

## The impact of dumb sizing on the Motivation of Survivors

<sup>1</sup> Dr; Aziz Javed;

<sup>2</sup> Naveed Saif;

Department of Business Administration Gomal University  
 Dera Ismail Khan Kpk Pakistan  
 Email: [Azizjaved\\_mba@yahoo.com](mailto:Azizjaved_mba@yahoo.com)  
 Email: [naveedsaif\\_naveedsaif@yahoo.com](mailto:naveedsaif_naveedsaif@yahoo.com)

<sup>3</sup> Dr; Shafiqur Rehman ;  
 Department of Business Administration  
 University Of Malakand KPK

<sup>4</sup> Muh Saqib Khan ;

<sup>5</sup> Khalid Rehman;

Dept.; Business Administration; GOMAL; University  
 D.I.KHAN; KPK

Email: [saqiblecturer@hotmail.com](mailto:saqiblecturer@hotmail.com)

Email: [Khalidlecturer08@yahoo.com](mailto:Khalidlecturer08@yahoo.com)

<sup>6</sup> Zia ur Rehman;

Department of Business Administration;  
 Quataba University  
 Dera Ismail Khan Kpk Pakistan.

<sup>7</sup> Yahya Khan;

Department of Public Administration;  
 Gomal university .  
 D.I.Khan (KPK) Pakistan

### ABSTRACT

This research study examines the process of downsizing and its impact on the motivation of survived employees. It was conducted in September 2008 in different areas of KPK. A sample of 80 people was taken for this purpose. The data was collected through questionnaires and interviews with those who survived. And the obtained data was analyzed through SPSS and frequency distribution method. The average score of the respondents on the instruction of downsizing in the organization shows that mostly survived employees did not like the downsizing process. In particular, they responded that downsizing is a threat for their individual as well as social and economic life. Similarly, the response average for health facilities and spouse education shows that they were satisfied with the health facilities and most of the respondents indicate that because of downsizing their spouse education was affected. The final finding indicates that employees were highly affected in terms of health facilities, spouse education, new job finding for those affected, social, economic conditions and living standard. While their motivation level was increased because of the fear of job loss. As in Pakistan, current energy crises and unstable economic situation create a very horrible situation for those who have lost their jobs. As a result, an employee working in the government sector does not want to lose their jobs because of the contentious unfavorable situation inside the country and consistent losses in the organization along with no effective leadership style.

**Key Words:** Downsizing, Social and Economic Condition, Motivation, unstable situation.

### INTRODUCTION:

While evidence of the downsizing effect on employee motivation has been well explored in the literature, empirical researchers (1984) conclude that there is a greater effect by using downsizing on the employee's motivation. Generally, downsizing refers to such phenomena that take the organization to reduce the cost, and improve the effectiveness and organizations of production competitiveness. The theory of downsizing has positive outcomes for the organization. In many cases, downsizing has had some time to complete the proxy to attend and produce negative results. For downsizing, we often use different words to life returns, Building Down, streaming, Demising, Rightsizing, contracting, slimming, and integration. Each of these opinions, but single they may have the more common meaning of connotation. What is important that we should be clear about which are the features of downsizing was central to its

definition, so the agent of a person must be well aware of the different modes of using the words to the condition of, the other.

Tommesko (1990) use the word in a demising downsizing "is characterized by the removal of the manager and the professional organization in order to reduce the cost"  
Similarly clinfered (198) indicates the use of the word retrenchment "in human resource cost reduction including staff reduction, salary freezes, early retirement programs, etc. while camron, Watten and Kim used the word organic decline place downsizing.  
Downsizing represented strategy implemented by managers that affect the size of the workforce and firm, his work process comron al. (1993).

These definitions do the most successful writers such as Freeman. Cameron, (1993), Kozolowski.(1993), Mishra and Mishra (1994). Carmon slimming 4 properties. Layoffs may occur intentionally as a strategy to respond positively to improve organizational effectiveness (Kozolowski 1991). The personal qualities often involve miniaturization, and lead to a reduction, but not always limited dating. Layoffs occurred proactively to reduce/control costs and increase profits, consolidating competition. Layoffs activation may change in the course of their work in the thinking of the constraints and redesign (Cameron, 1994).

Management of PIA has introduced massive cuts in Airline, cutting of 4,000 jobs. According to the plan retrenchment figure is around 3500-4000 plain includes daily wages, contractual, regular and unionized workers and at all levels, as a first step out station management reduce workforce by 60%.  
According to the estimate of PIA would save 70 million/ year as a result of downsizing. Today PIA is facing the worst economic crisis in history. To make a turnaround management has prepared a contingency plan that was place before President General Pervaiz Musharaf. As approved plan and the main theme of the contingency plan was the introduction of retrenchment as the downsizing of the organization. (Wednesday 30 May 2001) [Http: / /Englishpeopledaily.com.c](http://Englishpeopledaily.com.c)

#### **Defining the problem.**

Downsizing refers to such phenomena as the organization take to reduce costs, improve organization efficiency and produce competitiveness. In theory, downsizing has come out for the organization. This study will tell us how the downsizing process happen is what its impact on the employees who had been affected, what is it that creates a situation where the job cuts were necessary, and the impact of this downsizing of the affected employees that with their social and economic life is suffering. ID and they found some relevant work and more specifically the impact of those affected employees on society as well as the countryside. Because of these reasons, downsizing must evaluate, and its relationship to the affected employee's economic/ social conditions.

#### **Significance of the study;**

My purpose in this report's analysis, there were two that students are aware of the reduction process its impact. With employee motivation. There is a closer relationship between the reduction of the number of employees and the organization performance. I tried to conclude this report to transmit attitudes of being affected by reductions, workers include two performance of their social and economic conditions. Thus, if employees are strongly motivated they can serve as better for their organizations, as well as the country. I believe that my efforts have for this report will bring some light on the path to success actions.

#### **Objective of study:**

This research will focus on the following objective.

1. To identify the number of affected during the process of downsizing in PIA.
2. To assess the impact of downsizing on intrinsic and extrinsic motivation.
3. To draw conclusion and to suggest recommendation in the light of finding of this study regarding the downsizing Process.

#### **Literature Review;**

Empirically the majority of studies have examined the impact of the reduction in the motivation of employees in the organization. The instructional staff reduction as a tool change member can organize their behavior motivation. A study of the literature on downsizing sign of the growing importance of the subject in (1979) and writing about the subject and its relationship with the public sector (1989) before (1985) the vast majority of the literature focuses on reducing public

sector and checks the results in terms of employee motivation. Lastin (1986) most of the literature focuses on reducing the private sector. Most researchers and scholars working in the studio on reducing the number of staff and employees were made portions (Broker, Davy and Bill of 1985; Brokner, Grover, Read, DeWitt, OMelly 1987; Brankner 1988), the scholar who after his research suggests that employees with motivation cord after using the reduction in the organization.

The public determines size reduction has been explained by the investigator few (Studies) namely Teit and Heller (1983) Riddick (1997) and Field et al Schevio. (1977). these studies were conducted in their country and also their methodology encourages some are descriptive, while another is the econometric analysis. Litter Carign-R-Drunk-Richard) Thomas Andrew Bramble-Hade (1998) compares the reduction in size of two countries of Australia and New Zealand and find the difference between variable HRM. That, and these results show the opposite trend (in the company of Australia has suffered negative consequences of human resources after depreciation, while in New Zealand the motivation and commitment of these tend to increase after DS. Patrice Me Go (1997) in their research (The race management. After downsizing) stated that our research is based on in-depth case study of major birth employer is no evidence base for the introduction of change the new model and the most notable changes included less job security for (especially for older than fifty) less opportunity for promotion above. Emphasizes their own careers and concludes that restructuring adds fresh impetus to internally promoted middle school Principal Patrice McGovern of Economics.

#### **RESEARCH METHODOLOGY;**

This chapter explains in detail about how data was collected and what methodology will required in order to get information. It starts with the selection of appropriate method that consist of in-depth Survey and interview, it provide the information about the sample population and purpose of the study and further describes the research instruments the data collection process sampling design and type of analysis carried out in the study.

Both the sources of data collections primary and secondary will be used for the primary data the following research instrument will be used and the secondary data will be gathering from internet and the relevant institution.

A comprehensive questionnaire/Interview schedule pertaining to the following information will be devised.

- No of survived employees.
- Their nature of Job.
- Age, gender, qualification and length of service of affected workers.
- Level of income before and after displacement.
- Literacy status of household members.
- Health facilities.
- Standard of living.

The number of all displaced worker constitute the universe of the study. It is proposed that the sample of 40, if randomly selected will fairly represent the whole universe.

#### **Data Analysis;**

Data was analyze through using frequency percentage distribution. The FPD analysis was used to determine the impact of downsizing on affected employees in various area of KPK.

Our study is consisting of primary data and as well as secondary data. Primary data was collected to complete an instrument (Annexure-A0 that include an informed consent questions, assessing various demographic and background characteristics of motivational beliefs of respondents. The later portion of this instrument consisted of 18 Likert-styled items (e.g. 1 disagree to 3= agree.)

Semantic scales like the Likert, the staple and the semantic Differential, are used for constructing most instruments determine the extent to which measurements errors can be avoided and dare therefore of great concern to business researchers (Munshi. 1990).

□

### RESULT AND DISCUSSION

Research is conducted to determine the downsizing and its impact on survived employees' socio-economic condition and also consist of the sample distribution on the basis of the age, job level, experience, salary, education and number of dependent family member. The discussion in detail is following.

*Table 1.* Management wise sample distribution of the respondents

| Category                          | Number of Employees Ni | Stratified random sample |
|-----------------------------------|------------------------|--------------------------|
| <b>Top level Managers</b>         | <b>20</b>              | <b>10</b>                |
| <b>Middle level staff</b>         | <b>150</b>             | <b>49</b>                |
| <b>Lower level staff</b>          | <b>30</b>              | <b>21</b>                |
| <b>Total numbers of employees</b> | <b>200</b>             | <b>80</b>                |

*Table 2.* Distribution of Sampled Respondents

| Variable               | No. of responds | Percentage |
|------------------------|-----------------|------------|
| Gender                 |                 |            |
| Male                   | 59              | 90         |
| Female                 | 11              | 10         |
| Total                  | 80              | 100        |
|                        | Mode of job     |            |
| Ad-hoc                 | 05              | 10         |
| Permanent              | 55              | 75         |
| Contract               | 20              | 15         |
| Total                  | 80              | 100        |
|                        | Qualification   |            |
| Post Graduate (Master) | 44              | 73.33      |
| Graduate (Bachelor)    | 16              | 26.66      |
| Total                  | 60              | 100        |
|                        | Ages            |            |
| Ages from 28 to 39     | 40              | 66.66      |
| Ages from 40 to 50     | 20              | 33.33      |

1 or less than 1: Unfavorable attitude of the respondents towards the given statements

1 to 2: Neutral attitude/undecided

2 to 3: Favorable attitude

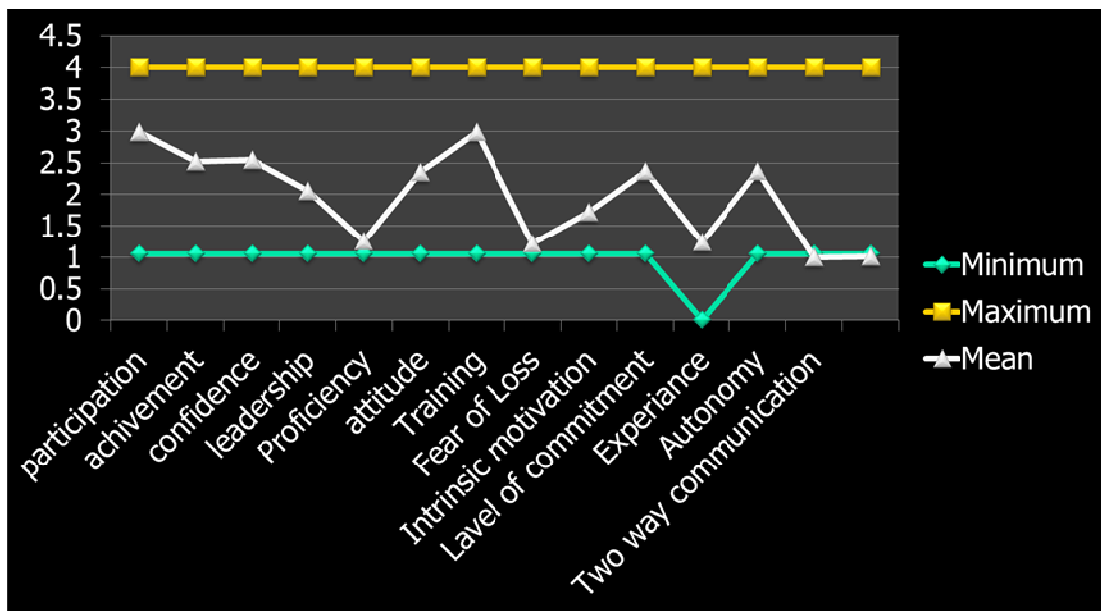


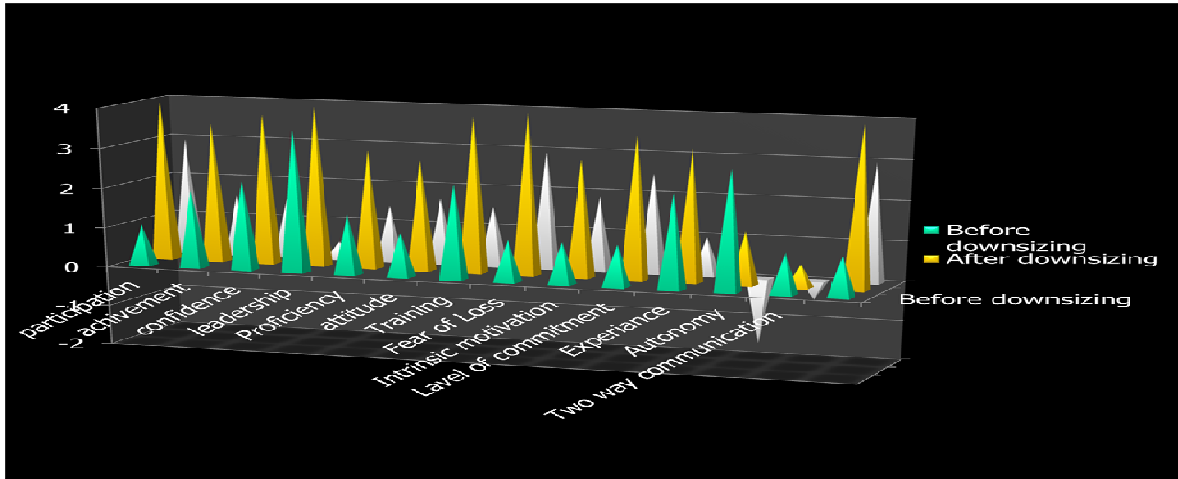
Table 3. Descriptive summary of various attributes of the sampled respondents

| Attributes            | Minimum | Maximum | Mean   |
|-----------------------|---------|---------|--------|
| Values                | 1.05    | 4.00    | 2.9899 |
| participation         | 1.05    | 4.00    | 2.5264 |
| achivement            | 1.05    | 4.00    | 2.5487 |
| confidence            | 1.05    | 4.00    | 205463 |
| leadership            | 1.05    | 4.00    | 1.2546 |
| Proficiency           | 1.05    | 4.00    | 2.3563 |
| attitude              | 1.05    | 4.00    | 2.9865 |
| Training              | 1.05    | 4.00    | 1.2124 |
| Fear of Loss          | 1.05    | 4.00    | 1.7235 |
| Intrinsic motivation  | 1.05    | 4.00    | 2.3698 |
| Level of commitment   | 1,05    | 4.00    | 1.2487 |
| Experiance            | 1.05    | 4.00    | 2.3654 |
| Autonomy              | 1.05    | 4.00    | 1.0009 |
| Two way communication | 1.05    | 4.00    | 1.0085 |

#### 4. Association between motivation and fear of losing job

Data pertaining to the association between motivation and fear of job loss are displayed in table 4. The results indicated a significant ( $P < 0.05$ ) association between the studied attributes i.e. knowledge and job analysis. It suggested that shared and priorities are dependent variables. Majority of the respondents showed there concerned to category "A" of the shared and priorities respectively. The result reflected that

41.7 percent were agreed with the suggestion. However, the percentage of those who were undecided was very low i.e. (20.7%).



**Table 5. Association between motivation and fear of losing job**

| Shared    | Priorities |           |          | Total     |
|-----------|------------|-----------|----------|-----------|
|           | Disagree   | Undecided | Agree    |           |
| Disagree  | 1 (3.3)    | 2(5.0)    | 10(10.0) | 11(12.3)  |
| Undecided | 0 (0.0)    | 1(1.7)    | 15(10.0) | 19(21.7)  |
| Agree     | 9 (15.0)   | 17(8.3)   | 25(41.7) | 50(65.0)  |
| Total     | 10 (23.3)  | 20(15.0)  | 50(61.7) | 80(100.0) |

Chi square value = 1.844, P value =0.04, the values in parenthesis or the percentages.

## 5. Summary, conclusions and recommendations;

### 5.1. Summary

The study was conducted to analyze and determine relationship between Motivation level of the survivors after introducing downsizing as a strategy. In order to obtain information about the stated objective data was collected from 80 respondents through sampling technique among 200 employees during 2009. The data about organization motivation level both intrinsic and extrinsic as well as their level of efforts before and after downsizing was analyzed through a Likert scale (1=disagree, 2=undecided, 3=agree). And Chi square was used in order to analyze the results and find out any relationship between these factors.

### 5.2 CONCLUSION;

On behalf of the result obtained following research we can say that there is a strong relationship between intrinsic & extrinsic motivation and employees' performance. Organization members work lazily before introducing the downsizing concept but after introduction of such a concept motivate employees to perform. Job becomes better than others and goes up to their highest level. This is the only way to survive in such a policy as well as organization members' socio-economic condition totally depends on job. If any time any member loses their job in case of their colleagues, it will create a serious threat for their survival in society because of lack of job availability as well as psychological demoralization of effects creates problems for them. The main purpose of this study was to investigate the causes of downsizing as it has been explained by Camron (1993), downsizing may occur as a strategy, and a response in order

improve organization effectiveness and kozolowiski (1991). The personal attributes often involves in downsizing and causes reduction in personal. To conclude we can say that downsizing were occur intentionally in P.I.A as a strategy and cause reeducation in personals and after downsizing the effected employees face lot of difficulties and hindrances in their life.

### 5.3 Recommendations;

After analyzing the results on the basis of detail interview and questioners. We found that after with the introduction of downsizing as a tool with in (PIA) most of the affected employees were did not service in the specify and their inconvenient, dependent kids education and their social as well as economical life was seriously affected. A result found by Carige R.L. (1998) in his work as well. So it is recommended that for the goodwill and in order to reduce anxiety among the masses and affected employees as well as for the economic growth in the country alternative job facilities should provided to the affected employees and try to reduce the downsizing process relates to public as well as in private sector. Because downsizing may be tool strategy for the organization but having great threats fro the affecters especially in different areas of Pakistan, because it create inflations and slow down the process of economic development but is downsizing is necessary in some condition then try to provide alternative opponents to affected employees in term of benefits.

### REFERENCES

- Axmith. M. 1995. Canadian Dismissal Practices Survey, Axmith, Torontom.,
- Baumohl, B. 1993. When downsizing become Dumbsizing Time, 15. March, P. 55.
- Baumohl, B. 1993, when downsizing became Dumbsizing, Time, March 15., P. 55.
- Bennett, L. 1991, Management: Downsizing Does not Necessarily Bring an Upswing in Corporate Profitability Wall Street Journal , June 6, P: B-1
- Brockeer, J. 1984, The Effects of Work layoffs on Survivors: Research Theory and Practice. In B.M Staw and L.L. Cummings (Eds.), Research in Organizational Behaviors (Vol-10) Green which, C.T.: Jai Press, 1988, P: 213-255.
- Brockner. J. (Winter, 1992). Managing the effects of layoffs on others. California Management Review. P: 9-27
- Cameron, K.S., Whetten, D.A., & M.U. 1987. Organizational dysfunctions of decline. Academy of Management Journal, 30, 126-138.
- Cameron. Freeman & Mishra 1993. Organizational Downsizing and Redesign. In G.P. Huber and W.H. Glick (EDS) Organizational Change and Redesign, OXFORD: OXFORDUniversity Press.
- Cameron. K.S.(Summer 1994), Gues editor's note: Investing Organizational Downsizing fundamental issues, Human Resources Management 33(2), PP. 183-188.
- Carige, R. Litrtler 1998: Comparing the Downsizing in Australia and New Zealand., AsiaPracific Journal of Human Resources., Vol. 36, No. 2 29-45.
- Charles H. Levine. "More on Cutback Management: Hard Question for Hard Time, Public Management Forum 39 (march/April 1979): 180
- Clinfford H. Harrison. Managing Staff Reduction IN Corporation ( Ann Arbor: UMI Press. 1986). 3
- David A. Whetten. Organizational Decline: A Neglected Topic in Organizational ScienceAcademy of Management Review 5 ( 1980): 577.
- Feldman. D., Leana C. 1989. Managing Lay offs Experiences at the Challenger Disaster site and the Pittsburgh steel mills, Organizational Dynamics, PP. 52-64..
- Fowke, G. K 1998 Layoff and Survivor Career Motivation Paper 24 Queen's at Kingston. School of Indus.
- Freeman, S.J & Cameron 1993 Organizational Downsizing: A convergence and reorientation frame work. Organizational Science, 4 (1) P: 10-18.
- Hade.
- Hamel, G., Prahald C. 1994, Competing for he future, Harvard Business School Press, Boston, MA.,
- HenKoff, R. 1990. Cost cutting: How to do it right fortune. 9 April, 17-19. Henkoff. 1994. Getting Beyond Downsizing Fortune, 129 (1) , 30-34
- Human Resources Management Vol. 40- No. 5 May1, 2001
- Heller and Teit. 1983 Organizational Downsizing: Strategies, Intervention, and Research implication. International review of Industrial and Organizational Psychology. New York: Wiley

- Kozlowski, S., Chao, G. Smith E., and Hedlunds, V. 1993, Organizational Downsizing: Strategies, Interventions, and Research Implication, *International Review of Industrial and Organizational Psychology* Vol. 8, PP. 263-332.
- Leans and Fledman. 1988, Individual Response to Job Loss, Perceptions Reactions and Coping Behaviors *Journal of management*, 14 (3) P: 375-389.
- Leana, and Fledman. 1990. Individual Response to Job Loss: Empirical Findings from Two Field Studies, *Human Relations*, 43 (11) P: 1155-1181.
- Leana, Carrie R. 1996. Why Downsizing Won't Working Chicago Tribune magazine, April, 4<sup>th</sup> 15-16, 18.
- Mishra A., Mishra K. 1994. The role of mutual trust in effective downsizing strategies
- Mroczkowski. T. and Hanoka. M. 1997 Effective downsizing strategies in Japan and America: is there a convergence of employment Practices?  
*Academy of Management Review*, Vol 22,
- O' Reilly, Brain 1994: The New Deal: What companies and Employees Owe One Another, *Fortune*, 129, 44-52.
- Pickard. M.E. 1980. *Competitive strategy*. New York: Free Press.
- Redman T and Wilkinson A 2006 Downsizing in T. Redman and A Wikinson (eds) *Contemporary Human Resource Management*, London: FT/Prentice Hall, Pp. 356-381
- Roobert D. Behpn, Leadership for cutback Management: The Use of Corporation Strategy, *Public Administration Review* 40 (November/December 1980): 614
- Robert M. Tomasko. Downsizing: Reshaping the corporation for feature (New York, Americana Management Association, 1990), 43.
- Sahdev, K. 2003 Survivors reactions to downsizing: the importance *Human Resource Management Journal*, Vol. 13, No. 4, pp 56-74.
- Thurow. L.C 1986. White collar overhead- Across the Board, 23,234-242.
- Tomasko, R.. 1990. Downsizing: Reshaping the Corporation for the future. New York.. AMACOM.



This academic article was published by The International Institute for Science, Technology and Education (IISTE). The IISTE is a pioneer in the Open Access Publishing service based in the U.S. and Europe. The aim of the institute is Accelerating Global Knowledge Sharing.

More information about the publisher can be found in the IISTE's homepage:

<http://www.iiste.org>

## CALL FOR PAPERS

The IISTE is currently hosting more than 30 peer-reviewed academic journals and collaborating with academic institutions around the world. There's no deadline for submission. **Prospective authors of IISTE journals can find the submission instruction on the following page:** <http://www.iiste.org/Journals/>

The IISTE editorial team promises to review and publish all the qualified submissions in a **fast** manner. All the journals articles are available online to the readers all over the world without financial, legal, or technical barriers other than those inseparable from gaining access to the internet itself. Printed version of the journals is also available upon request of readers and authors.

## IISTE Knowledge Sharing Partners

EBSCO, Index Copernicus, Ulrich's Periodicals Directory, JournalTOCS, PKP Open Archives Harvester, Bielefeld Academic Search Engine, Elektronische Zeitschriftenbibliothek EZB, Open J-Gate, OCLC WorldCat, Universe Digital Library, NewJour, Google Scholar

