BACKGROUND INFORMATION

Please ✓ in the box as appropriate.

Gender **Male** **Female**

Age 20-30 31-40
 41-50 51-60

Marital Status:

 Single Married

Highest level of education:

 O level Certificate
 Diploma Degree
 Masters PhD

Length of service:

Less than: 1 year 1-5 yrs
 6-10 yrs 11-15 yrs
 16-20 yrs 21-25 yrs

What is your employment relationship?

(Tick as appropriate)

- a) Permanent ()
- b) Temporary ()
- c) Contract ()
- d) Casual ()

SECTION B

1 a) Has your organization downsized in the past 3 years?

Yes ()

No ()

b) If yes, to what extent do you understand the term downsizing of employees in your organization?

Tick one in the appropriate box

Not at all	1	
To a less extent	2	
To a moderate extent	3	
To a great extent	4	
To a very great extent	5	

2a) In your view, what are the major causes of downsizing?

2b) Please rate the following causes of downsizing in your organization

	Causes of retrenchment	Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly agree (5)
1	Organizational restructuring					
2.	Over employment					
3.	Unfavorable economic recession					
4.	Low generation/ productivity return					
5.	De-layering					
6.	Cost reduction exercise					
7.	Reduction in labor costs					
8.	Financial collapse					
9.	Competition					

3. In your view, which modalities are followed when downsizing in your organization?

(Please tick the appropriate box)

	Modalities of retrenchment	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly agree (5)
1.	Poor discipline records					
2.	Poor performance as a result of performance appraisal					
3.	Poor health on medical grounds					
4.	Job mis-match					
5.	Last in-First out (LIFO)					
6.	Technological advancements					
7.	Normal retrenchment and natural attrition (death)					

4. To what extent were the following employee categories affected by the downsizing.

	Employees	Not at all (1)	To a less extent (2)	To a moderate extent (3)	To a great extent (4)	To a very great extent (5)
1.	Top Managerial					
2.	Middle management staff					
3.	Unionisable staff					
4.	Casual Staff					

5. Please rate the extent to which downsizing helped to improve the performance of the farm.

	Extent of improvement/Areas	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly agree (5)
1.	Production per unit area					
2.	Increased Market share					
3.	Sales					

6. Do you think staff downsizing has helped to fix the organizations problem?

Strongly disagree	1	
Disagree	2	
Neutral	3	
Agree	4	
Strongly Agree	5	

7. Do you think that fairness and equity was applied during the staff downsizing process?

Strongly disagree	1	
Disagree	2	
Neutral	3	
Agree	4	
Strongly Agree	5	

8. The performance of the farm has significantly improved after the staff downsizing.

Strongly disagree	1	
Disagree	2	
Neutral	3	
Agree	4	
Strongly agree	5	

9. Do you see yourself working for the farm in the next 5 years so long as it exists?

Yes	
Not Sure	
No	

10. Kindly rate the security of your job.

Very insecure	1	
Insecure	2	
Not sure	3	
Secure	4	
Very Secure	5	

11. Please list five factors that in your view affect employee performance after staff downsizing.

- a) _____
- b) _____
- c) _____
- d) _____
- e) _____

12. Suggest five ways of improving performance of employees after staff downsizing.

- a) _____
- b) _____
- c) _____
- d) _____
- e) _____

14. Please rate the effect of staff downsizing on individual employee performance.

	Effect	Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
1	Increased employee job performance generally					
2.	Increased punctuality					
3.	Increased absenteeism					
4.	Reduced number of employees remaining on duty at all times					
5.	Increased employee assignment					
6.	Increased number of alcoholics					
7.	Improved efficiency and effectiveness					
8.	Improved personal responsibility					
9.	Improved employee accountability					
10	Increased corruption and unprofessional behavior					
11.	Improved loyalty to your supervisor					
12.	Improved employee discipline					

15. Please rate impact of staff downsizing on your work attitudes

	Positive Attitudes	Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly agree (5)
1	Increased job motivation					
2.	Increased job satisfaction					
3.	Increased organizational commitment					
4	Increased organizational					