

UNIVERSITY OF KWAZULU – NATAL

RE – ENGAGING SURVIVORS OF ORGANISATIONAL DOWNSIZING

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DECLARATION

I, Yogan Naidoo declare that

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- (ii) This dissertation has not been submitted for any degree or examination at any other university.
- (iii) This dissertation does not contain other persons' data, pictures, graphs or other information, unless specifically acknowledged as being sourced from other persons.
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Signature:

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ABSTRACT

Global competition means that organisations are in a constant mode of change. Organisations are therefore constantly seeking new ways to remove costs in order to remain competitive. Downsizing and in particular headcount reduction seems to be the acceptable strategy to do this, however, the survivors of such an exercise are often left to fend for themselves as little or no support is provided for them to deal with the expectations created by the new downsized organisation. The main objective of this study was to examine practical strategic interventions that organisations like Tiger Brands Snacks & Treats (TBST) could engage in so as to re – engage its downsizing survivors to align with the new business mandate. This was to be achieved through a full understanding of what downsizing is and how survivors are impacted by it. Through the use of the quantitative research approach, this study has proven successful in determining the recommendations that can be instituted with little or no additional cost to the organisation. The objective was achieved through a sampling of the approximately 150 survivors of the last downsizing exercise in early 2011. A response rate of over 71% was achieved through using an on – line questionnaire QuestionPro. Some of the salient points found in this study are that demographics do not influence how survivors respond to downsizing. This, however, requires further study as no known literature exists to corroborate this. The study also indicated that survivors viewed the fairness of the procedures used as well as the communication provided during the last downsizing was adequate. A major finding for TBST is that although survivors indicated high levels of affective commitment, there was a high correlation with them possibly wanting to exit the organisation if acceptable opportunities became available. This must be seen as a serious concern for TBST who could lose critical skills and talented employees. However, the main recommendation of the study was to find practical strategic interventions that TBST could institute in order to re – engage survivors. Over 93% of the respondents indicated that some form of intervention or combination thereof was required. However, the list of recommendations provided for respondents to select must not be seen as the only recommendations available but employers need to engage further with employees to find more re – engagement ideas.

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CHAPTER ONE

INTRODUCTION

1.1 INTRODUCTION

As organisations face growing competitive activity from both internal and external sources as well as increased pressure from consumers for low cost, high quality goods and services, the need to engage in constant cost reduction exercises is becoming the norm. Organisational restructuring and in particular downsizing to reduce headcount seems to be the accepted strategy for most organisations to adopt. However, the success or failure of a downsizing exercise is, to a large extent, dependent on those surviving the exercise and who the organisation relies upon to achieve the new business mandate.

This chapter focuses on the problem that has been identified with re – engaging survivors of organisational downsizing, who will benefit from this study as well as how they could benefit from this study. This chapter will also focus on the dimensions which have been selected for this study as well as reasons why such dimensions were chosen. The reasons why the study was limited to a certain geographical location will also be discussed. Further discussion will take place on the research question as well as the research sub – questions, objectives of the study and the proposed methodology that will be employed. This chapter will also introduce the various chapters that follow and what is contained therein.

1.2 PROBLEM STATEMENT

Mayton (2011) wrote that when employees exit a business due to downsizing, they are offered counselling and support. However, survivors receive none of this but are still expected to cope with the new demands placed on them (yet these are the employees organisations need to rely upon to remain competitive). According to Kholodova (2009), the traditional view on survivors is that leadership and management consider that those remaining in the business after a downsizing should be lucky that they retained their jobs. They should therefore automatically be more productive after the downsizing (Clark & Koonce, 1995). The reality, however, is

different. The research also indicates that survivor's often experience, amongst the myriad of negative effects, increased stress levels, low levels of affective commitment, increased workload pressures, increased levels of job insecurity as well as increased distrust towards both the organization as well as their co – workers (Noer, 1993; Clark & Koonce, 1995; Marks, 2006; Ito & Brotherridge, 2007; Kulkarni, 2008). According to Mayton (2011), however, despite years of research indicating these negative effects, little if anything is done to provide survivors with a means to cope with such effects. This often results in a workforce that does not contribute effectively to the new strategic business goals. This research problem therefore leads to the following research question:

‘What is the contribution of management and leadership as a strategic intervention to reduce the negative effects of downsizing on survivors in order to re – engage these survivors towards effectively achieving the changed business goals?’

1.3 MOTIVATION FOR THE STUDY

This study attempts to provide practical strategic interventions that leadership and management can engage in as a means of helping survivors cope within a downsized organisation. The beneficiaries of this study and the benefit they can derive are as follows:

- The management and leadership teams at TBST will be made aware that survivors respond differently to downsizing and that a successful downsizing strategy must include ways of dealing with these responses.
- Employees themselves will also be made aware that what they are experiencing can be resolved through an understanding that this is not unique to them and that there are mechanisms available for them to cope successfully.
- Other divisions within Tiger Brands as well as other organisations can also benefit from this study by understanding that although some literature may exist on how to successfully re – engage survivors back into the downsized organisation, there are also practical ways of doing so.

- Other researchers can also benefit from this study through adding to what this study has revealed and/or extending this study into specific areas of research eg does age or marital status contribute to how survivors respond to downsizing?

1.4 FOCUS OF THE STUDY

This study focuses on those aspects central to the research problem and its associated research and research sub – questions. As the literature review will highlight, the concept of survivor syndrome is a well – researched topic focusing on many different dimensions. However, this study is focused only on the strategic interventions that leadership and management can engage in to re – engage survivors of organisational downsizing (an area that seems to be lacking both in research and practice).

This study is limited to the Jacobs and Mobeni sites of Tiger Brands Snacks & Treats (TBST), a division of Tiger Brands Ltd. There are a number of reasons for this namely that since its buyout as a family owned business (Beacon Sweets and Chocolates) in 1999 into the Tiger Brands Group of Companies (and now known as TBST), has undergone four major downsizing exercises. The last exercise was conducted in early 2011. As this exercise is still relatively recent in employee’s memories, it was therefore considered an appropriate target as the location of the study. Further, only the Jacobs and Mobeni sites were considered for downsizing in the exercise of 2011. The reason is that these sites had the highest number of support staff, an area often considered easier to target for headcount reduction.

1.5 RESEARCH QUESTIONS

The problem statement and the research question contain different areas that need careful consideration in order to provide support for the problem being studied. This has led to the following research sub – questions:

- What is downsizing?
- What is survivor syndrome?

- Is there a relationship between downsizing and survivor syndrome?
- How do survivors respond when downsizing initiatives occur?
- What are the effects of downsizing on survivors?
- What is the contribution of management and leadership as a strategic intervention to reduce the negative effects of downsizing on survivors?

1.6 OBJECTIVES

Based on the problem statement and the research question, specific objectives were developed. These objectives are to determine:

- If demographics has an impact on how survivors respond to downsizing.
- Survivor's perceptions of the fairness of the processes used in downsizing exercises.
- Survivor's perceptions of the communication provided when downsizing.
- How survivor's respond to downsizing.
- The effect that downsizing has on survivors.
- What coping mechanisms are provided to survivors to deal with the negative effects of downsizing.
- How survivor's perceive their future within the organisation.
- How management and leadership can reduce the negative effects of future downsizing initiatives on the survivors.

1.7 PROPOSED METHODOLOGY

Given the research problem and sub – questions highlighted, this study will be conducted quantitatively. As this study requires that the sample selected is representative of the population i.e. the sample must display all the characteristics of the population, probability sampling (specifically simple random sampling) is the preferred choice. The survey, which is a descriptive study, will be conducted using quantitative analysis via a structured questionnaire using QuestionPro which is an online research tool. Research suggests that to gain the greatest confidence levels in the results, the correct sample size needs to be used. From the sample size

tables provided and as TBST has approximately 2 000 employees, the recommended sample size should be at least 322. However, as the latest downsizing exercise did not impact on unionised members, only selected non – union members will be requested to complete the questionnaire. This reduces the number of participants to approximately 150 hence a sample size of at least 108 is required for the results to be generalisable.

A full discussion on the research methodology used in this study is provided in Chapter Three.

1.8 CHAPTER OUTLINE

The following is a brief explanation of how this study has been structured.

Chapter One: provides an overview of the study. It focuses on the research problem and the sub – questions developed to answer the main research question. The chapter also focuses on who the beneficiaries of this study are and how they will benefit from the study.

Chapter Two: is a literature review. It is a theoretical review explaining the concepts of downsizing and survivor syndrome, how this impacts survivors and their responses to it, how it could breach the psychological contract that exists between employee and employer, what the role of leadership and management should be in a downsizing exercise, how survivors are impacted by their perceptions of fairness and communication and concludes with which factors can contribute to a reduction in survivor syndrome.

Chapter 3: focuses on the research methodology used to conduct this study. It explains the differences between qualitative and quantitative research with reference to this study. It also explains why the focus of the study was on the TBST Jacobs and Mobeni sites only including how the sampling frame was chosen. The reason for using a questionnaire is also discussed as well as how the questionnaire was developed to answer the research problem.

Chapter 4: combines both the presentation of the results as obtained through the on – line questionnaire via QuestionPro as well as a discussion of the results in terms of the objectives that were developed to answer the main research question.

Chapter 5: is a discussion of what benefits this study has provided, recommendations to answer the business problem that was identified, what limitations this study encountered as well as recommendations to resolve these limitations and concludes with areas for future research.

1.9 SUMMARY

As organisations need to constantly evolve in order to remain competitive, it requires a workforce that is fully engaged and aligned to an ever – changing business mandate. Given the need to reduce costs as a reactionary measure, organisations are often involved in some form of restructuring. One of the common strategies used is to downsize with particular reference to a reduction in headcount. However, those who survive such an initiative are often expected to contribute effectively to the changed business mandate but with no support from leadership and management to deal with the negative emotions that they face. Chapter One therefore focused on this as the motivation for the study. In order to understand and help resolve this issue, specific objectives were then listed. The following chapter provides a literature review of downsizing and survivor syndrome.

CHAPTER TWO

LITERATURE REVIEW

2.1 INTRODUCTION

Businesses operating in the twenty – first century are constantly seeking new ways to realign themselves in order to grow and compete effectively. However, any shift in the organisational strategy often has serious implications for employees and what is expected of them. This chapter will explore the literature conducted to date on one aspect of re – alignment strategies, organisational downsizing and the reasons why organisations downsize. Despite there being many effects of downsizing on survivors, researchers and practitioners alike seem to have paid little attention as to how managers and leaders can reduce the negative effects that survivors experience during and after a downsizing exercise. This chapter will therefore investigate the various negative emotions that survivor’s are likely to encounter when they are faced with downsizing. This will create a foundation for what survivors are expected to cope with in order for the downsized organisation to re – engage them effectively. Included in this review are perceptions of a breach of the psychological contract and its impact on survivors in particular. The chapter will conclude with proposals on how the negative effects of downsizing on the survivors could be mitigated and subsequently how the psychological contract could be restored. This will be done through an interrogation of the role of leadership and management in such a process.

2.2 DOWNSIZING

According to Smit, de Cronjé, Brevis and Vrba (2007), downsizing is defined as a managerial activity aimed at reducing the size of an organisation’s workforce. Travaglione & Cross (2006) also defined downsizing as a reduction in costs to improve the productivity and efficiency of an organisation in order to become more competitive. Smit et al. (2007) further wrote that this is achieved by reducing the number of employees in one or more departments (whilst leaving the organisational unit intact) or through eliminating a departmental unit by, for example, outsourcing its activities. Mishra, Mishra & Spreitzer (2009) added to these definitions by

writing that crucial to the success of a downsizing programme is the effective employment of the human capital that remains after such an exercise. Downsizing often happens after organisations experience financial difficulties therefore it tends to be a ‘reactionary and defensive mechanism’ (Tzafir, Mano – Negrin, Harel & Rom – Nagy, 2006). As an example, since 1994 and with South Africa’s first democratic elections, greater international competition has ensued. Since 1998 and particularly since the global recession (2008 – 2011), a number of South African companies have experienced some form of downsizing which has resulted in a reduced workforce. Table 2.1 is an adapted summary of a selection of South African companies that have downsized since 1998 (Mabaso, 2008). The companies highlighted are all listed on the Johannesburg Securities Exchange (JSE) which meant that any activity that could impact on shareholder value is reported in the media. This table therefore does not provide an indication of the number of private companies that might have downsized over the same period. This table also indicates that downsizing activities occur across all sectors. What it also supports is that downsizing has become an acceptable strategy for business to adopt to remain in business.

Why organisations make a decision to downsize can be attributed to a number of reasons: downturns in the general business environment, efficiency improvements within an organisation to better position the company to compete effectively, automation and technological advancements, and general competitive pressures from both local and international competitors (Gandolfi, 2009; Bhattacharyya & Chatterjee, 2005). Another reason is the belief that organisations are best served through a lean staff structure (Carter, 2010). According to Kakabadse, Bank and Vinnicombe (2004), organisations have generally recognised downsizing as an effective intervention mechanism in order to improve decision making, make a company leaner and fitter, reduce overhead costs, decrease bureaucracy, and to increase shareholder value. Therefore, when facing competitive pressures, downsizing seems to be the accepted strategy for organisations to utilise to remain in business in the twenty – first century (Bywater and Glennon, 2009, Hellgren, Näswall & Sverke, 2005 and Mirabal & deYoung, 2005).

Table 2.1: Downsized South African Companies since 1998

| COMPANY NAME | SECTOR |
|------------------------------------|---|
| ABSA | Finance, real estate and business services |
| AECI | Manufacturing |
| ANGLO GOLD | Mining and quarrying |
| BARLOW WORLD | Wholesale, retail and motor trades and hotels and restaurants |
| BHP BILLITON | Mining and quarrying |
| FAMOUS BRANDS | Wholesale, retail and motor trades and hotels and restaurants |
| GROUP FIVE | Construction |
| ILLOVO | Manufacturing |
| JOHNNIC | Finance, real estate and business services |
| MUTUAL & FEDERAL | Finance, real estate and business services |
| NAMPAK | Manufacturing |
| NASPERS | Transport, storage and communication |
| NETCARE | Community, social and personal services |
| PICK 'n PAY | Wholesale, retail and motor trades and hotels and restaurants |
| RAINBOW | Manufacturing |
| SOUTH AFRICAN BREWERIES | Manufacturing |
| SASOL | Manufacturing |
| SHOPRITE | Wholesale, retail and motor trades and hotels and restaurants |
| SUN INTERNATIONAL | Wholesale, retail and motor trades and hotels and restaurants |
| TELKOM | Transport, storage and communication |
| TIGER BRANDS | Manufacturing |
| TRUWORTHS | Wholesale, retail and motor trades and hotels and restaurants |

Source: Adapted from Mabaso (2008)

The focal point of downsizing, however, is on the need to improve the profitability and sustainability of the organisation. Of great concern though is how this process impacts on the very people that the organisation needs to rely on in order to meet its objectives successfully – the survivors. According to Gandolfi (2008), survivors generally refer to employees who retain their jobs after an organisational re – alignment exercise. The research to date therefore suggests that there is little doubt about the need to explore and mitigate the impact and challenges posed by the effects that downsizing has on the survivors of such a process (Mayton, 2011). These negative effects that survivors experience are generally referred to as ‘survivor syndrome’ (Marks, 2006).

2.3 SURVIVOR SYNDROME

According to Kulkarni (2008), in 1968 Niederland introduced the term ‘survivor syndrome’ as a reference to the post – traumatic stress disorder that survivors of catastrophes such as the Holocaust had to endure. Given the emotional connotations involved and how this could impact on employees, various researchers thereafter extended this reference into the organisational arena (Kholodova, 2009). In an organisational context, survivor syndrome is used to describe the range of emotions and/or impacts (both negative and sometimes destructive) that survivors of a downsizing exercise experience (Marks, 2006).

2.3.1 EFFECTS OF DOWNSIZING ON SURVIVORS

Research into the literature indicates that survivor syndrome is a popularly researched topic (Noer, 1993; Brockner, 1998; Appelbaum, Close & Klasa, 1999; Roan, Lafferty & Loudon, 2002; Amundson, Borgen, Jordan & Erlebach, 2004; Cameron, 2004, Marks, 2006 and Kulkarni, 2008). However, the literature to – date does not encapsulate the total overview of all the effects that survivors may experience.

Through a longitudinal study conducted by Travaglione and Cross (2006), the negative effects of downsizing on survivors was illustrated. They found that survivors experienced decreased job satisfaction and job performance as well as decreased affective commitment which, according to

Bomela (2007) is the positive emotional attachment that employees have for their organisations. However, the study by Travaglione and Cross (2006) also found that there was an increase in illness suffered by these employees. Research by other authors found that one of the most predominant feelings experienced by survivors of downsizing was that of job insecurity (Clark & Koonce, 1995; James & Tang, 1996; Marks, 2006; Ito & Brotherridge, 2007, Kulkarni, 2008). Other effects on survivors include diminished trust in management (Noer, 1993; Stoner & Hartman, 1997; Marks, 2006), incidences of stress and mental trauma (Torkelson, Muhonen & Peiró, 2007), decreased loyalty towards the organisation (Kholodova, 2009), decreased job involvement (Bomela, 2007), communication breakdowns (Nair, 2008) as well as an increased intention by survivors to voluntarily resign from their places of employment (Kulkarni, 2008).

Additional research by Nielsen, Taris and Cox (2010), showed that the emotional issues faced by survivors and which forms the basis of the psychological contract includes feeling guilty and feelings of being cheated. These have negative effects on both employees and the organisation. Employees can feel less motivated and less committed to their jobs and the organisation with the result being that business productivity and performance is adversely affected (Mayton, 2011). Further impact on survivors also includes overwork strains (Chipunza and Berry, 2010), changes in organisational structure (Hopkins and Weathington, 2006), potential job loss anxieties (Hareli and Tzafirir, 2006), and a lack of options available (Tsai, Yen, Huang and Huang, 2007).

The research to date on the effects of downsizing indicates that over the years, not much has changed in terms of how survivors are impacted by downsizing. What the research also indicates is that despite organisation's being aware of these impacts, little evidence exists as to what coping mechanisms these organisations provide for the survivors for them to be able to handle the change effectively (Chadwick, Hunter and Walston, 2004, Guthrie and Datta, 2008 and Datta et al., 2004). However, to be able to help survivors cope with these effects, management needs to be aware that the survivors will respond differently based on how they perceive they are being led by their managers (Kendall – Raynor, 2011).

Mishra, Mishra and Spreitzer (2009) identified four types of survivor responses to a downsizing exercise (Figure 2.1):

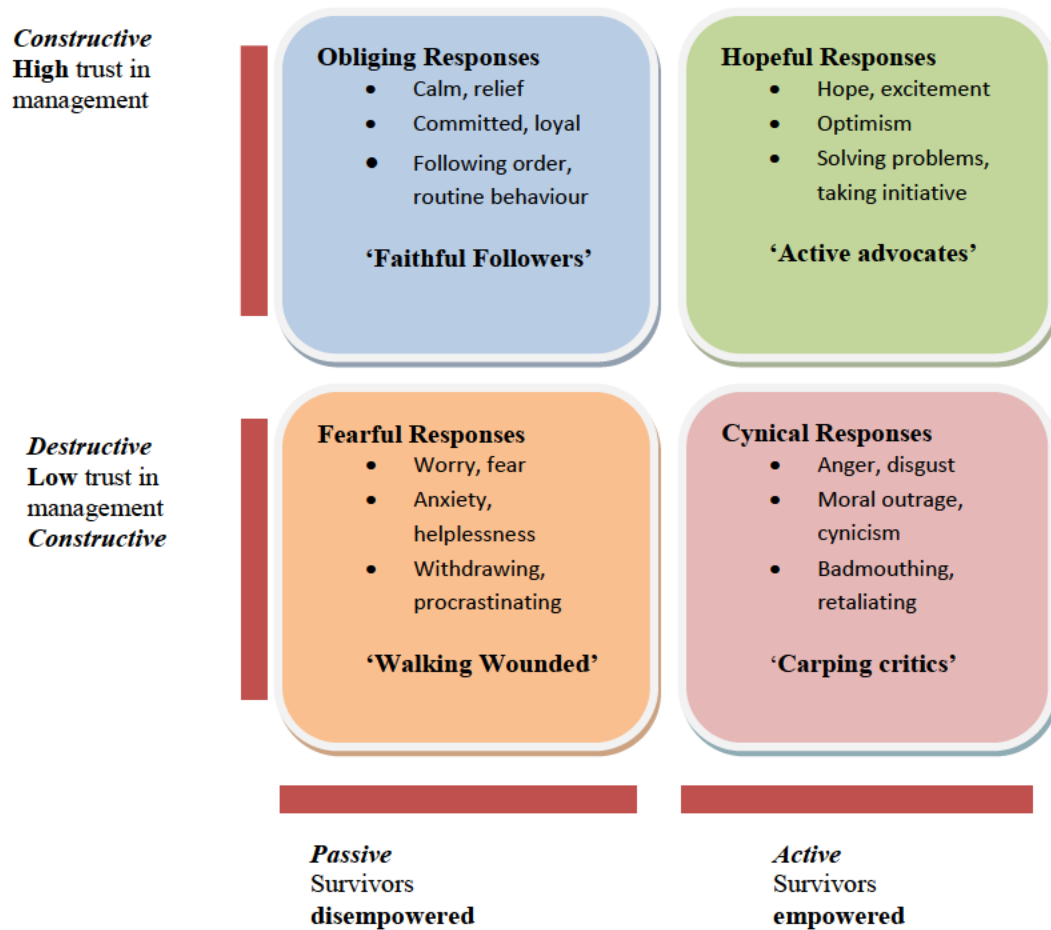


Figure 2.1 Survivor Responses to Downsizing

Source: Adapted from Mishra, Mishra, & Spreitzer (2009)

Essentially the responses are as follows:

- If survivors have low trust in management whilst also feeling disempowered, they will exhibit feelings that border on fear and may withdraw from work due to feeling worry or helplessness (fearful responses and are referred to as ‘Walking Wounded’).
- However, if survivors have increased trust in management but still don’t feel empowered, they may feel obliged to accept decisions or actions from management without proactively contributing to it (obliging responses and are referred to as ‘Faithful Followers’).
- If survivors feel empowered but don’t trust their management, they can exhibit what is commonly referred to as retaliatory type of behaviours such as anger, cynicism or even outrage (cynical responses and are referred to as ‘Carping Critics’).
- However, if survivors feel empowered whilst at the same time having a high degree of trust in management, they will engage in proactive behaviours that help the business reach its strategic goals (hopeful responses and are referred to as ‘Active Advocates’) (Mishra, Mishra & Spreitzer, 2009).

Figure 2.1 also indicates that management needs to be aware of how survivors will respond to a downsizing strategy and must create opportunities for survivors to cope with it. An inability to cope can lead to survivors being termed ‘extremely disengaged’, also referred to as ‘survivor sickness’ (Ugboro, 2006).

2.3.2 SURVIVOR SICKNESS

Studies by Appelbaum and Donia (2001) revealed that survivors often felt ignored throughout the downsizing exercise. This is confirmed by research conducted by Grant, Curtayne and Burton (2009) who found that the impact on employees (those exiting the business as well as the survivors) received very different considerations. Gandolfi (2008) wrote that exiting employees received counselling and support including a range of possible choices that they could consider. Survivors, however, experienced little choice. They tended to have more work pressures due to higher demands placed on them, there is also a higher level of anxiety amongst the remaining

employees and survivors can also view their co – workers not as colleagues anymore but as rivals (Mayton, 2011). This suggests that survivors also experience painful emotions as those employees who have lost their jobs. Survivors are, however, the employees that the new downsized organisation needs to rely upon for their future profitability and sustainability and any suggestion of survivor syndrome can create a significant obstacle to the organisation achieving its business goals (Chipunza and Berry, 2010).

According to Gandolfi (2008), downsizing can result in three different sicknesses amongst survivors. The first sickness is survivor syndrome which can be categorised into three parts. The first part includes feelings of anger, job insecurity, relief and guilt. The second part is the mental state which influences satisfaction, work performance, commitment and motivation. The third part involves the symptoms which includes increased stress levels, increased absenteeism, increased distrust and increased levels of job insecurity. It also includes lower work quality, lower morale, decreased productivity, decreased employee involvement and a decrease in the trust towards management. The second sickness (survivor guilt) is the fear, anger and depression that survivors experience. The third sickness consists of envious feelings that survivors experience towards victims (employees who are exiting the organisation). These emotional issues that all employees, and not just survivors, experience form the basis of the psychological contract which will be discussed in further detail.

2.4 BREACH OF THE PSYCHOLOGICAL CONTRACT

According to Grobler, Wörnich, Carrell, Elbert and Hatfield (2006), the psychological contract is an unwritten agreement that exists between employees and employers. Grobler et al. (2006) further wrote that the psychological contract works best when the employee is motivated. Integrating organisational goals with the personal goals of employees seems to achieve the best motivated employee behaviour (Robbins, Judge, Odendaal and Roodt, 2009). However, this can only be achieved when what employees expect out of their employer as well as what the employer expects out of the employee, are clearly established during the negotiation phase of the ‘joining up process’ (Grobler et al., 2006: 221).

The contract is therefore subject to interpretation between the individual and the organisation and it is this very interpretation that can cause breaches to occur (Ur Rehman, Ul Haq, Jam, Ali & Hijazi, 2010). A breach is identified as the perception of unfulfilled obligations; if it's short – term then the individual involved can return to his or her stable psychological contract state failing which it may develop into a full violation of the psychological contract (Pate, Martin and McGoldrick, 2003). Research conducted by Botha and Moalusi (2010) as well as Kulkarni (2008) found that, in general, breaches of the psychological contract occur after an organisational re – alignment exercise, centred around perceived lack of promotion opportunities, seemingly poor treatment from senior managers as well as a breakdown in the interpersonal relationships between work colleagues.

According to Armstrong – Stassen (2006), how employees cope with this perceived breach will depend on how badly affected they are by the downsizing. Therefore, according to Lemire and Rouillard (2005), any perception of the violation of the psychological contract is likely to decrease employee's commitment levels to the business and may also result in employees seeking alternative employment elsewhere. Bomela (2007) also wrote that there are those employees who choose to remain in the business and attempt to repair the employment relationship by confronting the source (s) of their unhappiness. Caldwell (2011) and Kirk – Brown & van Dijk (2011) further argued, however, that some employees who remain in the organisation have a propensity to withdraw emotionally, become less loyal to the organisation and be less willing to engage in organisational citizenship behaviours (OCB) beneficial to the organisation. OCB is loosely defined as the extent to which employees are willing to engage in behaviours that go beyond the scope of their jobs but adds positive benefits to the organisation (Mogotsi, Boon and Fletcher, 2011). However, what is important to note is that employees will generally moderate their responses to a breach based on what they perceive to be the reason for the need to change the terms and conditions of the psychological contract. According to Bomela (2007), employees' reactions to, for example, the need for downsizing due to economic circumstances is likely to be very different to downsizing because of poor management of the company.

According to DelCampo (2007), the psychological contract must be considered an important tool

for managers to understand the strength of the relationship that they have with their employees. The likely result of effective management of such a contract is higher levels of job performance, lower employee turnover and increased levels of job satisfaction for both the employer and the employee (Robbins et al., 2009). This will also form the basis to help managers motivate their employees particularly the survivors of a downsizing exercise so that these employees can contribute to the sustainability of the organisation (Buzády and Georgiu, 2011). It is therefore important to interrogate the role of leadership and management particularly during times of downsizing.

2.5 DOWNSIZING AND THE ROLE OF LEADERSHIP AND MANAGEMENT

As the literature to date has shown, downsizing is a strategy that organisations use in response to both internal and external pressures. Downsizing as a strategic intervention is aimed at improving an organisation's current situation to an improved situation from which it can operate competitively and sustainably (Gandolfi, 2008). To this end, it therefore becomes very important to understand the impact that leadership and management has on the survivors of such a process as the survivors are who leadership and management need to rely upon to achieve the business goals (Kholodova, 2009).

According to Bunker (2010), leadership is defined as a process of providing direction whilst at the same time energising others in a way that those people being provided the leadership voluntarily commit to the leader's vision. It therefore becomes important for leaders and managers to recognise that they are ultimately responsible to ensure the success of downsizing as a strategic intervention (Naranjo – Gil, Hartmann & Maas, 2008 and Nathan & Neve, 2009). The improved performance of the organisation can only be achieved if the downsizing process is executed properly (Gandolfi, 2009). Kholodova (2009) and Moosa (2010) further wrote that in order for a downsizing strategy to be at its most effective, the preparation before, during and after the process is critical.

As the literature earlier identified, the downsizing process is often the result of a change to the organisational strategy. According to Johnson, Scholes and Whittington (2006), organisational

strategy is the long – term direction and scope that an organisation attempts to pursue and which strategy is aimed at achieving a competitive advantage in an ever – changing environment. The major aim of this is the fulfilment of stakeholder expectations (Bunker, 2010). Bunker (2010) further wrote that to be able to do so effectively require leadership that can first define this strategy and then articulate it to its followers. It therefore has to be based on an extensive analysis of the organisation’s current competitive position and also on an analysis of what consequences downsizing will have on stakeholders as well as on organisational culture (Gandolfi, 2008).

According to Davis (2003), a downsizing strategy should always be contained within the organisational strategy regardless of whether the organisation requires it or not. The reason for this is that the organisation can be better prepared to respond to environmental changes (Kholodova, 2009). According to Mirabal and deYoung (2005) as well as Cummings and Worley (2006), a successful downsizing strategy should contain the following steps:

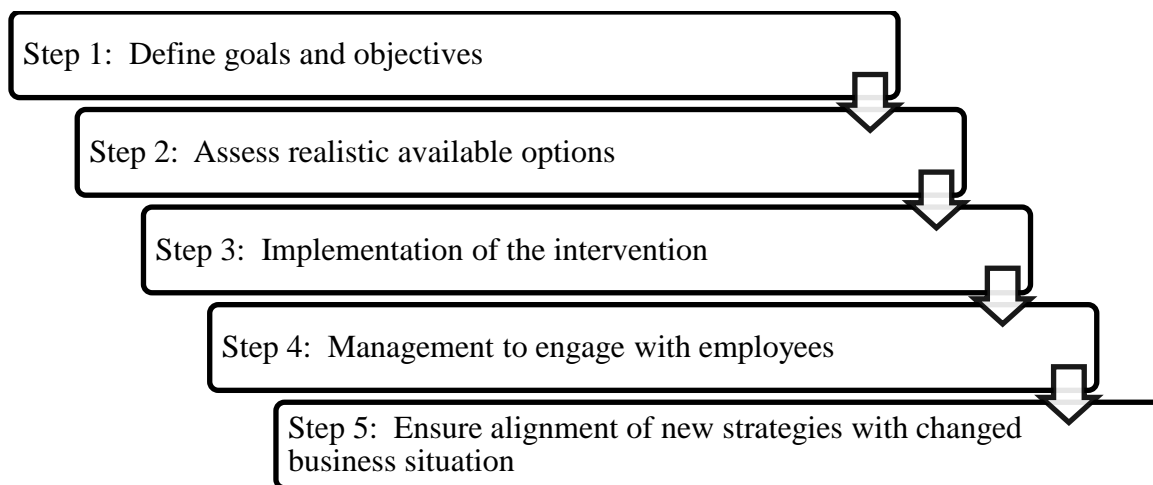


Figure 2.2: Steps in a Successful Downsizing Strategy

Source: Adapted from Cummings & Worley (2006)

It is important to note from the steps identified that a successful downsizing strategy is largely dependent on the role that leadership and management play on this process. However, according

to Gandolfi (2008), those tasked with leading the downsizing strategy often underestimate the negative effects that downsizing has on its employees. Organisations have been accused of ‘going too far’ with downsizing which results in ‘organisational anorexia’ meaning that critical skills, knowledge workers, competencies and vital experience exit the business (Kholodova, 2009). However, survivors are expected to compensate for this. It therefore becomes imperative for leaders to become more aware of all the negative effects of downsizing and then dedicate resources to help survivors cope (Mayton, 2011). The challenge for leaders is to maintain a balance between the positive financial savings that could be made due to downsizing versus the negative effects of a de – motivated workforce and survivor syndrome (Kholodova, 2009). However, an area often ignored or downplayed by the change leaders is the impact that fairness and communication has on survivor syndrome.

2.6 PERCEIVED FAIRNESS OF DOWNSIZING

According to Sweeney and Quirin (2008), the execution of a downsizing strategy and the perceived fairness of the process have a significant effect on the behaviour and attitudes of survivors. Research conducted by Skarlicki, Barclay and Pugh (2008), revealed that employees see their organisations as agents of justice and therefore the expectation is that their organisations will be fair to them through the downsizing process. From an organisational perspective, the reactions by survivors to the downsizing and the factors that influence the relationship between these survivors and their organisation are explained through organisational justice theories (Kim, 2009). According to Kim (2009), one of the factors that indicate the impact of downsizing on survivors is the perceived fairness that is exhibited by management to the employees. This is based on the concept of distributive, procedural and interactional justice (Robbins et al. 2009).

2.6.1 DISTRIBUTIVE JUSTICE

Distributive justice is described as the rewards that employees receive from their organisations (Robbins et al., 2009) or as Kim (2009: 299) described it, the ‘perceived fairness of decision outcomes such as pay’. However, as Robbins et al. (2009) pointed out, distributive justice can be subjective as it is often based on an individual’s perception of the system. Therefore one

employee may perceive a reward system to be fair versus another who may perceive the same system to be unfair. From a downsizing perspective, however, survivors tend to view distributive justice in terms of whether those employees who are exiting the business (victims) have been treated fairly or not (Kholodova, 2009). According to Kholodova (2009), some of the outcomes that survivors expect victims to receive are severance pay and possible outplacement opportunities. Given that survivors normally identify closely with victims from a work colleague and friendship point of view, survivors may tend to react negatively if the downsizing process is perceived to be unfair on the victims (Hopkins and Weathington, 2006). As the literature so far has indicated, this will add to the survivor syndrome as survivors will view management with distrust.

2.6.2 PROCEDURAL JUSTICE

According to Grobler et al. (2006), procedural justice is concerned with whether the process of reward allocation has been fair or not. Robbins et al. (2009) wrote that there are two key elements of procedural justice: process control and explanations. Process control, according to Kim (2009), is whether one has the opportunity to present one's own viewpoint to decision makers about what the desired outcomes should be. Explanations on the other hand, focus on whether those decision makers provide clear and concise reasons as to why certain decisions were taken (Robbins et al. 2009 and Skarlicki et al. 2008). Therefore, according to Grobler et al. (2006), employees will consider a process to be fair if they feel that they had some input into the outcomes reached as well as being given adequate reason (s) for why certain outcomes were decided upon. According to Kholodova (2009), from a downsizing perspective, employees will base their perception of the fairness of the process on:

- Whether they feel that they had adequate input into the decision to be made; and,
- Whether management provided clear reasons as to why they took certain decisions.

A procedurally fair process is therefore likely to have a positive stimulatory effect on employees (Törnblom and Vermunt, 2007). However, according to Hopkins and Weathington (2006), if an

employee matches a perception of what he or she considers to be an unfair decision with an unfavourable outcome based on that decision, then the employees involved are likely to harbour resentment and distrust towards management who made that decision.

2.6.3 INTERACTIONAL JUSTICE

According to Robbins et al. (2009), the concept of interactional justice has only recently been introduced to the research on organisational justice and is focused on whether employees perceive they have been treated with dignity and respect by their employers. According to Kholodova (2009), when applied to downsizing, interactional justice is inclusive of whether management is sensitive to the needs of survivors, whether management empathises with the survivors, and whether respect is shown to the employees throughout the process. It also includes whether management adequately explained the process as well as the reasons for the downsizing (Sweeney and Quirin, 2008). Given that interactional justice is associated with the interpersonal aspects of decision making, it is therefore expected that the conveyor of the information will be most closely associated with the perceptions of injustice (Robbins et al., 2009). Research conducted by Roch and Shanock (2006) is supportive of this notion. This research is also of the view that interactional justice is most important to survivors because if survivors perceive that management treated them fairly in their personal capacities, then these survivors will consider the downsizing process to be fair. This is favourable for the organisation that needs to rely on survivors to achieve their business objectives (Kholodova, 2009).

2.7 DOWNSIZING BEST PRACTICES AND THE IMPORTANCE OF COMMUNICATION

A number of authors who have conducted research in this area have made use of Appelbaum and Donia's 2001 Realistic Downsizing Preview (RDP) Model. This model suggests that there are three key determinants that forms the basis of the nature of the relationship between survivors and their organisations and whether the downsizing exercise will be successful or not (Bomela, 2007). These are:

- The reasons for the downsizing needs to be understood by the employees;
- The duration of the downsizing exercise and the frequency of future downsizings needs to be explained to employees; and,
- The support, guidance and assistance provided to the victims of the downsizing needs to be recognised as an important factor in determining survivor's commitment to the business (Bomela, 2007)

Furthermore, manager's need to understand that attention must be paid to the changed roles and responsibilities of the survivor (Gandolfi, 2009). According to Ur Rehman et al. (2010), survivors also need to have a clear view of future career paths as this will have a positive effect on the employee – employer relationship (and hence the commencement of a new psychological contract).

Downsizing best practice methodologies indicate that the managerial actions to ensure success needs to include:

- Visible leadership which means that a long – term vision needs to be allowed for instead of just a short – term view (Levitt, Wilson & Gilligan, 2008);
- Comprehensive preparation of the downsizing activities in order to prevent negative reactions (Kholodova, 2009 and Moosa, 2010);
- An implementation plan based on equitable outcomes which needs to clearly define survivor's career paths and goals that are realistic (Gandolfi, 2008); and,
- A communication strategy that is inclusive of all organisational levels and which needs to transcend beyond a 'need – to – know' basis (Noronha and D'Cruz, 2006).

According to Noronha and D'Cruz (2006), the importance of a communication strategy before, during and after downsizing cannot be underestimated. A number of authors have stressed that a clear communication strategy is likely to create trust between employees and management which then makes it easier to facilitate engagement (Moore, Grunberg & Greenberg, 2006; Noronha & D'Cruz, 2006; Carmeli & Sheaffer, 2008, Bunker, 2010; and Caldwell, 2011). Grant et al. (2009) also suggested that management should receive training on how to communicate business issues

especially during downsizing via an executive coaching programme. The reason, according to Grant et al. (2009), is that it illustrates the importance of communication in creating a climate of trust and empowerment. Further to this, it is important that the communication of downsizing information be uniform to ensure that all affected parties are receiving the same message (Noronha & D’Cruz, 2006).

Kholodova (2009) found that when downsizing information is communicated with the required sensitivity, it has a mediating effect with respect to how survivors will experience survivor syndrome. It is also recommended that the lines of communication between management and employees remain open throughout the process as this will allow employees to ask questions and/or seek clarification on issues of concern (Mishra et al., 2009). This is of particular importance to survivors who want to know how their job profiles may change and what new tasks and goals are required to be achieved (Gandolfi, 2009). Another important issue for management to consider that could lessen the impact of survivor syndrome is communicating information about victims (survivor’s former colleagues) and how they are faring in the job market (Kholodova, 2009).

According to Robbins et al. (2009), the importance of over – communication is emphasised as an avoidance measure against rumours and gossip. They stated that when there is great uncertainty and anxiety, employees often hear what they want to hear and assume it to be the truth. It is therefore critical that for a downsizing strategy to be successful, communication needs to take place constantly and at all organisational levels but with a uniform message that is simple and easy to understand (Noronha & D’Cruz, 2006).

2.8 FACTORS CONTRIBUTING TO REDUCTION OF SURVIVOR SYNDROME

Any organisation engaging in a downsizing exercise will realise that it is a complicated process and therefore requires management attention underpinned by careful preparation (Mishra, et al. 2009). The effective execution of such a strategy, whilst simultaneously increasing the motivation levels of survivors, requires management to consider that the entire downsizing process is an extremely stressful intervention not only for the employees but for the organisation

as well (Gandolfi, 2008). It therefore becomes imperative for both parties to be able to understand each other, in particular survivors who feel vulnerable (Noronha & D’Cruz, 2006). According to Gandolfi (2008), the potential for distrust and misunderstanding between the two parties is increased if communication lines are closed. Kholodova (2009) wrote that the successful addressing and management of the downsizing process is dependent on: the quality as well as the quantity of information provided, recommitment to the business goals by both survivors and management as well as management’s provision of on – going support for its survivors.

Appropriate leadership is seen as a key driver in the effort to reduce the impact of survivor syndrome (Gandolfi, 2009). Skarlicki et al. (2008) wrote that leadership should ensure that the whole process is clearly explained with no ambiguities, that the process is over quickly ie. not drawn over an extended period of time as this fuels employee’s insecurities, and the communication process must be both honest and open. Skarlicki et al. (2008) further wrote that employees must be given every opportunity to participate fully in the process which will likely result in an increase in the employee’s commitment to not only the process but to the changed organisation after that. Management must also provide support by allowing employees to communicate and express their emotions (Hareli & Tzafrir, 2006). Loyalty to the employee’s own work aspirations and career goals should not be done at the expense of dependence and loyalty to the employer alone (Parks – Yancy, 2011).

Based on theoretical findings, managers can take the following actions to decrease survivor syndrome:

2.8.1 Provide open communication

According to Marks (2006), the goal of a communication strategy during downsizing is to provide to employees the reasons why a downsizing exercise is required. Marks (2006) wrote that survivors, in particular, must understand why downsizing is taking place, what the extent of the changes will be and how these changes will contribute to both the achievement of organisational goals as well as individual aspirations. Providing open communication is also

seen as a contributor to increased motivation which helps to decrease survivor syndrome (Kholodova, 2009). According to Robbins et al. (2009) given that survivors are seeking honesty and openness about what the downsizing potentially holds for them, open communication therefore becomes an imperative. A lack of communication or alternatively, poor communication can lead to situations of mistrust or misunderstandings (Gandolfi, 2009). The reason for this is because employees are anxious about their jobs they will create their own version of the events taking place in order to express their feelings of insecurity (Hareli & Tzafrir, 2006). Open and honest communication can help prevent this. However, research indicates that managers don't provide open communication due to the fear that the recipient may become disenchanted, discouraged or disobedient and may seek to exit the organisation resulting in a potential loss of skills (Bomela, 2007, Susskind, 2007 and Kholodova, 2009).

2.8.2 Clarification and alignment of new roles

According to Cameron (2004), an organisation needs to determine its vision, mission, goals and core competencies well in advance of the actual downsizing exercise. This pre – planning stage must also include management communicating the organisation's long – term goals as well as what is to be expected of each employee in the new changed organisation (Hareli & Tzafrir, 2006). According to Kholodova (2009), survivors, in particular, will require that their new roles as well as their career opportunities are clarified. Furthermore, these survivors need to know how their new roles will fit into the strategic direction that the organisation wishes to pursue and whether their desired career opportunities can be fulfilled within the new organisation (Mishra et al., 2009). According to Kholodova (2009), a consequence of the downsizing exercise is an increase in the workloads of the survivors as there are fewer remaining employees to complete the required tasks. It therefore becomes imperative for management to redefine the new roles and responsibilities of the survivors as a way to diffuse unnecessary tensions (Mishra et al., 2009). Research indicates that the assurance that management needs to provide to its survivors to accept the new organisational goals is one of the most challenging aspects of a change management process (Kholodova, 2009). According to Noronha and D'Cruz (2006), part of this process is to create commitment from the survivors to accept the downsizing exercise as a 'necessary evil'. Management can therefore use interventions such as information feedback

sessions or informal gatherings that encourage and motivate survivors to express how they are feeling about the downsizing (Hareli & Tzafrir, 2006).

2.8.3 Create survivor's commitment

All employees within an organisation and not just management are responsible for achieving a company's new business strategy (Grant, 2010). Therefore employees do not appreciate it if decisions are taken on the strategic future of their organisation without full information being provided to them (Kim, 2009). The reason for this is that employees seek procedural justice. Procedural justice, as described earlier, is the perception of whether management has reached decisions fairly (Kim, 2009). Employee perceptions of the level of procedural justice are determined by the degree to which they believe that they have influenced the decision process (Kholodova, 2009). As an example, employees will accept that a downsizing exercise is justifiable if they feel that they had input and influence in the decisions that were taken. The perception of a fair and justifiable downsizing process tends to increase employees commitment levels resulting in higher productivity as well as a better quality of work produced (Gandolfi, 2008). According to Mishra et al. (2009), survivors feel a greater degree of commitment to an organisation if they feel that they were fully engaged in the entire downsizing process.

2.8.4 Providing help to cope with survivor's emotions

Research indicates that survivors often perceive that their feelings have been violated by downsizing (Hareli & Tzafrir, 2006). These survivors therefore require that before they can regain affective commitment, their feelings need to be expressed (Skarlicki et al., 2008). According to Armstrong – Stassen (2006), survivor reaction to downsizing will differ from survivor to survivor based on their own coping strategies that they have developed. Kholodova (2009) wrote that literature indicates that some of the coping strategies that survivors have developed over time are:

- Positive thinking ie. relooking at the current situation in a positive light eg. refocusing their thoughts on how to overcome the challenges that are posed rather than focusing on the problems; and,
- Direct action ie. by focusing on the task and solution directed actions eg. spending increased time on the challenges posed by their new jobs (Kholodova, 2009).

However, according to Hareli & Tzafrir (2006) as well as Mishra et al. (2009), survivors can also create negative coping strategies such as job disengagement ie. job withdrawal through spending more time focusing on outside issues rather than their new jobs.

According to Armstrong – Stassen (2006), how survivors react to or cope with downsizing will also depend on the support that they receive from management. Survivors who feel that they are being listened to and who feel that management is supporting them show a higher degree of organisational commitment resulting in superior job performance (Armstrong – Stassen, 2006). According to Grant et al. (2009), it therefore becomes imperative that training is provided to management to allow them to provide emotional support for the survivors of the downsizing. Furthermore, in order to decrease the effects of survivor syndrome, organisations must create a platform to allow survivors to have their emotions expressed without judgement, to allow managers to understand the problems that survivors have to cope with and to create a mechanism to allow managers to monitor the feelings of survivors (Mayton, 2011).

According to Skarlicki et al. (2008), it is important for the organisation to provide survivors with the opportunities to make their feelings about the uncertainty and anxiety associated with survivor syndrome known. Skarlicki et al. (2008) further wrote that this will allow survivors the opportunity to ask questions which will help in reducing the negative effects of survivor syndrome. According to Mishra et al. (2009), one of the most crucial steps to helping survivors cope with the negative effects of downsizing is for management to acknowledge that downsizing can be extremely emotional to everyone involved. It should therefore be executed with due care particularly where the survivors are concerned (Gandolfi, 2009). According to Skarlicki et al. (2008), management must therefore be aware of the numerous psychological reactions that employees will exhibit and be prepared to manage it effectively.

2.9 SUMMARY

It is evident from this literature review that downsizing strategies will be common practice for organisations for the foreseeable future. What is also clearly evident is that for these organisations to grow and compete effectively, it needs a workforce that is truly committed to the cause of the business. The role of managers and leaders in this process therefore becomes crucial in aligning the new workforce with the changed business goals. The ownership of the downsizing exercise should belong to the strategy team that has been set up to drive the process as this creates more support within the organisation and provides credibility to the entire process. However, this strategy team needs to be aware of the impact that their actions and/or inactions have on the survivors of the business. Survivors are after all, emotional beings and if they perceive that little or nothing is being done to help them cope with the changes brought about because of downsizing can become a liability to the organisation in its pursuit of a competitive advantage. This study will therefore investigate how the survivor's responded to the numerous downsizing exercises that have been conducted within the Snacks and Treats division of Tiger Brands Ltd (TBST). The basis of this study will then be used to determine what coping mechanisms management and leadership can provide to the survivors in order to re – engage them effectively.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 INTRODUCTION

From a research perspective, the methodology employed is used to describe how a real situation can be studied by implementing scientific methods through logic whilst the research component of this perspective is to learn something new about a given situation. This chapter will provide the background and reasoning for the research methodology used to investigate how survivors respond to a downsizing exercise and what strategies management and leadership could utilise to help survivors cope with the changes. The methodology will incorporate the following: the aim that the study will fulfil, who will participate in it as well as where the study will be located (including why these subjects were chosen and why the study was limited to this location), the research approach taken to get the desired end result, the type of sampling used and why such a sampling method was selected, the data collection method, how the research instrument was developed as well as a summary of the data analysis that was conducted.

3.2 AIM OF THE STUDY

Since the first documented case was reported three decades ago, downsizing has been acknowledged as an acceptable strategy that organisations can utilise to reduce their cost base in order to remain competitive (Gandolfi, 2008). Some organisations have faced multiple downsizing exercises throughout this time and the trends seem to indicate that this will continue for the foreseeable future (Moore et al., 2006). As the literature has indicated, downsizing is often a ‘reactionary’ strategy used to mitigate changing market dynamics. Organisations therefore are forced to implement the new strategies in the shortest possible timeframe but often with little or no consideration as to how the survivors are impacted by it. The aim of this study is to investigate how the survivors of Tiger Brands Snacks & Treats (TBST) have been affected by the various downsizing initiatives conducted over the years and what management and leadership could do to reduce the negative effects of future downsizing exercises.

3.3 PARTICIPANTS AND LOCATION OF THE STUDY

TBST (commonly referred to as Beacon Sweets and Chocolates), has undergone four major downsizing exercises since its acquisition by Tiger Brands Ltd in 1999. The most recent exercise was in April/May 2011 which made this division the ideal location in which to base the study. Permanent (non – union) employees based at the Durban, KwaZulu – Natal factories (Mobeni and Jacobs) were the population from which a representative sample was drawn. The reason for limiting the study to this population is that only selected, non – unionised employees were subjected to the April/May 2011 downsizing exercise, due to prior agreement between management and the site unions. A representative sampling of these survivors is expected to provide enough data to allow for recommendations to be made.

3.4 RESEARCH APPROACH

According to Bryman & Bell (2007), there are two approaches that can be utilised when conducting research: qualitative or quantitative. However, before a decision is reached on which approach to use in order to get the optimal result for the research being conducted, one has to be aware of the differences between the approaches. An adapted simplification of the most significant differences, especially the differences that are important for this study, is highlighted in Table 3.1 (Johnson & Christensen, 2012). These differences are explained in further detail in the various sub sections contained within this chapter.

Given the research problem and sub – questions highlighted, this study was based on empirical research employing a quantitative approach.

Table 3.1: Differences between Qualitative and Quantitative Research Methods

| | QUANTITATIVE RESEARCH | QUALITATIVE RESEARCH |
|---------------------------------|--|---|
| Scientific Method | Either a ‘top – down’ or a deductive process | Either a ‘bottom – up’ or an inductive process |
| Research Objectives | Explanation, prediction and descriptive | Discovery, exploration and descriptive |
| Focus | Specific hypothesis can be tested | Wide focus required in order to understand the detail |
| Observation | Behaviour is studied under controlled conditions | Behaviour is studied in the context in which it occurs |
| Forms of Data Collection | Precise measurement required to answer research problem e.g. structured questionnaire, closed – ended questions, etc | Researcher is primary data collection instrument through open – ended questions, in – depth interviews, etc |
| Data | Based on variables | Based on images, specific categories or words |
| Analysis of Data | Seeks to identify statistical relationships | Seeks to identify specific themes or patterns, etc |
| Results | Can be generalised onto the population | Represents multiple viewpoints |
| Reporting | Based on statistics e.g. correlations, etc | Based on narration of participant responses |

Source: Adapted from Johnson & Christensen (2012)

A major reason for selecting the quantitative approach to answer the main research problem is that it allows for deductive reasoning to be used. According to Bryman & Bell (2007), the deductive process best fits the process of understanding the relationship between theory and

practice (as this study sought to do). The selection of the deductive process is further strengthened when one looks at the process as suggested by Bryman & Bell (2007). There tends to be a logical sequence of events that commences with the theory surrounding a particular area of research which follows through to a point where the empirical evidence gathered either supports or disputes the said theory. This sequence of events leads to recommendations being made or conclusions drawn. Figure 3.1 highlights this process.

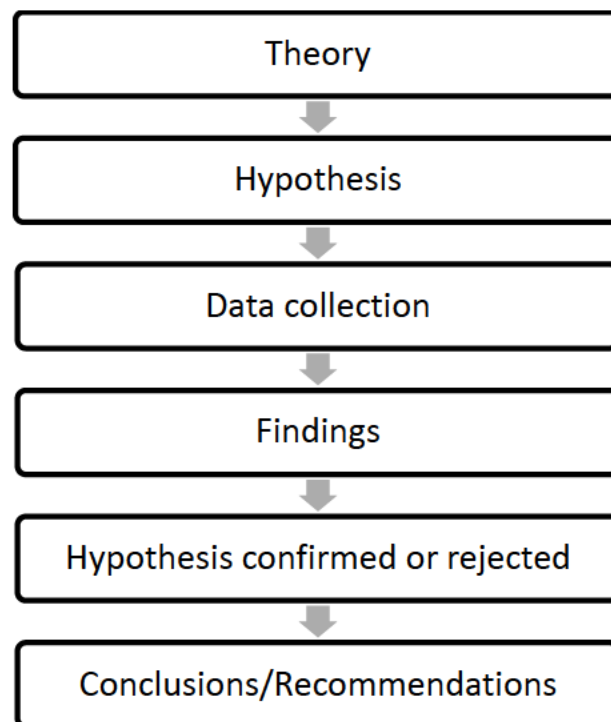


Figure 3.1: The Process of Deduction

Source: Bryman & Bell (2007)

3.5 SAMPLING

Sampling is based on the premise that some elements of a population provide useful information on the entire population so that by studying those selected elements, the results can be generalised onto the entire population (Sekaran & Bougie, 2009). Bryman & Bell (2007) identified non – probability sampling and probability sampling as the two types of sampling most

commonly used in research. Non – probability sampling suggests that no controls are in place in terms of the sample selection process (Sekaran & Bougie, 2009). This means that the sample selected may not necessarily represent all the elements of the population from which it is drawn hence the results may not be generalised onto the entire population (Table 3.1). However, as this study requires that the sample selected must display all the characteristics of the population ie. it must be representative of all the elements of the population from which it is drawn, probability sampling specifically simple random sampling was the preferred choice.

According to Ghauri and Gronhaug (2005), a sample should not only be selected based on its being representative of the population from where it is drawn but the sample has to be big enough to ensure that if a researcher draws another sample from the same population for the same study and uses the same procedures previously used, the results should be similar to the prior results obtained. The simple random sampling method chosen for this study selects a sample from a population in which all the elements in that sample have an equal chance of being selected and hence the results can be generalised to the entire population (Sekaran and Bougie, 2009). Research also suggests that to gain the greatest confidence levels in the results, the correct sample size needs to be used (Bryman and Bell, 2007). From the sample size tables provided and as Beacon has approximately 2 000 employees, the recommended sample size should have been at least 322 (Sekaran and Bougie, 2009). However, as the latest downsizing exercise did not impact unionised members, only non – union members were requested to complete the questionnaire. Furthermore, internal employee records revealed that the latest downsizing initiative targeted 300 employees from which 150 were selected to remain in the business. This population of 150 has therefore been used as the basis for the study resulting in a sample requiring at least 108 staff to participate.

3.6 DATA COLLECTION

A structured questionnaire is the chosen research instrument that is utilised in this study (Appendix 1). This is based on the quantitative research approach. As Table 3.1 indicates, statistical analysis will highlight if there are correlations between the variables that are tested as well as any statistically significant differences between said variables which is particularly

important in a study like this, a structured questionnaire will allow for these types of analyses to be conducted. However, there are other reasons for selecting this type of approach (Bryman & Bell, 2007). These include that questionnaires are: easier to administer, more cost effective than other methods, minimisation of unsolicited information can be prevented through structured questions and a greater degree of truthful responses can be received as the survey guarantees anonymity (Bryman & Bell, 2007).

Such an approach, however, does have its limitations in particular the response rates can be quite low (Sekaran & Bougie, 2009). These authors also stated that using such an approach makes it difficult to clarify questions. However, based on the nature of this study and as the advantages outweigh the disadvantages, the quantitative approach via a structured questionnaire was preferred.

3.7 INSTRUMENT DEVELOPMENT

The structure of the questionnaire was developed with the research problem and research objectives in mind. To this end, distinct sections were created which probed for responses to the following areas:

Section 1 (Questions 1 to 4):

- Demographic data such as the site where the respondent is based, gender, race as well as the number of downsizing initiatives the respondent has faced during their employment at TBST

Section 2 (Questions 5 to 10):

- Survivor views of the fairness of the processes that were used

Section 3 (Question 11):

- Survivor views of the communication processes that were used

Section 4 (Question 12):

- Survivor's response to the downsizing process

Section 5 (Question 13):

- Effects of downsizing on the survivor

Section 6 (Questions 14 and 15):

- Coping mechanisms offered to survivors during and after the downsizing exercise

Section 7 (Question 16):

- Survivor's levels of affective commitment to the organisation after the downsizing

Section 8 (Question 17):

- Survivor's turnover intentions

Section 9 (Question 18):

- Survivor's recommendations for improvement should such an exercise need to be repeated

The questionnaire was designed to be user friendly and simple for the respondent to understand. A cover page detailing the reasons and aims of the study was included as well. In addition, assurance of complete confidentiality was provided as respondents were not asked to reveal either their names or departments where they worked. According to Babbie (2007), questionnaires should be designed to ensure that accurate data from the selected sample is collected. Babbie (2007) further stated that to be able to ensure accuracy, the design of the questionnaire must be without bias as well as being simple, clear and easy for the respondent to comprehend. Achieving this will assist those who participate in the survey to be motivated and interested in providing truthful responses.

According to Bordens and Abbott (2005), the recommended principles on which to base the

development of a questionnaire from which accurate responses can be achieved are:

- The sentences need to be short, clear and easy to understand;
- The vocabulary used and style of questions asked must be easily understandable to the respondents;
- There needs to be a logical sequencing to the questions asked with non – threatening questions being asked first followed by questions that are of a personal and sensitive nature later;
- The questions must be designed in such a manner so as to contain a single idea or thought only and be unambiguous i.e. do not ask questions that could create misinterpretation;
- The list of alternatives from which a respondent could choose in order to answer a particular question should not reflect any of the researcher’s biases;
- Do not ask negative questions;
- Do not ask questions that may seem to be leading;
- Use appropriate choice of scales to probe for and capture respondent’s answers (Bordens and Abbott, 2005).

When researchers design a questionnaire, careful consideration has to be given to the quality of the data being collected and whether the collected data is meaningful to the study. However, by focusing on the reliability and validity of the questionnaire in order to meet the objectives of the study, the quality of the data and whether the said data adds meaning to the study can be addressed.

3.7.1 PRETESTING, VALIDATION AND RELIABILITY

According to Bryman and Bell (2007), in research, problems associated with the design of the questionnaire can result in the researcher having little or no confidence in the findings generated by the data. This is often because the researcher has not observed or measured the variables accurately. Alternatively, the researcher could have observed or measured the incorrect variables (Sekaran and Bougie, 2009). Therefore, when undertaking a study or research project, it

becomes imperative for the researcher to report on the preciseness and accuracy of the data collection instrument. For example, a researcher may often design a questionnaire that at face value appears to be valid or reliable but when the data analysis occurs, it results in the wrong results and/or incorrect conclusions being drawn.

3.7.1.1 PRETESTING

According to Saunders, Lewis and Thornhill (2003), before utilising the questionnaire as a data collection instrument, the questionnaire should be pretested by pre – selected elements of the target population. The reason for this is to ensure that the questionnaire can be refined to a point that the respondents to the study can answer the questions posed with no difficulty which then aids in the correct recording of the data. According to Sekaran and Bougie (2009), the pre – testing of the questionnaire is to remove any ambiguity and/or clear any vagueness in the questions being asked.

The pre – testing for this study was conducted with a particular focus on the following areas:

- To identify any problems associated with accessing the on – line link to the questionnaire;
- To identify any issues with understanding the instructions on how to complete the questionnaire;
- To identify any questions that were unclear;
- To determine if respondents felt uncomfortable in answering any questions;
- To determine if respondents felt that any key issues and/or topics were omitted;
- To determine if it was easy to navigate through the questionnaire;
- To calculate the time taken to complete the questionnaire

As this study was located across two sites namely, Jacobs and Mobeni, ten (10) pre – selected members of the target population were requested to pre – test the questionnaire using the on – line QuestionPro link. All ten respondents suggested that no changes be made to the questionnaire.

3.7.1.2 VALIDITY

According to Babbie (2007), validity refers to whether the results of an empirical study reflect the ideas that it was intended to measure accurately. In other words, according to Gravetter and Forzano (2003: 87), ‘the validity of a measurement procedure is the degree to which the measurement process measures the variable it claims to measure’. According to de Vos, Strydom, Fouche and Delport (2006) and Sekaran and Bougie (2009), there are basically three forms of validity that researchers utilise to ensure that their research instruments correctly reflect the appropriateness for which it is designed. These are:

- Content validity refers to whether a ‘measure includes an adequate and representative set of items’ that seeks to ensure that the questions asked will provide responses that can answer the research objectives (Sekaran and Bougie, 2009, p. 158). The questionnaire in this study was subjected to the research supervisor’s interrogation in order to ensure that it reflected the content validity.
- Criterion validity is established when individuals on a specific criterion that the research instrument is expected to predict are adequately differentiated via said research instrument (de Vos et al., 2006). This is achieved either through concurrent or predictive validity (Sekaran and Bougie, 2009).
 - Concurrent validity establishes whether the scales used in the research instrument sufficiently distinguishes those individuals who are known to be different (Sekaran and Bougie, 2009). In this study, question five, for example asks whether the respondent thought that the procedures used in the downsizing initiative were fair or unfair. Questions six through ten would then reflect that those who viewed the process to be unfair (question 5) would answer in the negative in the next five questions that were posed.
 - Predictive validity on the other hand establishes whether there are statistically significant correlations between the criterion that is used to measure the validity and the test scores that are derived from it (Sekaran and Bougie, 2009). For example, question 12 in the questionnaire asks how the survivor responded to

the downsizing process. The response in terms of the options provided will then be reflective of the model (Figure 2.1) created by Mishra et al. (2009).

- Construct validity refers to whether the results obtained from the measure correctly reflect the theory around which the measure was designed (de Vos et al., 2006). In this study, special care was taken to divide the theory into different sections on which specific questions were designed to test said theories, as discussed earlier under Instrument Development.

3.7.1.3 RELIABILITY

According to Babbie (2007), in research, if a measuring instrument such as a questionnaire is repeatedly applied to the same object and it yields the same results each time, then the measure is considered to be reliable. Sekaran and Bougie (2009) wrote that if a measure remains the same over time regardless of whether the state of the respondents themselves or the testing conditions have changed, then the measure is deemed to be stable. This stability can be tested in two ways (Sekaran and Bougie, 2009):

- Test – retest reliability is when the same measure is applied over different periods of time and the results of both indicate a high degree of correlation between them it will indicate a high measure of stability.
- Parallel – form reliability refers to an instrument containing the same set of measures with both measuring the same construct but are re – worded or sequenced differently being applied to the same respondents. If there is a high degree of correlation between the responses then the measures are considered to be reliable.

The application of the measuring instrument in this study will only be conducted once therefore other forms of reliability need to be considered. According to Sekaran and Bougie (2009), by using an internal consistency of measure such as interitem consistency reliability one can ascertain some confidence in the consistency of the measures used. The interitem consistency reliability tests whether respondents are consistent with their responses to various items that are being measured (Sekaran and Bougie, 2009). As this questionnaire was designed with eight

independent sections (excluding demographics) but all measuring the same concept, there will be reliability of the measure if there is a high degree of correlation between the various sections.

3.8 DATA ANALYSIS

Data collection is meaningless if some form of analysis of the data is not conducted. Therefore data analysis is a prerequisite in order to add meaning to the collection of data so that it is able to give value to the research question and its associated research objectives. According to Sekaran and Bougie (2009), data analysis consists of the following steps:

- Data has to be made ready to be analysed;
- Establishing whether the data ‘feels’ right;
- Data testing for goodness has to be established; and finally,
- The hypotheses need to be tested (Sekaran and Bougie, 2009).

Today, with the help of modern computer programmes, the analysis of data has become a simpler and less time consuming process. Sekaran and Bougie (2009) also established that mistakes can often occur when information is transferred manually, however, these can be eliminated through computer surveys. This study made use of QuestionPro which allowed respondents to complete the questionnaire on – line. This programme was chosen for the data analysis as it is one of the most widely used data analysis software packages in use today for the analysis of quantitative data (Bryman and Bell, 2007). The programme also made it useful from a visual perspective to present data as bar graphs, pie charts and tables.

Further, the use of descriptive frequency statistics was made use of to analyse the data as this has proved particularly useful in the past when comparisons need to be made for different data sets, etc (Bryman and Bell, 2007). Also, one can use these types of statistics via frequency tables to determine how respondents may have answered certain questions eg. demographic information on whether different demographics answered certain questions differently to other demographic groups. Further tests can be done through cross tabulations which had proved particularly useful in the past for a study of this type (Bryman and Bell, 2007).

From an inferential research point, use was made of correlations and the chi – square test in order to determine the relationship between certain variables that were measured. According to Bryman and Bell (2007), correlations help to determine how strong and significant the relationship is between the variables being measured. The chi – square test on the other hand determines if there is a statistically significant relationship between certain variables (Bryman and Bell, 2007). It is particularly useful when analyzing more than two populations (Sekaran and Bougie, 2009).

3.9 SUMMARY

In addition to the theoretical framework used, chapter three has provided an overview of the research methodology used for this study. It focused on the aim that the study was expected to fulfil, who the participants of the study were and how they were selected as well as where the study was located. Also a discussion on the research approach was provided by comparing the differences between a quantitative and qualitative approach but with particular reference to those elements critical for a study of this nature. The sampling and data collection methods were also discussed as well as how the research instrument (questionnaire) was developed. To ensure the reliability and validity of the questionnaire, a discussion was provided on how this was achieved in this study and finally how the data analysis was conducted. The chapter to follow will focus on the presentation and discussion of the results.

CHAPTER FOUR

PRESENTATION AND DISCUSSION OF RESULTS

4.1 INTRODUCTION

The focus of this chapter is on the presentation and discussion of the results based on the data collected via the on – line questionnaire. Based on the research objectives, various sections were created and the results of the data for these sections will be presented and discussed accordingly. This will take the form of graphs and tables. For ease of understanding, wherever necessary, percentages were rounded up or down to the nearest whole number.

4.2 DEMOGRAPHIC RESULTS

Objective one was to determine if demographics had an impact on how survivors responded to downsizing. The demographics in this study focused on where the respondent was based at the time of the downsizing initiative, their gender and race as well as on the number of downsizing exercises the respondent experienced during their employment at TBST.

4.2.1 LOCATION

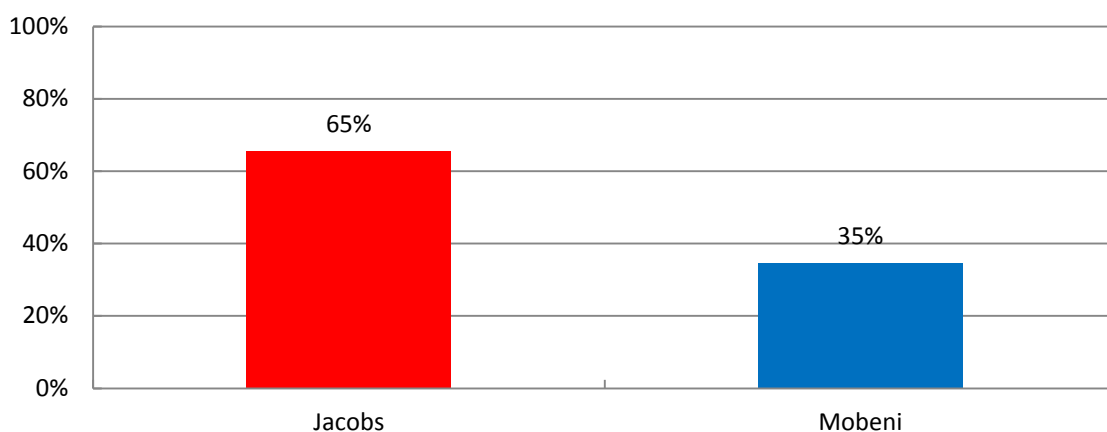


Figure 4.1 Location of respondents

Figure 4.1 indicates that 65% of the respondents were based at the Jacobs manufacturing site whilst the balance (35%) were based at the Mobeni site. The reason for the higher response rate from the Jacobs site is due to the support functions which are based at this site which is often the target for headcount reductions.

4.2.2 GENDER

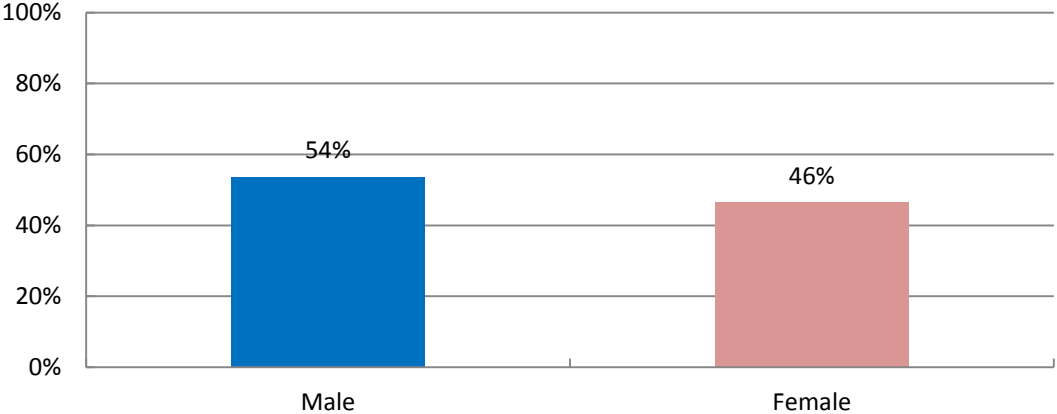


Figure 4.2 Respondent’s gender profile

Males (54%) made up the majority of the respondents as compared to 46% for females.

4.2.3 RACE

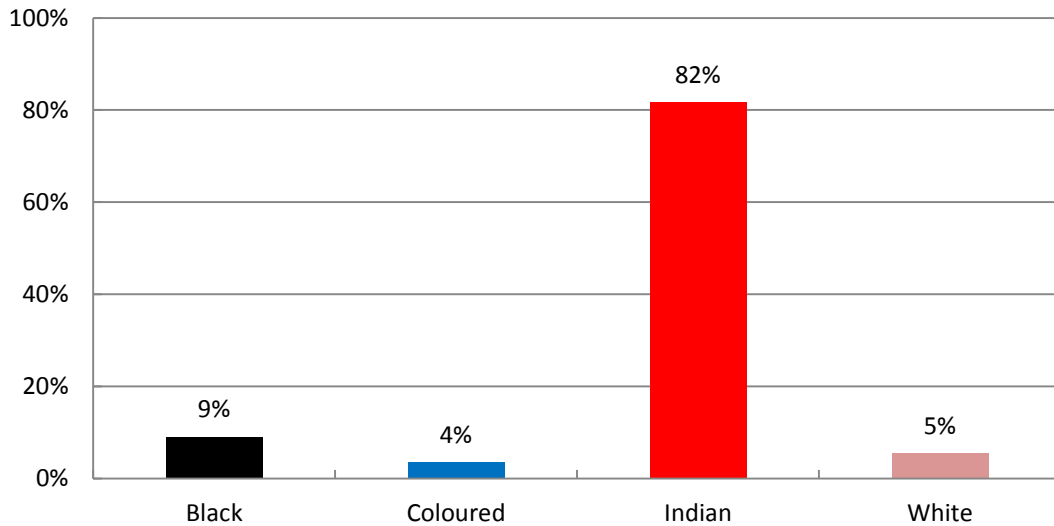


Figure 4.3 Respondent’s racial profile

The results of the survey indicated that the majority of respondents were Indian (82%). The remainder of the respondents were Blacks (9%), Whites (5%) and Coloureds (4%). The high response rate for Indians is due to the large number of Indians employed in the support functions at TBST which, as per internal records, indicates that these functions are often the target for headcount reductions. Also, historically TBST (the former Beacon Sweets and Chocolates) and also as per internal records, employed large numbers of Indians due to its proximity to the Indian residential area of Chatsworth. Furthermore, the internal records revealed that the current ratio of Indians to the other race groups is in the proportion of 4:1 although previous records indicate that the ratio was as high as 7:1. Further studies are required to determine whether some sort of cleansing is taking place as part of the downsizing initiatives.

4.2.4 DOWNSIZING EXPERIENCES

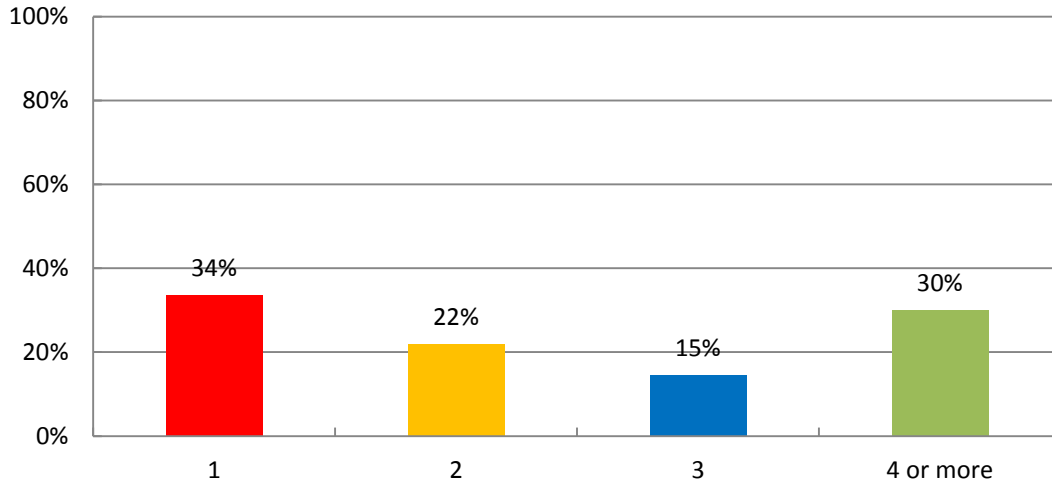


Figure 4.4 Number of downsizings experienced by respondents

The survivors who indicated that they experienced at least one downsizing initiative at TBST made up the majority of the respondents (34%). This was followed by those respondents who experienced four or more (30%), two downsizing experiences (22%) and three downsizing experiences (15%).

Objective one sought to determine if demographics influenced how survivor's responded to the downsizing initiative. A survey of the literature conducted into various types of downsizing has not focused on whether demographics have an influence on how survivors respond to a downsizing initiative. This study attempted to probe for any such influences. This was done via Tables 4.1 to 4.4 which are cross tabulations between the demographic questions and the question that specifically asked respondents how they responded to the downsizing.

According to Mishra, Mishra and Spreitzer (2009), survivors respond to a downsizing in one of four ways (Figure 2.1). Using this as the basis, four (4) demographic variables were considered for this study and investigated against how the survivors responded to the last downsizing exercise. The responses which were tested in the questionnaire are long and cumbersome for

presentation purposes therefore Table 4.1 provides a simplified format which is used.

Table 4.1 Simplified Format of How Survivors Respond to Downsizing

| ORIGINAL DESCRIPTION | PRESENTED AS |
|--|--------------|
| I was calm, relieved, committed, and loyal to the organisation whilst following orders and continuing my routine behaviour | Obliging |
| I was hopeful, excited, and optimistic whilst solving problems and taking initiative at work | Hopeful |
| I was worried, fearful, anxious, and helpless causing me to withdraw and procrastinate | Fearful |
| I was angry, disgusted, and cynical whilst badmouthing my management and leadership team as well as the organisation | Cynical |

Source: Adapted from Mishra, Mishra & Spreitzer (2009)

Table 4.2 Cross Tabulation between Location and Survivor Response to Downsizing

| | | Location | | |
|------------------------|----------|----------|--------|-------|
| | | Jacobs | Mobeni | Total |
| Response to Downsizing | Obliging | 30% | 16% | 46% |
| | Hopeful | 9% | 6% | 15% |
| | Fearful | 22% | 11% | 33% |
| | Cynical | 5% | 1% | 6% |
| | Total | 65% | 35% | 100% |

Chi - square = 1.215 p = 0.749

Although Table 4.2 indicates that 65% of the respondents were based at the Jacobs site and the remaining 35% at the Mobeni site, the result of this cross tabulation does not provide any

evidence to support that respondents based at different sites responded differently to downsizing. The p – value obtained also supports the conclusion that there is no correlation between where the respondent was based and how they responded to a downsizing. However, the Jacobs staff (30%) were mainly obliging, similarly had the highest number of staff (22%) who were fearful.

Table 4.3 Cross Tabulation between Gender and Survivor Response to Downsizing

| | | Gender | | |
|------------------------|-----------------------------------|--------|--------|-------|
| | | Male | Female | Total |
| Response to Downsizing | Obliging | 24% | 23% | 46% |
| | Hopeful | 13% | 3% | 15% |
| | Fearful | 15% | 17% | 33% |
| | Cynical | 2% | 4% | 5% |
| | Total | 54% | 46% | 100% |
| | Chi - square = 7.372 p = 0.061 | | | |

According to Table 4.3, possibly due to the small sample size, there was no correlation between gender and how survivors respond to downsizing. What is clear though is that both men and women (46%) displayed Obliging responses. A concern though is that one third displayed Fearful responses. According to Mishra, et al. (2009), this suggests that survivors have low trust in management and feel disempowered.

Table 4.4 Cross Tabulation between Race and Survivor Response to Downsizing

| | | Race | | | | Total |
|------------------------|-----------------------------------|-------|----------|--------|-------|-------|
| | | Black | Coloured | Indian | White | |
| Response to Downsizing | Obliging | 5% | 1% | 38% | 2% | 46% |
| | Hopeful | 2% | 0% | 13% | 1% | 15% |
| | Fearful | 2% | 3% | 25% | 3% | 33% |
| | Cynical | 0% | 0% | 5% | 0% | 5% |
| | Total | 9% | 4% | 82% | 5% | 100% |
| | Chi - square = 6.406 p = 0.699 | | | | | |

The analysis of the cross tabulation between race and how survivors respond to downsizing show similar results to Table 4.2 indicating no correlation between these two variables. The p – value of 0.699 is also supportive of this. It is evident from Table 4.4 that the majority (38%) were Indians who displayed Obliging responses. Indians were also in the majority with regards to the other responses ie Hopeful (13%) and Fearful (25%). These results also indicated that Indians were the only race group who exhibited Cynical responses (5%). These results are understandable as Indians were the majority of the respondents.

Table 4.5 Cross Tabulation between the Number of Downsizing Experiences and Survivor Response to Downsizing

| | | Number of Downsizing Experiences | | | | Total |
|------------------------|-----------------------------------|----------------------------------|-----|-----|-----------|-------|
| | | 1 | 2 | 3 | 4 or more | |
| Response to Downsizing | Obliging | 18% | 11% | 38% | 2% | 46% |
| | Hopeful | 5% | 3% | 5% | 4% | 15% |
| | Fearful | 9% | 8% | 3% | 13% | 33% |
| | Cynical | 2% | 0% | 1% | 3% | 5% |
| | Total | 46% | 15% | 33% | 5% | 100% |
| | Chi - square = 8.887 p = 0.448 | | | | | |

Table 4.5 also shows that regardless of the number of downsizing experiences a survivor encountered, there was no correlation between this variable and how they would respond to downsizing. This conclusion is supported by a p – value of 0.448. It would be reasonable to expect that those who experienced regular downsizing would be calmer than those who experienced fewer, however, the analysis of Table 4.5 did not support this. Of the 33% who exhibited fearful responses, 13% experienced 4 or more downsizings which could suggest that they may have been afraid that their chances of survival were waning.

4.3 FAIRNESS

Objective two was to determine if survivor's believed that the processes used in the downsizing initiatives were fair or not.

4.3.1 FAIRNESS OF PROCESSES

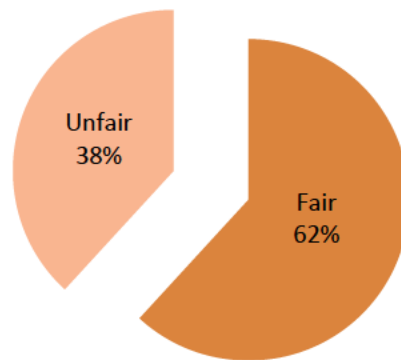


Figure 4.5 Survivor's Perceptions of Fairness of Processes

The results of the survey indicated that 62% of the respondents believed that the processes used during the last downsizing initiative was fair as compared to 38% who believed it to have been unfair.

4.3.2 CONSIDERATION OF EMPLOYEE VIEWPOINTS

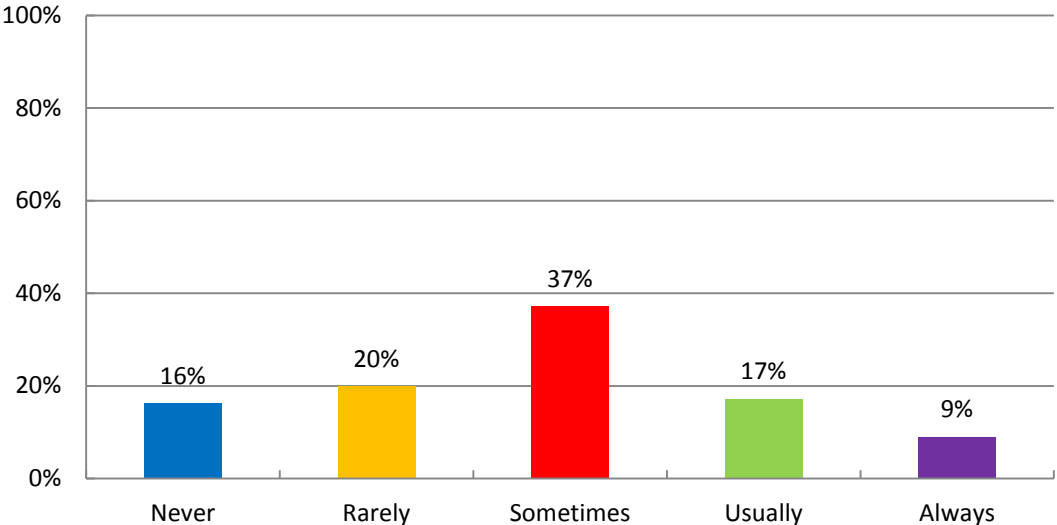


Figure 4.6 Survivor’s Responses to Whether Their Viewpoints were Considered

It is evident from Figure 4.6 that the majority of the survivors were of the opinion that their viewpoints on the downsizing were considered (37%) responded ‘Sometimes’, 17% ‘Usually’ and 9% ‘Always’. On the other hand, 16% of the respondents were of the opinion that employees viewpoints were ‘Never’ considered whilst 20% were of the option that their viewpoints were ‘Rarely’ considered.

4.3.3 APPLICATION OF CRITERIA USED FOR RETRENCHMENT

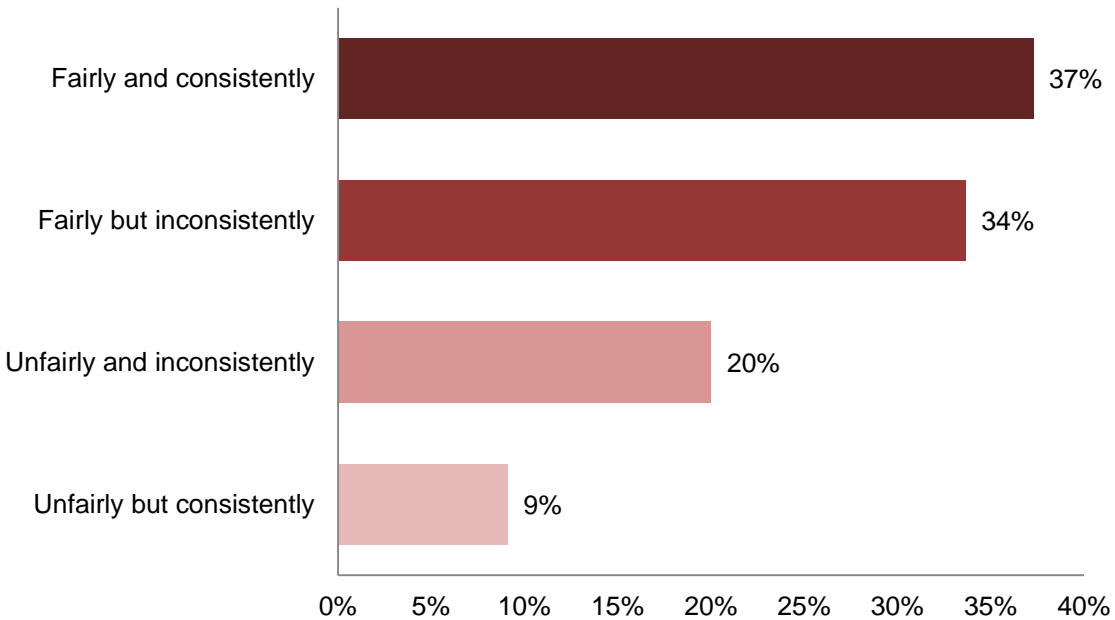


Figure 4.7 Survivor's Views on How the Retrenchment Criteria were Applied

The majority of the respondents (71%) believed that the criteria used to select who had to exit the business was applied fairly, however, 34% believed whilst it was fair, it was applied inconsistently (as compared to 37% who were of the belief that it was applied consistently). The remaining 29% of the respondents were of the belief that the application of the criteria used was done unfairly. However, 20% were of the belief that it was applied inconsistently as compared to 9% who thought it was applied consistently.

4.3.4 FEEDBACK ON DECISIONS TAKEN

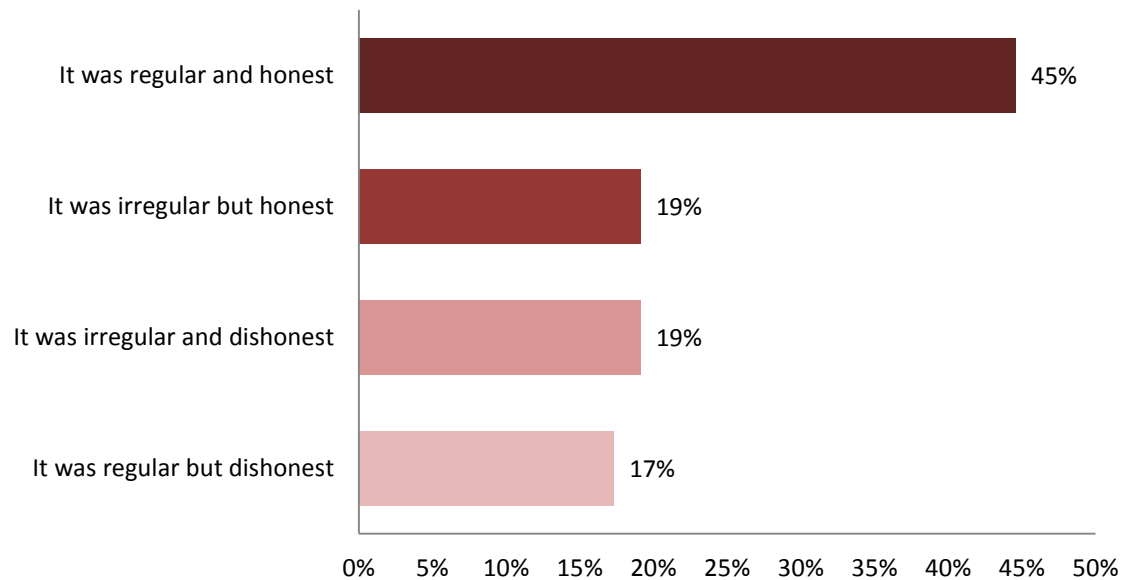


Figure 4.8 Survivor's Views on Feedback of Decisions Taken

The majority of the respondents (62%) rated the feedback on the decisions taken as regular. However, 17% thought that it was dishonest feedback versus 45% who thought it was honest feedback. On the other hand, 38% rated the feedback received as irregular, however, there was an equal split (19% each) who either thought that it was honest or dishonest. It is evident that the majority (64%) felt that management were acting honestly during downsizing.

4.3.5 EXPLANATION FOR DOWNSIZING DECISIONS TAKEN

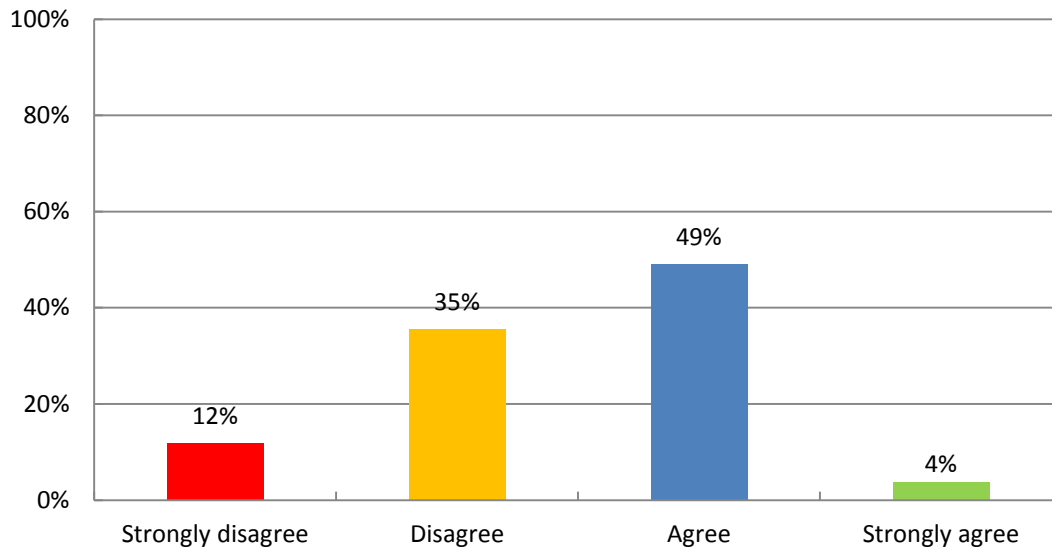


Figure 4.9 Adequacy of the Explanation for Decisions Taken

More than half (53%) of the respondents were of the view that there was adequate explanation of the decisions taken during the downsizing (49% agreed whilst 4% strongly agreed). On the other hand, 47% felt that the explanations for the downsizing decisions taken were inadequate (35% disagreed and 12% strongly disagreed).

4.3.6 RETRENCHMENT PACKAGE

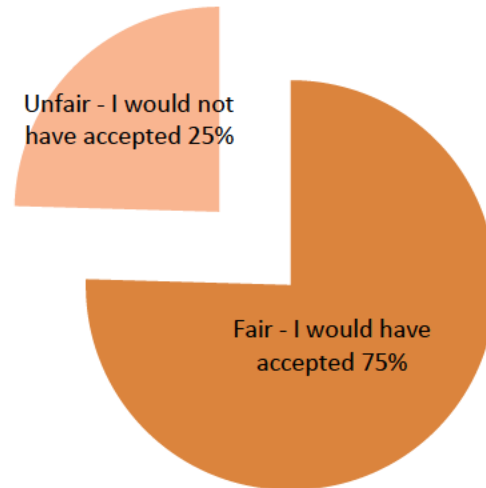


Figure 4.10 Survivor's Views on the Retrenchment Package Offered

It is evident from Figure 4.10 that the majority of respondents (75%) thought that the retrenchment package offered to those who were exiting the business was fair and that they too would have accepted it if it was offered to them (as compared to 25% who thought it was unfair).

According to Sweeney and Quirin (2009), survivor's attitudes and behaviour are often directly linked to their perception of the fairness of the downsizing process. Table 4.6 presents a cross tabulation between how respondents perceived the procedures that were used in the downsizing and various selective responses from survivors with regards to the fairness displayed.

Table 4.6 Cross Tabulation on Fairness Aspects Experienced During Downsizing

| During the last downsizing exercise conducted at TBST, how would you describe the procedures used? | | | | |
|--|--|------|--------|-------|
| | | Fair | Unfair | Total |
| Fairness of Retrenchment Package | Fair - I would have accepted the offer. | 56% | 20% | 76% |
| | Unfair - I would never have accepted the offer. | 6% | 18% | 24% |
| | Total | 62% | 38% | 100% |
| | Chi - square = 19.53 p - value = 0.000 | | | |
| Adequate Explanations for Downsizing Decision | Strongly disagree | 3% | 9% | 12% |
| | Disagree | 16% | 19% | 35% |
| | Agree | 41% | 8% | 49% |
| | Strongly agree | 2% | 2% | 4% |
| | Total | 62% | 38% | 100% |
| Chi - square = 23.148 p - value = 0.000 | | | | |
| Feedback on Downsizing Decisions | It was regular and honest | 41% | 4% | 45% |
| | It was regular but dishonest | 10% | 7% | 17% |
| | It was irregular and dishonest | 1% | 18% | 19% |
| | It was irregular but honest | 10% | 9% | 19% |
| | Total | 62% | 38% | 100% |
| Chi - square = 48.587 p - value = 0.000 | | | | |

Figure 4.5 indicated that 62% of respondents viewed the processes used in the latest downsizing as fair (as compared to 38% who viewed it as unfair). A cross tabulation (Table 4.6) was done to compare the fairness of the processes used with various selective responses to test Figure 4.5. What this analysis revealed is that survivor's, in the main, considered the latest downsizing initiative at TBST to be fair in terms of distributive justice (rewards and remuneration) and procedural justice (process control and explanations). The analysis of Objective 2 is closely supported by research conducted by Kholodova (2009).

4.4 COMMUNICATION

The basis of objective three was to determine survivor's perceptions of the communication used during the downsizing.

4.4.1 COMMUNICATION OF DOWNSIZING INITIATIVE

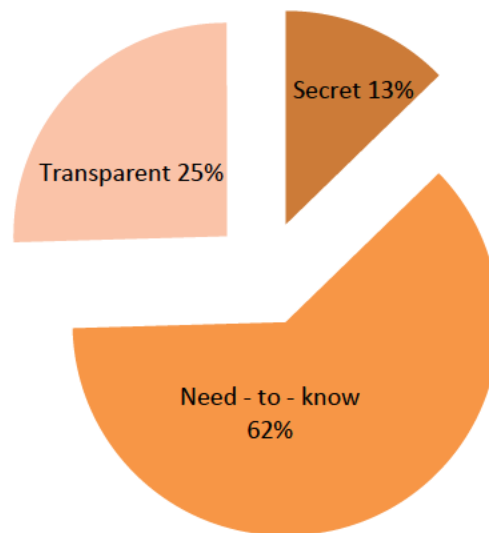


Figure 4.11 Survivor's Views on the Communication of the Downsizing Initiative

Figure 4.11 indicates that the majority of the respondents (62%) were of the opinion that the communication provided on the downsizing initiative was done on a need – to – know basis as compared to 25% who thought that it was done with total transparency and 13% who thought that it was done in secret.

The survivors of TBST's latest downsizing exercise indicated that the communication provided was to a large extent (87%) acceptable. The majority of respondents (62%) indicated that they received communication when they requested it and another 25% indicated that it was done with total transparency. A number of researchers and authors have found that providing clear lines of communication creates increased trust between management and employees which then makes it

easier to re – engage them (Moore, Grunberg & Greenberg, 2006; Noronha & D’Cruz, 2006; Carmeli & Sheaffer, 2008; Bunker, 2010; and Caldwell, 2011). This is particularly important to organisations like TBST who need to ensure that the remaining employees are fully engaged to achieve the new business goals.

4.5 SURVIVOR RESPONSES

Objective four was to determine how survivors at TBST responded to the last downsizing exercise conducted during March and April of 2011.

4.5.1 SURVIVOR RESPONSE TO DOWNSIZING

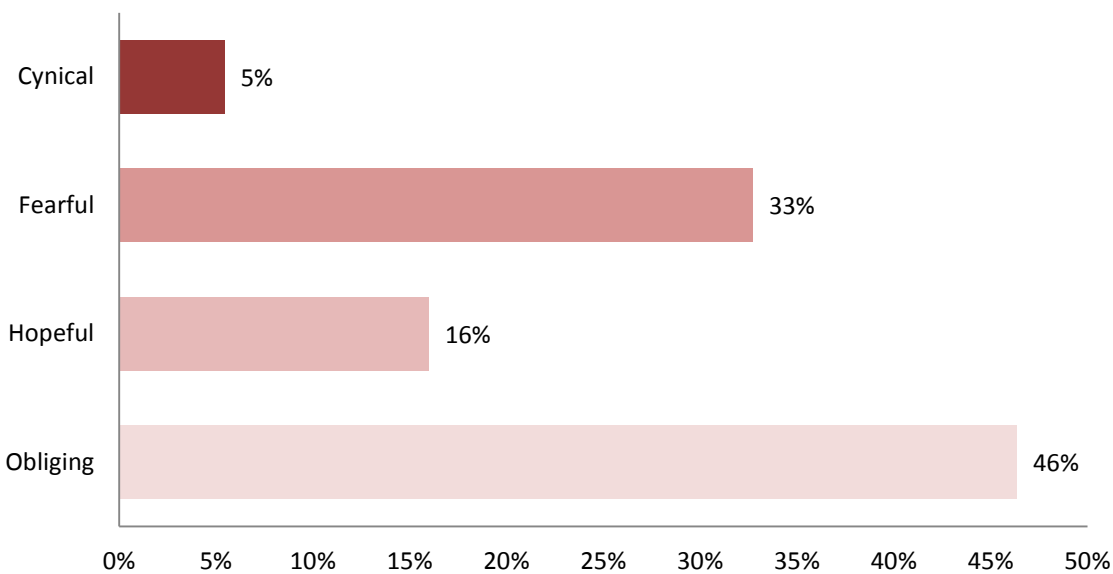


Figure 4.12 Survivor Views on How They Responded to the Downsizing Initiative

It is evident from Figure 4.12 that the majority of the respondents responded favourably to the downsizing initiative. Those who were hopeful, excited, and optimistic whilst solving problems and taking initiative at work during the downsizing process (Hopeful responses) accounted for 16% of the responses whilst those who were calm, relieved, committed, and loyal to TBST whilst following orders and continuing with their routine behaviour (Obliging responses) accounted for 46%.

On the other hand, 38% of the respondents responded negatively to the downsizing initiative. The majority of these respondents (33%) felt worried, fearful, anxious, and helpless which caused them to withdraw and procrastinate (Fearful responses). The other 5% expressed the view that they were angry, disgusted, and cynical whilst badmouthing their management and leadership team as well as TBST (Cynical responses).

The analysis of Figure 4.12 indicates that over 50% responded to the last downsizing in a positive way (46% exhibited Obliging Responses and 16% Hopeful Responses). However, of concern to an organisation like TBST is that 33% exhibited Fearful Responses whilst the other 5% exhibited Cynical Responses. According to Mishra, Mishra and Spreitzer (2009), to fully understand these types of responses in the context of how survivors may be re – engaged back into the organisation, further measurement criteria are required. These criteria are the levels of trust that survivors have in management as well as whether survivors felt they were empowered or not. However, this study has not probed for these types of responses but the data is still useful for the management of TBST.

4.6 EFFECTS OF DOWNSIZING ON SURVIVORS

Objective five was to determine how the survivor's were affected by TBST's last downsizing initiative.

Table 4.7 Survivor Response on Effects of Downsizing

| RESPONSE | MEAN |
|---|------|
| Stressed and anxious because I did not know if I would lose my job | 2.75 |
| Worried because I knew that although my job was not affected, I would be expected to carry a higher work load | 2.81 |
| Angry because I felt that the organisation should have considered other methods to remain competitive before deciding to reduce the workforce | 3.05 |
| Guilt because I knew that my job was secure but my fellow work colleagues were losing theirs | 3.15 |
| Was distrustful of my work colleagues because I felt that they would use every opportunity to place me in a negative light in order to secure their own futures | 3.24 |

Table 4.7 indicates how the survivor's of TBST's latest downsizing initiative responded to the exercise in terms of the emotions that they experienced. This was based on ranking five (5) different negative emotions on a scale of one (1) to five (5) with 1 being the emotion they most closely related to and 5 being the ranking that they least related to. An analysis of the means indicates that survivors were most impacted by feelings of stress and anxiety as they did not know whether they would retain their jobs (2.75). Distrust of fellow work colleagues ranked the lowest (3.24).

Literature conducted to date on the effects of downsizing on survivors indicates that survivors can experience a range of different negative emotions (Noer, 1993; Brockner, 1998; Appelbaum, Close & Klasa, 1999; Roan, Lafferty & Loudon, 2002; Amundson, Borgen, Jordan & Erlebach, 2004; Cameron, 2004, Marks, 2006 and Kulkarni, 2008). Table 4.7 is indicative of this. This confirms the research conducted by Torkelson, Muhonen & Peiró (2007) which found that survivors can experience different types of stress and mental trauma when faced with a downsizing initiative. It therefore becomes imperative for management and leadership to realise that survivors need to be treated as individuals when designing a strategy to help these survivors cope with the emotions that they are faced with.

4.7 MECHANISMS TO COPE WITH DOWNSIZING

Objective six was to determine what coping mechanisms were offered to survivors during and after the last downsizing exercise to deal with the negative effects that often result from such an initiative.

4.7.1 COPING MECHANISMS DURING DOWNSIZING

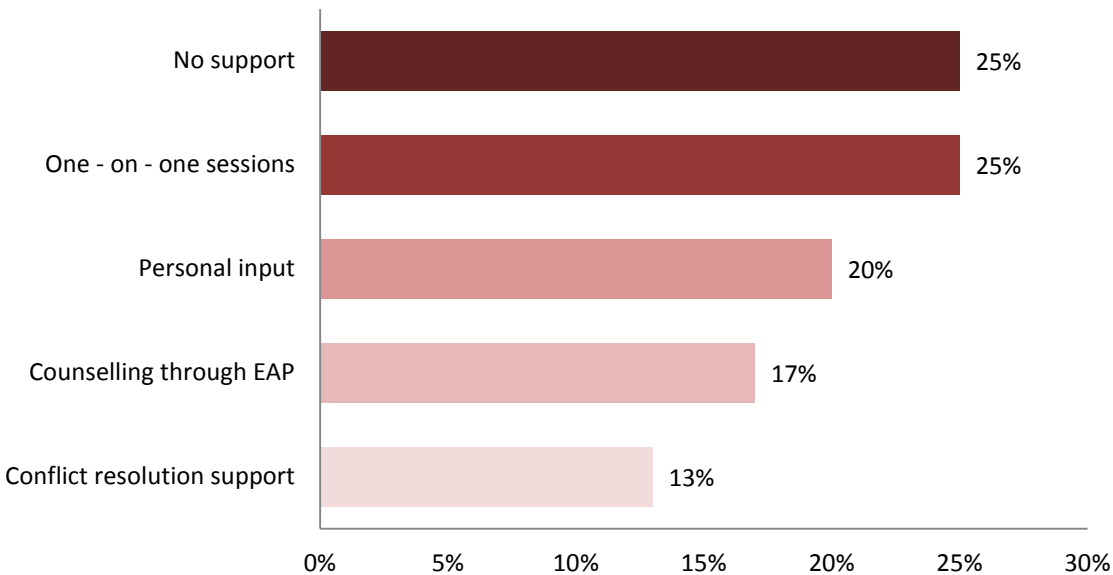


Figure 4.13 Survivor Views on Coping Mechanisms Offered During Downsizing

It is evident from Figure 4.13 that the majority of respondents (75%) were provided with some form of coping mechanism during the last downsizing initiative. From this group, 25% had a one – on – one session with either their team leader or manager to determine how they were handling the downsizing process, 20% revealed that their input was sought to determine how to make a positive contribution to the new business goals and 17% were offered counselling through the company’s Employee Assistance Programme (EAP). The other 13% received support and counselling to deal with any conflict that arose from within the team that they were working in. On the other hand, 25% of the respondents stated that no support was offered to them.

4.7.2 COPING MECHANISMS AFTER DOWNSIZING

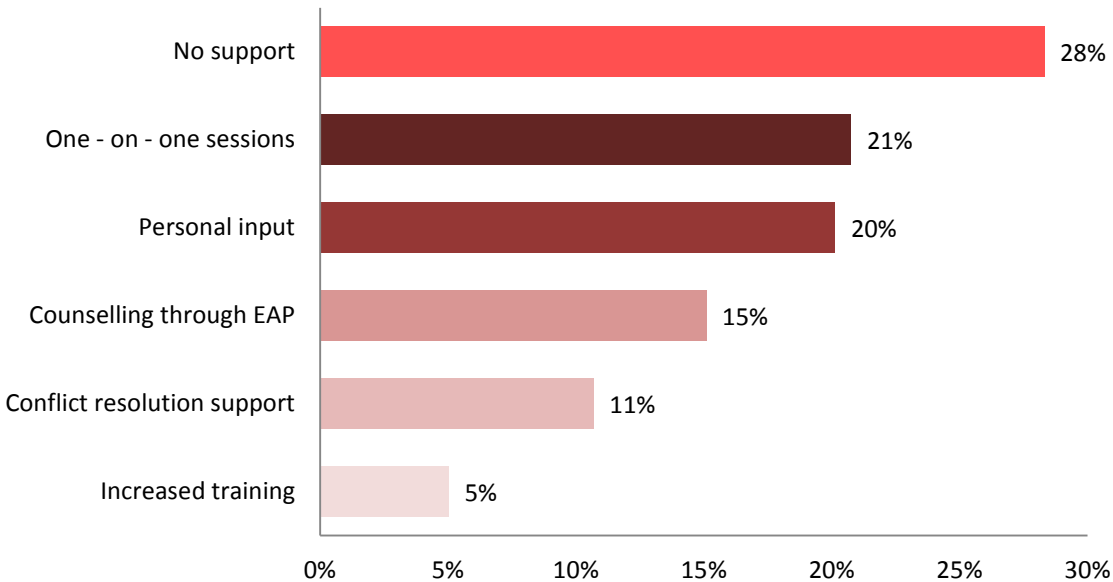


Figure 4.14 Survivor Views on Coping Mechanisms Offered After Downsizing

After the downsizing, 72% of the respondents stated that they received some form of coping mechanism. Those who had a one – on – one session with their team leader or manager to determine how they were impacted by the downsizing accounted for 21% of the responses, 20% was attributed to those whose input was sought to contribute positively to the new business goals whilst 15% received counselling through TBST’s Employee Assistance Programme. A further 11% of the respondents received support and counselling to deal with any conflict that arose from the new teams that were created whilst 5% whose job profiles had changed received training to successfully handle their new job requirements. However, 28% of the respondents were offered no support after the downsizing.

The literature to date indicates that over the years, little has changed in terms of how survivors are impacted by downsizing. Coping mechanisms to deal with these impacts also seem to be lacking from a literary perspective (Chadwick, Hunter and Walston, 2004; Guthrie and Dutta, 2008 and Dutta et al., 2004). Therefore the analysis into the responses from TBST’s downsizing initiative cannot reliably be compared to past research. However, TBST have treated most staff favourably during their last downsizing by providing them with various coping mechanisms. Of

concern though, is that at least 25% (either during or after the downsizing) indicated that no support was offered to them.

4.8 AFFECTIVE COMMITMENT AND JOB INTENTIONS

Objective seven was to determine the survivor's levels of affective commitment to the organisation after the downsizing as well as how they perceived their future within TBST.

4.8.1 LEVELS OF AFFECTIVE COMMITMENT

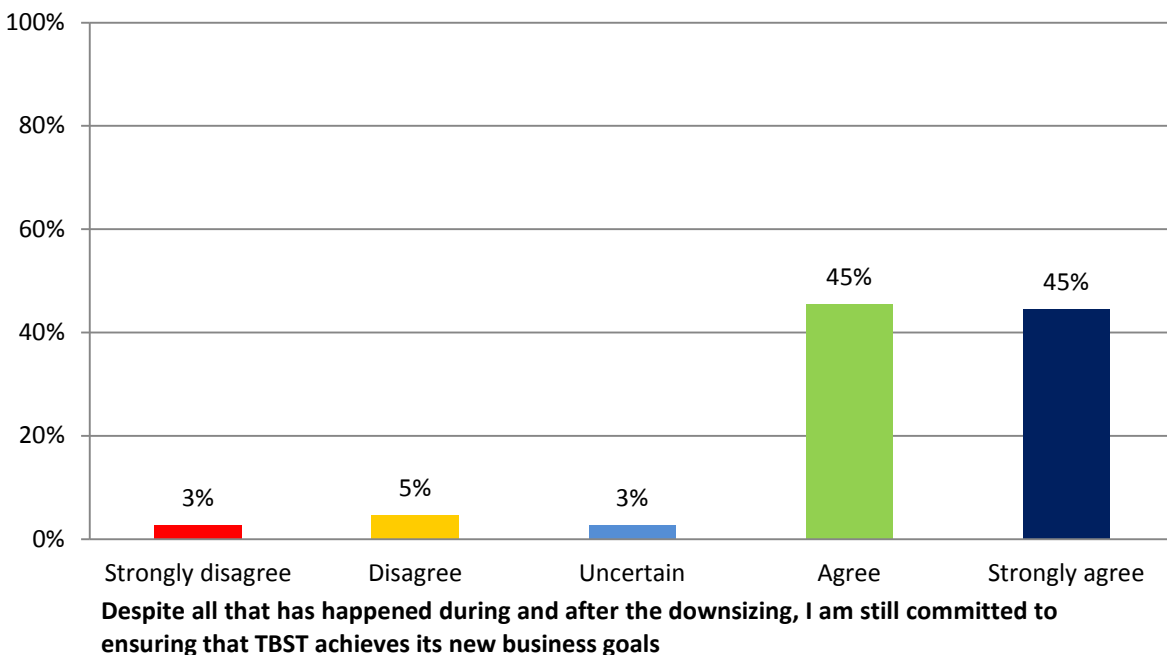


Figure 4.15 Survivor's Levels of Affective Commitment After Downsizing

It is evident from Figure 4.15 that despite all that has happened before and after the downsizing, the majority of the respondents were still committed to ensuring that TBST achieves its new business goals (90% either agreed or strongly agreed). Only 10% of the respondents either disagreed or were uncertain about whether they were still committed to contributing to TBST achieving its new business goals.

4.8.2 JOB INTENTIONS

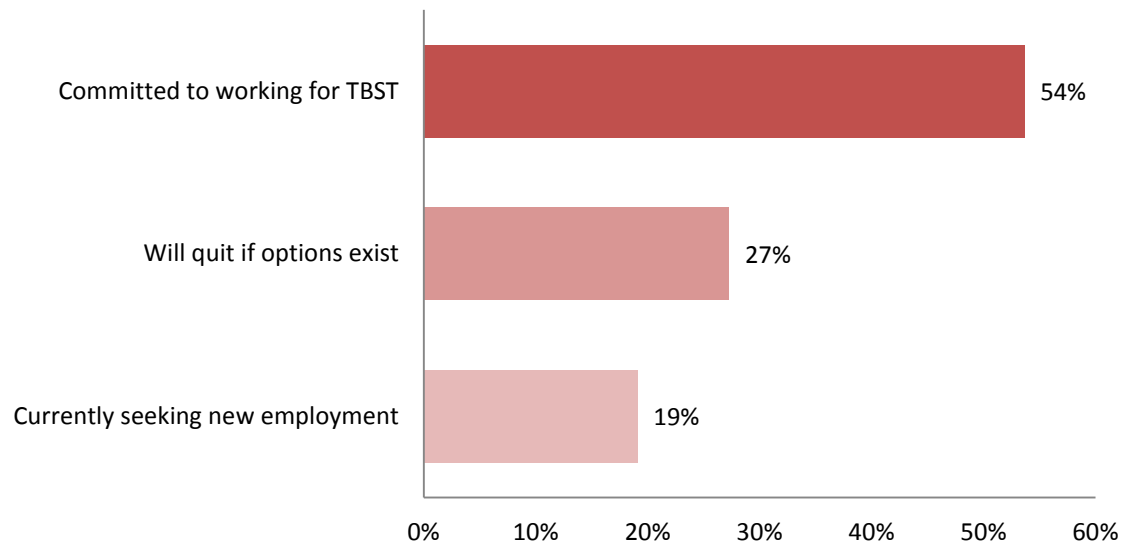


Figure 4.16 Survivor's Current Job Intentions

Figure 4.16 indicates that 54% of respondents have no intention to resign from TBST as they believe that TBST offers them the best opportunity to achieve their personal and career goals. However, 46% would quit the business if an opportunity elsewhere became available (19% were currently seeking new employment opportunities based on a fear that their jobs were not safe whilst 27% would quit the business if an acceptable external opportunity became available).

What is evident from the results is that although over 90% of the respondents are still committed to ensuring that TBST achieves its business goals, only 54% of the respondents are still committed to working for TBST. The other 46% are either already seeking new employment opportunities (19%) or are awaiting the right job opportunity outside of TBST (27%). To test whether there is a correlation between affective commitment and future job intentions, a cross tabulation was conducted between these two variables.

Table 4.8 Cross Tabulation Between Survivor’s Affective Commitment and Job Intentions

| Which of the following statements best describes your job intentions? | | | | | |
|---|--------------------------|----------------------------------|----------------------------|-------------------------------|--------|
| | | Currently seeking new employment | Will quit if options exist | Committed to working for TBST | Totals |
| Despite all that has happened during and after the downsizing, I am still committed to ensuring that TBST achieves its new business goals | Strongly disagree | 0% | 0% | 3% | 3% |
| | Disagree | 2% | 1% | 2% | 5% |
| | Uncertain | 1% | 2% | 0% | 3% |
| | Agree | 9% | 18% | 18% | 45% |
| | Strongly agree | 7% | 6% | 31% | 45% |
| | Totals | 19% | 27% | 54% | 100% |
| Chi - square = 17.861 p - value = 0.022 | | | | | |

According to Kholodova (2009) one of the negative outcomes of downsizing is lower levels of affective commitment towards the organisation. The results from this study (Figure 4.15) does not support the results obtained by Kholodova (2009). The possibility exists that this difference is due to the geography involved (the study conducted by Kholodova was focused on Dutch companies). Another possibility exists in that survivor’s could be exhibiting ‘short – term’ affective commitment versus ‘long – term affective commitment. Management of TBST should therefore be concerned as 40% of the respondents displayed behaviour that could result in a skills shortage due to labour turnover.

With regards to survivor’s future job intentions, the results from this study are closely linked with studies conducted by Clark and Koonce, 1995; James and Tang, 1996; Marks, 2006; Ito and Brotherridge, 2007 and Kulkarni, 2008. These researchers found that due to increased job insecurity, there is an increased tendency for survivors to voluntarily resign should another acceptable job opportunity become available. The cross tabulation indicates that there is a significant correlation ($p = 0.02$) between affective commitment and job intentions. This must be seen as a serious concern for organisations like TBST who could face the threat of critical skills and talented employees exiting the business.

4.9 MANAGEMENT AND LEADERSHIP INTERVENTIONS

Objective eight was to determine what strategic interventions management and leadership can engage in order to reduce the negative effects associated with a downsizing initiative.

4.9.1 STRATEGIES TO REDUCE THE NEGATIVE EFFECTS OF DOWNSIZING

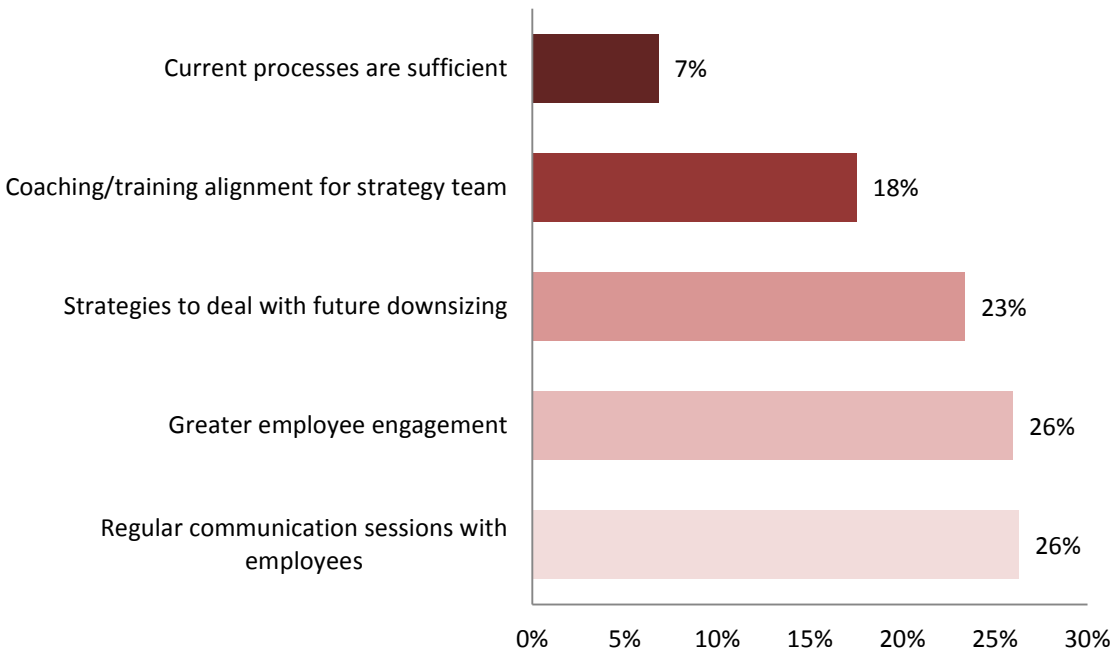


Figure 4.17 Strategic Interventions to Reduce the Negative Effects of Downsizing

It is clearly evident that only a minority of the respondents (7%) felt that the current processes were sufficient for TBST to remain competitive. The majority (93%) felt that some form (or combination thereof) of strategic intervention needs to be considered by the management and leadership team of TBST should a future downsizing initiative be required. There was an equal split (26% each) who recommended the following interventions:

- Regular communication sessions with employees in order for employees to understand how the business is performing,

- Greater employee engagement on how to realign the business in order to cope with changing business circumstances.

Future downsizing strategies and the impact that it has on employees (including how to deal with it) accounted for 23% of the responses whilst 18% were of the view that the members of the re – alignment strategy team required some form of executive coaching or training on how to conduct the process effectively.

According to Naranjo – Gil, Hartman and Maas (2008) and Nathan and Neve (2009), managers and leaders need to recognise that they are ultimately responsible for downsizing as a strategic intervention to be successful or not. The results from this study are indicative of the pivotal role that survivors expect management and leadership to assume to ensure the success of the initiative. If employees believe that poor management was the reason for the downsizing, their reactions to the downsizing are likely to be very different than if the reason was for example due to economic circumstances (Bomela, 2007). What the result also revealed is that employees want to be involved in re – aligning the organisation to meet changing circumstances and if they believe that this is happening, there will be a tendency to engage in organisational citizenship behaviours (Mogotsi, Boon and Fletcher, 2011).

4.10 SUMMARY

Overall the findings in this study indicate that survivors generally believe that the procedures used in the latest downsizing at TBST were fair and that there was sufficient communication provided to them. The study also highlighted that although survivors were still committed to the organisation the possibility exists that some employees may be seeking job opportunities elsewhere. It therefore becomes imperative that management and leadership of TBST seriously consider the strategic interventions as highlighted by the study in order to ensure that critical skills and talented employees remain within the organisation. Based on these findings, the next chapter provides recommendations to TBST on how to ensure that survivors are re – engaged into the organisation to ensure that the changed business goals are fully achieved.

CHAPTER FIVE

RECOMMENDATIONS AND CONCLUSIONS

5.1 INTRODUCTION

In the modern business environment, change has become the norm rather than the exception in order to remain competitive. One of the most common change strategies used by businesses such as the Snacks & Treats division of Tiger Brands is restructuring in order to reduce the cost base with the most common restructuring initiative being downsizing. However, the complexity of a downsizing initiative often has serious implications for both employees and the organisation alike. Employees face an emotional roller – coaster with their job security and career aspirations coming under threat whilst organisations, needing to ensure that operations remain on – going in order to fulfil its commitments, are faced with staff that may be de – motivated and hence unable to contribute to the changed business goals. The attention is often focused on those leaving the business as, naturally from a business perspective, this may be a primary concern. Organisations therefore often fail to give the survivors as much attention who, they often argue, do not need such attention as it is expected that they should be happy to have retained their jobs. However, these survivors are who the organisation must now rely upon to achieve the changed business mandate.

5.2 BENEFITS OF THIS RESEARCH

The research question posed in this study was to determine what strategic interventions the management and leadership of TBST could provide to re – engage survivors. Objective eight of this study therefore attempts to provide recommendations to TBST on the types of strategic inventions that can be instituted in order to manage survivor engagement in the new downsized organisation. This research question has been effectively answered by a significant percentage of the respondents (93%) agreeing that strategic interventions are required.

This study has highlighted certain outcomes that require mentioning. Firstly, although no literature seems to exist that has focused on whether different demographic variables influence

how survivors respond to a downsizing; this study also indicated that such correlations do not exist. However, further studies are required to either accept or refute this. Another area worthy of mention is that the literature indicates that little exists in the way of coping mechanisms for survivors as the focus is often on those exiting the business. However, where literature does exist, the view is that it is more in theory rather than in practice. This study indicates that survivors at TBST have, to a large extent, experienced practical coping mechanisms which are an encouraging sign for future successful downsizing initiatives.

The beneficiaries of this study are able to use these results in the following ways:

- The management and leadership teams at TBST are made aware that survivors respond differently to a downsizing and that a successful downsizing strategy must include ways of dealing with these. This study offers practical ways of doing so.
- Employees themselves are also made aware that what they are experiencing can be resolved through an understanding that this is not unique to them and that there are mechanisms available for them to cope successfully.
- Other divisions within Tiger Brands as well as other organisations can also benefit from this study by understanding that although some literature may exist on how to successfully re – engage survivors back into the downsized organisation, there are also practical ways of doing so.
- Other researchers can also benefit from this study through adding to what this study has revealed and/or extending this study into specific areas of research eg. does age or marital status contribute to how survivors respond to a downsizing.

5.3 RECOMMENDATIONS TO SOLVE THE BUSINESS PROBLEM

The business problem indicated that often survivors are offered little or no support (as compared to those exiting the business) in order to cope with the changes that they encounter during and after a downsizing. Based on practical guidelines, the following recommendations are offered for survivors to cope.

5.3.1 COMMUNICATION

The uncertainty in the global economic environment means that employees often have to deal with unknowns. This means that they will attempt to predict future outcomes on past experiences. However, leaders and managers can build up trust with their employees through openness to discuss the past before moving onto a vision of a desired future. Employee trust in leadership and management is often directly related to the quality of the communication provided with regards to the reason (s) behind the need to downsize, what the future vision of the organisation would be post the downsizing, what previous successful downsizing initiatives have achieved as well as what the potential downside of a downsizing strategy could be. This trust is strengthened if leadership and management can clearly articulate the rationale and the benefits of such a strategy.

Leadership of an organisation are often central in the articulation of a strategy whilst management play a significantly important role in ensuring that the message is transmitted clearly to employees. Whereas the leadership of an organisation can build confidence in employees with regards to the future of their organisation, managers are in a better position to make employees feel confident about their own positions due to the existence of a closer bond. Therefore regular communication sessions need to take place not only between managers and employees but between senior leaders and employees. An organisation like TBST (being part of the listed Tiger Brands Group) reports on financial results bi – annually to the greater investment community via the senior leadership team. Engaging employees on these results also on a bi – annual basis provides employees with an opportunity to understand the same communication that is being transmitted thus creating a vision of openness and trust. As each division within Tiger Brands is led by a Managing Executive, regular communication sessions (probably quarterly) will ensure that employees understand and appreciate what is happening within their own divisions. Therefore, should a change of strategy be required, there will likely be a greater level of trust in the leadership and management team which can often be the critical balance between whether the implementation of the strategy is successful or not.

5.3.2 EMPLOYEE ENGAGEMENT

Employee engagement is critical if the organisation needs to realise its new business mandate. A successful downsizing strategy is largely dependent on how engaged and motivated its survivors are. It is easy to reduce headcount, however, the downside is likely to be continued losses in revenue, declining customer loyalty and subsequently, lower profits if survivors are not engaged. Employees are often a fount of ideas on how to reduce costs within their own areas of expertise. Employee engagement in this regard on how to realign the business particularly through heightened economic times can often provide the catalyst to reducing costs before a headcount reduction strategy is utilised. However, if the need to still engage in a reduction in headcount is required employees are likely to buy into this decision more readily if they feel that they were part of the process in determining that this is the only viable alternative that remains.

A greater employee engagement strategy to realign the business to meet changing circumstances should therefore include suggestion boxes for employees to provide solutions to reduce costs. As a reward for this, the leadership can devise certain incentive schemes if the resources allow. Financial rewards of certain values depending on the nature of the workable suggestion, product hampers, flexible work space, shuttle bus services, free canteen facilities, gym facilities as well as day care and salon services could influence employee engagement in a positive way. Inter – departmental or inter – company competitions could also provide employees with the motivation to want to do things better. Another suggestion would be to include employee representatives as part of the strategy teams who make and implement downsizing strategies. Positive employee engagement would therefore serve another benefit – retaining critical skills and talented employees.

5.3.3 EXECUTIVE COACHING

All too often, those involved with implementing a downsizing strategy, be it leaders or managers, are not emotionally equipped to deal with the inevitable consequences of such an initiative. As many researchers have indicated, leadership styles can be quite varied. Linked to this is that personalities can also differ significantly from person to person. In an organisation

like TBST, it is inevitable that there will be a cross range of different psychological make – ups that will be part of the strategy teams. In order to ensure that the rationale behind the strategies are transmitted clearly and concisely to the intended targets, requires all members of the strategy team to be united in their delivery of the communication as well as being able to handle the consequences that come with it.

TBST should therefore consider executive training for key members who need to be pre – selected to make up the downsizing strategy teams. This training should be on – going and not necessarily only at the time of the implementation of such a strategy. The reason is that when a downsizing strategy is to be implemented, an area that is often targeted for cost reduction is training.

5.4 LIMITATIONS OF THE STUDY

Any study is subject to limitations. The limitations of this study are discussed below.

5.4.1 IDENTIFYING AND TARGETING OF RESPONDENTS AND ADMINISTERING OF THE QUESTIONNAIRE

When the questionnaire was first sent out for completion, a number of employees who should not have been part of the study completed the survey. The reasoning behind this was that it was not initially highlighted to the researcher that the downsizing strategy targeted only a limited number of positions. This meant that firstly, a list of only those employee who were the subject of the latest downsizing exercise had to be identified and secondly, the questionnaire had to be re – administered.

5.4.2 SIZE AND SCOPE OF THE TOPIC

This study has focused on only those employees who were targeted for the last downsizing exercise. However, a number of other employees were not the subject of the initiative but were nevertheless still impacted by it. A second limitation in terms of the scope was that in order to

adequately answer the objectives, a limited number of questions were asked. Cognisance was taken of the fact that asking more questions could possibly have reduced the response rate as it may have taken too long for the respondent to complete the questionnaire (keeping in mind that this study was workplace focused). Based on this limitation and the results that were revealed particularly with reference to demographics, a future study could be solely dedicated to this aspect (particularly as no literature exists around this subject).

5.5 RECOMMENDATIONS TO OVERCOME THE LIMITATIONS

Possible recommendations to overcome the limitations are:

- Early identification of the respondents through engagement with the Human Resources department is required. If confidentiality exists around revealing the names of those who were targeted, the researcher could sign a confidentiality agreement to safeguard the business.
- This study focused on a homogenous grouping ie. only those survivors who were the target for downsizing. A future study could look at all employees as it is evident from the first aborted questionnaire that although some employees were not targeted for downsizing they did nevertheless exhibit signs of survivor syndrome.

5.6 RECOMMENDATIONS FOR FUTURE STUDIES

A study of a limited nature such as this often highlights areas for future research identified either through a literature review or through the analysis of the results. Some areas for future research include:

- Demographics as the subject of a specialised study. However, this should include all members of the organisation as firstly, it will increase the population from which a representative sample can be drawn and secondly, it will add to the research literature.
- The effects that downsizing has on the strategy team implementing the downsizing initiative.

- Impact of downsizing on employees who may have been retrenched and subsequently re – employed.
- The positive side of downsizing.

5.7 SUMMARY

The research question in this study was focused on what the contribution of management and leadership is as a strategic intervention to reduce the negative effects of downsizing on survivors in order to re – engage these survivors towards achieving the changed business goals effectively. This research question led to a number of research sub – questions all of which were answered adequately either through the literature review or through the analysis of the results of the empirical study. The majority of the objectives were also answered adequately although there were some objectives that were either partially answered or no conclusion could be drawn. However, this did not detract from the main research question with regards to the strategic interventions that management and leadership could engage in to reduce the negative effects of a downsizing and thereby re – engage survivors back into the organisation.

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APPENDIX 1

RE - ENGAGING SURVIVORS OF ORGANISATIONAL DOWNSIZING QUESTIONNAIRE

1. Which site are you based at?

- a. Jacobs
- b. Mobeni
- c. Bryanston

2. Gender

- a. Male
- b. Female

3. Race

- a. Black
- b. Coloured
- c. Indian
- d. White

4. How many downsizing exercises have you experienced at Tiger Brands Snacks and Treats?

| | |
|-----------|--|
| 1 | |
| 2 | |
| 3 | |
| 4 or more | |

5. During the last downsizing exercise conducted at TBST, how would you describe the procedures used?

| | | | | |
|--|------|--|--------|--|
| | Fair | | Unfair | |
|--|------|--|--------|--|

6. Employee viewpoints on the downsizing were considered:

| | | | | |
|-------|--------|-----------|---------|--------|
| Never | Rarely | Sometimes | Usually | Always |
|-------|--------|-----------|---------|--------|

7. I believe that the criteria used to select which employee needed to exit the business was applied:

| | | | |
|-------------------------|---------------------------|---------------------------|-----------------------------|
| Fairly and consistently | Fairly but inconsistently | Unfairly but consistently | Unfairly and inconsistently |
|-------------------------|---------------------------|---------------------------|-----------------------------|

8. How would you rate the feedback received on decisions taken?

- a. It was regular and honest.
- b. It was regular but dishonest.
- c. It was irregular and dishonest.
- d. It was irregular but honest.

9. Employees were provided with adequate explanation (s) for any decisions made with regards to the downsizing:

| | | | |
|-------------------|----------|-------|----------------|
| Strongly Disagree | Disagree | Agree | Strongly Agree |
|-------------------|----------|-------|----------------|

10. What is your view on the retrenchment package that the laid – off employees received?

- a. Fair – I would have accepted the offer.
- b. Unfair – I would never have accepted the offer.

11. What is your view on how the downsizing initiative was communicated?

| | | |
|------------------------|---|-------------------------------------|
| It was done in secrecy | It was done on a need – to – know basis | It was done with total transparency |
|------------------------|---|-------------------------------------|

12. How did you respond to the downsizing process?

- I was calm, relieved, committed, and loyal to the organization whilst following orders and continuing my routine behavior.
- I was hopeful, excited, and optimistic whilst solving problems and taking initiative at work.
- I was worried, fearful, anxious, and helpless causing me to withdraw and procrastinate.
- I was angry, disgusted, and cynical whilst badmouthing my management and leadership team as well as the organization.

13. Rank the following (from 1 to 5) in terms of how you felt you were affected by the downsizing process (1 being the statement that you most closely relate to and 5 being the statement that you least relate to – do not repeat any numbers and do not leave blanks):

- a. Stressed and anxious because I did not know if I would lose my job.
- b. Worried because I knew that although my job was not affected, I would be expected to carry a higher work load.
- c. Was distrustful of my work colleagues because I felt that they would use every opportunity to place me in a negative light in order to secure their own futures.
- d. Guilty because I knew that my job was secure but my fellow work colleagues were losing theirs.
- e. Angry because I felt that the organization should have considered other methods to remain competitive before deciding to reduce the workforce.

14. During the downsizing exercise, the management and leadership of TBST offered the following mechanisms in order for me to cope with the changes that were occurring (tick only those that you agree with):

- a. One – on – one session was offered by my manager or team leader to determine how I was dealing with the downsizing process.
- b. Counselling to deal with my emotions was offered through the Employee Assistance Programme.
- c. My input was sought to determine how to make a positive contribution to the new business goals.
- d. Support and counseling was provided to deal with any conflict that arose within the team that I was working in.
- e. No support was offered to me.

15. After the downsizing exercise, the management and leadership of TBST offered the following mechanisms in order for me to cope within the new downsized organisation (tick only those that you agree with):

- a. One – on – one sessions were offered by my manager or team leader to determine how I was impacted by the downsizing.
- b. Counselling to deal with my emotions was offered through the Employee Assistance Programme.
- c. Increased training was provided to successfully handle my new job profile.
- d. My input was sought to determine how to make a positive contribution to the new business goals.
- e. Support and counseling was provided to deal with any conflict that arose within the new teams that were created.
- f. No support was offered to me.

16. Despite all that has happened during and after the downsizing, I am still committed to ensuring that TBST achieves its new business goals:

| | | | | | | | | |
|-------------------|--|----------|--|-----------|--|-------|--|----------------|
| Strongly Disagree | | Disagree | | Uncertain | | Agree | | Strongly Agree |
|-------------------|--|----------|--|-----------|--|-------|--|----------------|

17. Which of the following statements best describes your job intentions?

- a. I am currently seeking new employment opportunities because I fear that my job is not secure.
- b. Even though I would like to quit working for TBST, I don't believe that many options exist externally.
- c. I am committed to working for TBST as I believe that this company offers me the best opportunity to meet my personal and career goals.

18. What recommendation(s) for improvement would you propose to TBST should the downsizing exercise need to be repeated in the future (tick all those options that you agree with):

- a. Regular communication sessions with employees in order for employees to understand how the business is performing.
- b. Greater employee engagement on how to realign the business in order to meet changing circumstances.
- c. Future downsizing strategies to include the impact (and how to deal with it) that the downsizing has on employees.
- d. Members of the re – alignment strategy team to receive executive coaching/training on how to conduct the process effectively.
- e. The current processes used to determine how to realign the organization are sufficient for TBST to remain competitive.

APPENDIX 2



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26 April 2012

Mr Yoganathan Naidoo 8933413
Graduate School of Business & Leadership

Dear Mr Naidoo

Protocol reference number: **HSS/0129/012M**
Project title: **Re – Engaging Survivors of Organisational downsizing**

EXPEDITED APPROVAL

I wish to inform you that your application has been granted Full Approval through an expedited review process:

Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment/modification prior to its implementation. In case you have further queries, please quote the above reference number. PLEASE NOTE: Research data should be securely stored in the school/department for a period of 5 years.

I take this opportunity of wishing you everything of the best with your study.

Yours faithfully

.....
Professor Ste
Humanities & Social Sciences Research Ethics Committee

cc Supervisor Professor Anesh Maniraj Singh
cc Mrs Wendy Clarke