AN INVESTIGATION INTO THE EFFECTS OF ORGANIZATION DOWNSIZING ON EMPLOYEE PERFORMANCE

(A CASE STUDY OF TELKOM KENYA LIMITED, MT. KENYA EAST REGION)

BY

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D53/OL/3708/04

A RESEARCH REPORT SUBMITTED
IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE AWARD OF
MASTER OF BUSINESS ADMINISTRATION (HRM), SCHOOL OF BUSINESS
KENYATTA UNIVERSITY

APRIL 2009
DECLARATION

I hereby declare that this research project is my original work and has not been presented for a degree in any other university or examining body.

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ABSTRACT

In general terms, downsizing refers to an organization's voluntary actions to reduce expenses. This is usually, but not exclusively, accomplished by shrinking the size of the workforce. However, downsizing is the term used to encompass a whole range of activities, from personnel layoffs and hiring freezes to consolidations and mergers of organizational units.

This study set out to evaluate various variables of downsizing and investigate their contribution on employee performance, which are the bases for organization performance. The researcher adopted a descriptive research design. The target population for this study was all the employees of Telkom Kenya at the Mt. Kenya East (Embu) Region. A representative sample was drawn from this population using stratified random sampling. The study was conducted within this region and it involved actual data collection from respondents who were employees of Telkom from all carders. The descriptive study entailed a library research to locate secondary data from books, magazines previous research works and the Internet.

The data collection tools were questionnaires that contained both closed ended and open-ended questions. These questionnaires were administered through personal contacts, where the researcher dropped and picked them after three days. This allowed the respondents, time to fill them. These questionnaires were then edited and data collected analyzed using SPSS computer package. The researcher came up with a project report that revealed major findings and gave recommendations to stakeholders and policy makers.

The study revealed that downsizing at Telkom Kenya failed to improve performance, productivity, or profits. Despite downsizing, Telkom has not realized productivity gains and the organization is currently anticipating negative effects. As a result the study therefore has recommended measures such as support to departing employees as well as effective organizational communication that would assist policy makers and managers in addressing issues related to downsizing and their contribution to employee performance.
ACKNOWLEDGEMENTS

This work was made possible by the effort of many people. It may not be possible to mention all of them here. However, their contribution is highly appreciated.

I am particularly grateful to my supervisor Mr. Shadrack Bett for his assistance and guidance. Thanks again for the many hours you spent in thoughtful critique of my work and the endless helpful suggestions. You were always right and pushed me to do a better job. It is as a result of this assistance that this work reached its completion.

I also owe gratitude to Mr Evans Ngugi, Department of Human Resource Telkom, Mt. Kenya East Region and the staff of Telkom Kenya Mt. Kenya East region for the role they played in this study, especially at its fieldwork stage.

To my friends at Kenyatta University, Lilian Kathambi, and Mary Omariba thank you for making this happen.

I am also grateful to my husband and friend Mr Charles Kinanga for his encouragement.

Although this study was carried out under the close supervision of my supervisor, I take responsibility for any weaknesses that may be apparent herein.
DEDICATION
This work is dedicated to my husband and friend Charles, son Jeff and daughter Michelle.
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ACRONYMS AND ABBREVIATION

CCK  Communication Commission of Kenya

EAP&TC  East Africa Posts and Telecommunication

KP&TC  Kenya Power and Telecommunication Corporation

SPSS  Statistical Package for Social Sciences

TKL  Telkom Kenya Limited

HR  Human Resources
DEFINITION OF KEY TERMS

Downsizing - Reduction of workforce
Performance - Results achieved against specified objectives
Turnover - Changing positions into people
Job insecurity - Lack of assurance for job stability
Productivity - Relationship between output from systems and input
Motivation - Process of activating and building work force
Objectives - Specific aims of a firm
Middle Manager - The middle managerial level of an administrative hierarchy
CHAPTER ONE

1.0 INTRODUCTION

This Chapter gives an overview of the background of the problem, the statement of the problem, objectives of the study, research questions, significance and scope of the study.

1.1 BACKGROUND OF THE STUDY

According to the Encyclopedia of management, downsizing is defined as the permanent reduction of a company's workforce and is generally associated with corporate reorganization; can also be seen as the reduction in the staffing requirements of businesses which can follow after privatization for a variety of reasons such as competitive pressures or the need to increase the profitability of the business by cutting costs.

In a business enterprise, downsizing is reducing the number of employees on the operating pay roll. Downsizing can also be referred to as the reducing employment to improve efficiency, productivity, and competitiveness.

As a result of the changes taking place within the business environment and their concurrent impact on corporate structure, the past several years have seen seemingly endless examples of organizational downsizing (Pottruck 1998). These downsizing initiatives are often taking place within large organizations that had, in the past, enjoyed a degree of immunity from retrenchment. For example, a 1992 survey by the Conference Board found that 90 percent of the large companies surveyed had taken significant downsizing actions during the prior five years. Similarly, Cameron, Freeman, and Mishra (1991) reported that between 1987 and 1991, more than 85 percent of the Fortune 1000 corporations downsized their white-collar staffs. During the first seven months of 1994 alone, more than 350,000 Americans lost their jobs to downsizing initiatives. This represented an increase of about 33 percent over the comparable rate for recessionary 1991 (Richman 1995).
These types of stories and statistics continue to appear regularly in today's newspapers and business publications. Even as the economy as a whole expands, many organizations are continuing to downsize, and experts believe that the downsizing trend is far from over (McKinley, Sanchez, and Schick 1995). During the next several years, companies like Westinghouse, Gillette, and Procter & Gamble plan to release thousands. These downsizing initiatives are thought to represent an early stage of a continuing, long-term, socioeconomic evolution. More than simply shrinking the workforce of an organization, much of the change seems to represent a permanent shift in social, economic, and organizational competitive structures (McKinley, Sanchez, and Schick 1995).

These efforts by companies to obtain a competitive leadership position through downsizing have successfully challenged the "bigger-is-better" corporate paradigm (Tucci and Sweo 1996). Firms now feel compelled to downsize because being "lean-and-mean" is believed to be a valued attribute.

In recent years, a growing number of developing and developed countries have been attempting to downsize their civil services. It has been argued that this trimming is needed, because of the chronic and worsening government recurrent and development budget shortfalls. (Fallon and Pereira da Silva, 1991). Downsizing is also aimed at reducing fiscal deficits and thus free up domestic resources for the private sector, to reduce the effect of superfluous staff on management time and overhead functions (Fry et al, 1988), to improve public sector productivity by tying personnel levels to adequate and sustainable operations and maintenance support (Ban et al, 1992), and to limit the role of the state to those tasks that cannot be adequately, willingly or profitably performed by the private sector. Downsizing is therefore hoped to foster an economic environment more conducive to the achievement of development goals.

For example among U.S. business, downsizing began in the 1980s and continued through the 1990s largely unabated and even growing. During this time, many of the country's largest corporations participated in the trend, including General Motors, Delta Airlines
and Roebuck and Company among others. Downsizing affects most sectors of the labor market, including retail, industrial, managerial, and office jobs, impacting workers in a wide range of income levels.

In Kenya, downsizing has always been with us. At one time, however, it was a result of adverse trading conditions, especially during times of recession. This is, of course, still a major cause of downsizing, exacerbated by the pressures of global competitive advantage has forced organizations to take cost out of the business by getting rid of people, employment costs being the ones on which companies focus as they are usually the largest element in their cost structure.

Since the early 1990's, organizations in Kenya have undergone dramatic changes as a result of extensive downsizing, restructuring and merging, resulting in widespread job loss. Within the private as well as the public sector, thousands of employees have lost their jobs and many are experiencing high insecurity regarding their jobs.

The study was undertaken at the Telkom Kenya, Mt. Kenya East Region Branch. Telkom Kenya was founded in 1998 when the communications Act split the giant Kenya Posts and Telecommunications. Beginning 1948, the East African posts and Telecommunications corporations covered Kenya, Uganda and Tanzania. The Kenya posts and telecommunications was then formed by an act of parliament in 1977 following the collapse of east African community.

The Telecommunication sector in Kenya is the responsibility of the communication commission of Kenya (CCK). Prior to 1998, the Kenya posts and telecommunication Corporation (KPTC) was the sole provider of basic telecommunications services. In 1998, a modern regulatory regime was established by the Kenya Telecommunications Act, which set up the communications Commission of Kenya (CCK) an independent industry regulator. Telkom Kenya was created in 1998 as a separate legal entity from the previous postal and telecommunications statutory body and is slated for privatization, but this has been a very slow process.
Telkom Kenya undertook to downsize some of the staff in order to get rid of her liabilities amounting to KSH 68.8 billion. The liability burden arose as a result of poor staffing during the former government regime whereby the Parastal had more staff than it could sustain thereby resulting to large borrowing from the World Bank in order to get moving (Telkom 2007). For the Telkom to remain in business, it resulted to cut down on work force to a tune of 12,000 out of around 17,000 employees a practice that was to be done in phases.

In Mt Kenya East (Embu) Region, which was the subject of this study, Show 378 employees downsized in this trend;

**Table 1.1 Mt Kenya East (Embu) Region Downsizing Trend.**

<table>
<thead>
<tr>
<th>Year</th>
<th>Criteria used</th>
<th>Senior management</th>
<th>Middle level managers</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>12/05/06</td>
<td>Aged 50 years and above</td>
<td>10</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>31/05/07</td>
<td>Aged 50 years and above</td>
<td>-</td>
<td>49</td>
<td>-</td>
</tr>
<tr>
<td>31/01/07</td>
<td>Redundancy/scrapping some sections, scrapping some skills</td>
<td>-</td>
<td>-</td>
<td>260</td>
</tr>
<tr>
<td>16/11/07</td>
<td>Advised to seek voluntary retirement</td>
<td>49</td>
<td></td>
<td></td>
</tr>
<tr>
<td>30/11/07</td>
<td>Advised to seek voluntary retirement</td>
<td>17</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: *Telkom 2008*
1.2 STATEMENT OF THE PROBLEM
The public service employees in Kenya have remarkably contributed to the national development of this country since independence, almost over forty years ago. However, because of the globalization and rapid development in knowledge and technology, the said public service organizations are therefore faced with the challenge of not only developing a dynamic work force but also ensuring that there is proper staffing in all aspects i.e there is right staffing in both capacity and numbers. For instance, the organization must ensure that there is proper staffing so as to enhance their optimal and positive contribution to the mission and goals of their respective organizations.

Any organizations that go through the exercise of downsizing must establish its effects on performance of staff. Such effects are experience by the remaining staff and may result to low morale and productivity, stress and negative attitude towards work (Mishra et al.,). However, in many cases, organizations lack the foresight of the possible negative outcomes such as the effects that this could have to the performance of remaining employees. It is in this interest that this study was carefully designed to investigate the effects of downsizing on employee performance and give a recommendation in order to find a lasting solution to the problem.

1.3 OBJECTIVES OF THE STUDY
The objectives of the study included the following:

General
1. To find out the effects of downsizing on performance and attitude of remaining staff of Telkom

Specific
1. To investigate if downsizing has lead to change in work load at Telkom
2. To establish if downsizing has impacted on structural relationship and communication.
3. To determine the extent to which downsizing has affected productivity of the employee.
4. To examine the impact of downsizing on motivation and morale of the remaining staff.
5. To find out the effect of downsizing on stress and job security of the remaining staff.

1.4 RESEARCH QUESTIONS
The research sought to find answers to the following questions:

1. Has the recent downsizing of Telkom Kenya lead to increase in work load for the remaining staff?
2. Is there an impact on structural relationship and communication as a result of downsizing?
3. Has downsizing at Telkom affected the productivity of the employee?
4. Does downsizing at Telkom have any impact on motivation and morale of the remaining staff?
5. Has downsizing led to stress and decreased job security of the remaining staff?

1.5 SIGNIFICANCE OF THE STUDY
The intent of the study was to identify the effects of downsizing on employee performance and therefore provide information on factors that can be targeted to guide the development of relevant policies aimed at improving employee performance after downsizing. Improved employee performance has led to enhanced organization productivity, better service delivery and retention of workers. Based on the results of the study therefore, research findings can be communicated to the organization in order to guide policy makers. This will allow self-understanding of the organization structure as well as insight into the kind of development activities that are of value to both the employee and the organization.
Further the findings from this study will be beneficial to future researchers and scholars who may wish to conduct related studies on the issues at stake, as it will be a reference material for them.

The research findings can be helpful to other organizations because possible outcomes of downsizing could provide a point of reference for managers in planning effective procedures and drawing up action plans, and it could also be helpful after downsizing to minimize the negative effects. This will enable them to make informed decisions when formulating policies for example in the issue of employee downsizing.

1.6 SCOPE OF THE STUDY
The study was done at the Telkom Kenya, Mt. Kenya East Region because this region has many branches (8) with all cadres of jobs. This provided an appropriate population that was able to show variance and diversity of downsizing variables affecting organizational performance. Also the management was willing to allow me undertake the study. The study was carried out between June and August, 2008.

1.7 LIMITATIONS OF THE STUDY
The following limitations were encountered by the researcher;

Time and other Resource constraints- the short time and unavailability of enough funds to support an exhaustive study did not allow for an investigation of all the Telkom branches in Kenya and thus the study was limited to Telkom Mt Kenya East Region.

Lack of cooperation – The researcher encountered some respondents who were resistant to respond to the questions from the questionnaire due to fear that they may divulge information that may put their jobs at risk. The management also feared that the employees would expose some of their weaknesses by responding to the questionnaires. The researcher however overcame this limitation by providing a cover letter that assured the respondents that the information given will be treated with utmost confidentiality and used for research purposes only.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 INTRODUCTION
In this chapter the effects of downsizing on employee performance is given an in-depth analysis and different literature was reviewed. The research allowed for location of literature from variety of sources. The sources of literature were textbooks, magazines, journals, previous research works, the internet and observations related to the issue at stake. This helped to clarify, strengthen and accordingly direct each stage of research from the formulation of the research topic to the dissemination and utilization of research findings.

2.2 PAST STUDIES
Drawings from studies conducted by other researchers, several factors related to downsizing are suggested as possible contributors to decline in performance in an organization. Articles in practitioner journals on outplacement activities surfaced in the early 1980s and stimulated academic research on the consequences of job loss and job change. Some of this research has identified the conditions under which job loss is positive, leading to personal and career growth. Other research has focused on what organizations can do to reduce the stress associated with job loss or change through merges and acquisition.

Much of the research on downsizing has concentrated on the effects of downsizing on dependent variables like organizational structure, employee behavior, and financial performance. For example, Freeman (1999) and McKinley (1997), analyzed the influence of workforce reduction on various dimensions of organizational structure. Mishra and Spreitzer (1998), and Mone (1997) studied the impact of downsizing on those employees who remain after a workforce reduction -- the survivors. On the other hand, Leana and Feldman (1992) and Leana and Ivancevich (1987) concentrated on how layoffs affect the non-survivors, i.e., those who lose their jobs. Finally, a stream of
Empirical research has attempted to grapple with the question of whether organizational downsizing improves the financial performance of organizations (see, for example, Cascio, Young, & Morris, 1997; Mentzer, 1996; Worrell, Davidson, & Sharma, 1991).

Much less attention has been devoted to the causes of organizational downsizing than to its consequences. The traditional economic perspective on downsizing assumes that anticipated financial performance benefits are the causes of downsizing -- managers downsize because they anticipate it will increase the efficiency and the profitability of their organizations. (McKinley, Zhao, & Rust, 2000) However, the lack of conclusive evidence that organizational downsizing actually does provide financial benefits casts some doubt on this explanation, at least as a complete account of why organizations downsize (McKinley, Mone, & Barker, 1998; McKinley et al., 2000). Empirical studies that have directly examined the influence of prior financial performance on organizational downsizing also fail to resolve the uncertainty. For example, there is little evidence of any consistent relationship between corporate financial performance and extent of future downsizing (Mentzer 1996)." On the other hand, there is a significant negative relationship between changes in return on sales and later downsizing in electric utilities (Rust 1999).

The uncertainty about whether organizational downsizing can be explained by actual or anticipated financial performance change has led to an exploration of other potential causes of downsizing that are not related to financial performance. These include institutional constraints (Budros, 1997; Goins, 2000; Lamertz & Baum, 1998; McKinley et al., 1995), managerial ideologies (McKinley et al., 1998), and socio-cognitive processes that lead to objectification of organizational downsizing as an external inevitability (McKinley et al., 2000). While these non-financial explanations for the occurrence of downsizing are interesting, they remain largely untested.

The experiential realities of downsizing, reduction in force, restructuring, rightsizing, re-engineering and outplacement, are often at wide variance with their touted, and widely expected promises of increased productivity, efficiency, teamwork, role
interchangeability and profit. They often fall short of the promise of more or less (Horward, F. Stein, 1996)

The organization during downsizing is also faced with a dilemma, because, as much as downsizing is inevitable, there is need to address workers concerned (David Harvestay, 1996). First there is need for management to tell those who are likely to be declared redundant and assist them in transition to new jobs either within or without the organization. On the other hand the organizations work must continue, and the survivors henceforth must be assured that for some foreseeable future, there jobs are secure. These diverse groups of work, together with that of Milroy (1995) and Spector (1982), are relevant to this study in so far as it provides background information on general downsizing process. All the cited works are relevant to this study since they touch on one or other of the various focuses or themes of this study.

2.2.1 Downsizing

The foundation of this section gives the meaning and definition of downsizing and also gives an overview of theoretical framework on downsizing.

Downsizing is one of the most demanding areas people management with which Human Resources professionals can become involved. Like the poor it has tried to create, downsizing has always been with us. Downsizing should be viewed as termination of the employment of any employee during any appointment, other than a temporary appointment which may be terminated at any time, as a result of financial exigency or reallocation of resources. It can be seen as a way of rendering some positions in an organization redundant. Downsizing also comes in another widespread form. As a firm’s employee age, the costs associated with them also increases (The East African, Monday July, 30,2001). By the same token, the flexibility of the staff also reduces. In this era of automation in form of computerized or of improved automated processes in industrial plants, has been a major contributor to the redundancies. It is not just a matter of machines replacing absolute numbers of workers, but also employers replacing workers who cannot easily adapt to the new technologies. This naturally favours the younger
employees and job applicants who are more adaptable to and better trained in the application of such technologies. This leads to the tendency to lower the retirement age or indeed to induce early retirements of the older and more expensive personnel.

Other works exists that are related to this study. Downsizing, or workforce reduction, involves an intentional reduction in personnel to contain costs, increase efficiency, and become profitable in the short run (Cameron 1994). The decision to downsize, which often has negative effects on victims and survivors, seems to contradict the high-commitment view of employees as a source of competitive advantage. These workplaces may avoid downsizing in order to maintain positive relations with their key "assets" and retain valuable firm-specific skills (Guthrie 2001). Yet, another competing perspective asserts that high-commitment workplaces may use workforce reduction as part of their transformation away from traditional management structures, such as reducing managerial ranks in order to empower front line workers (Osterman 2000). Also, the significant labor costs and wages associated with transforming the workplace can actually prompt the need for workforce reduction in order to manage (Beiley, Berg, and Carola 2001; Cappelli and Neumark 2001; Colvin, Batt, and Katz 2001).

Downsizing in itself does bring about significant savings, such as less government housing subsidies, less office supplies, less transportation and utilities costs, and many other savings. In fact, the practice of organization downsizing is justified in many ways. One common vindication for organization downsizing is the fact that it has not affected the overall growth of employment. This may be true, but this fact does not speak to the harmful effects of downsizing on individuals, families, and communities and in general.

For instance, organization downsizing is based on the assumption that the failures of organizations like low or no profits result from inadequacies of employees. This makes some employees victims of downsizing rendering them to joblessness which may have negative impacts to them and their family members. The remaining employees' too are affected as their perception of the fairness of the lay-off process and their attachment to
the lay-off victims could lead to morale surge and poor performance which may lead to the low productivity of the organization, this too may lead to high employee turnover.

Downsizing can threaten employees’ sense of well being in several ways. They may see the company as having behaved unjustly or unfairly. They obviously feel less secure. They may also lose belief that their contribution in the company will be rewarded in future. These responses may easily threaten business performance. Survivors of downsizing can become narrowly focused, and therefore less creative and open to change. So employers should seek to minimize the unwanted impact of downsizing. They also need to recognize the extent to which the manner of managing such change affects employees and how they feel about the change and their future relationship with the company.

The key to a good outcome of downsizing lies in developing and implementing a procedure that achieves the commercial aims of the process while minimizing the impact of job losses on workers and communities. Such a procedure should be founded on widespread consultations with workers and their representatives and should seek to ensure that the selection of workers for dismissal is based on principles that are fair and transparent and do not discriminate against particular groups. During the course of process, efforts should be made to reduce the number of jobs that have to be lost and to mitigate the effects of that job loss on individuals, groups and communities.

2.2.1.1 Employee Turnover

Employee turnover occurs when employees voluntarily leave their jobs and must be replaced. Turnover is expressed as an annual percentage of the total workforce. For example, 25 percent employee turnover would mean that one-quarter of a company’s workforce at the beginning of the year has left by the end of the year. Turnover should not be confused with layoffs, which involve the termination of employees at the employer’s discretion in response to business conditions such as reduced sales or a merger with another company.
High turnover can be a serious obstacle to productivity, quality, and profitability at firms of all sizes. For the smallest of companies, a high turnover rate can mean that simply having enough staff to fulfill daily functions is a challenge, even beyond the issue of how well the work is done when staff is available. Turnover is no less a problem for major companies, which often spend millions of dollars a year on turnover related costs. For service-oriented professions, such as management consulting or account management, high employee turnover can also lead to customer dissatisfaction and turnover, as clients feel little attachment to a revolving contact. Customers are also likely to experience dips in the quality of service each time their representative change.

In reality, employee turnover is costly and it can wreak havoc with turf management program from a quality standpoint. While the intangible costs are sometimes impossible to calculate, they are very real and very significant. The emotional and physical effects of a high turnover rate can create decreased levels of employee morale and employee tension and stress. Simply put, high turnover takes much of the fun out of work. It is very important to try to manage the remaining employees with an upbeat, positive management style, but in the rising tide of declining morale and increased turnover, this can be all but impossible.

Company downsizing and restructuring has been taken as a business strategy for improving a company's financial standing. Since 1997, more than forty seven million jobs have been eliminated in the U.S. as a result of downsizing (McKinley, Zhao, and Rust, 2000). About 6593 firms in the U.S. have engaged in a process of repeated downsizing leading to a situation in which about 5.5 million employees have been laid off more than once (Moore, and Gruenberg, 2004). Whereas downsizing and restructuring were undertaken in the past by companies facing difficult economic situations, nowadays a series of mass downsizing actions has become a prevalent strategy aimed at maintaining constant competitiveness in a world of rapidly changing economic conditions. Consequently, a considerable number of employees suffer the negative effects of mass layoffs, such as lower physical health, depression, anxiety, and feelings of job insecurity (Winfield, 1995). Several studies have shown that these adverse effects persist
over time. When company downsizing and restructuring carry such high costs for the individuals involved, as well as for society at large, this process should be undertaken (if at all) only after it is demonstrated that the benefits accruing convincingly exceed the costs incurred. (Moyle, 1998). While job cuts are likely to produce savings in the short-term, it should be noted that job elimination not only incurs extraordinary large initial direct outlays, such as severance pay, outplacement services but also other direct and indirect costs.

2.2.2 Increased Task or Workload

When there is staff reduction, those tasks that were being done by the laid-off staff may be heaped up to the remaining staff thus increasing their workload. When this happens, the remaining staff may be demotivated. Work force reduction may produce feelings of insecurity, stress due to the added workload of taking on the tasks of dismissed colleagues, and other psycho-social outcomes. Employees may begin to feel that they are less valued or respected and may thus start to nurture feelings of mistrust toward their employers, with the possible unfortunate result of a decline in morale (e.g., Dickey, 1997; Downs, 1995; Van Horn-Christopher, 1996).

In such a climate, remaining employees may also display a tendency for rigid behaviors in the workplace. Loyalty to the employer may suffer as job protection becomes the employees' first priority. Because of these errant behaviors and the potential production gaps left by the dismissed workers, remaining employees may be forced to undergo a battery of training procedures to enable them to perform new tasks.

During the rebuilding stage after downsizing, management must focus on rejuvenating teams, developing a fair system to redistribute work, and identify new leaders within the organization who can be mentored.

2.2.3 Structural Relationships and Communication

Downsizing organizations can be characterized by the restructuring of the organization and work procedures, the elimination of certain fields of work and creating new ones
Such restructuring is more likely to influence negatively the operations of the organization if bureaucracy is increased, superfluous tasks are inserted, irrational work procedures are set up, and if the new tasks are less interesting and offer less autonomy.

For the last two decades or so, companies have been operating under the assumption that they are reaping positive benefits from the results of downsizing. They see downsizing as a way of strengthening the organization through increased productivity. Due to depressed economic conditions and volatile business environment, and when all else fails, it may be necessary to deal with unacceptable employment costs or surplus numbers of employees by downsizing (Michael Armstrong 2001).

Further downsizing plan should be based on the timing of reductions and forecasts of the extent to which these can be achieved by natural wastage or voluntary redundancy. The plan should set out to make arrangements for informing and consulting with employees and their trade unions, make arrangements for the retraining employees and finding them work elsewhere in the organization. The steps to be taken to help redundant employees find new jobs by counseling, contracting other employers or offering the services of outplacement consultants and should make arrangements for telling individual employees about the redundancies and how they are affected, and for keeping the trade unions informed.

It is vital to keep open communication to survivors of downsizing because they need to understand the business reason for reducing headcount, and how the change will be managed. Breaks in communication are seen as sinister, and lead to rumours. During downsizing due to decreased employee loyalty, morale and lost productivity, the situation can be solved by applying an open communication policy (Fisher, 1988). Communication will help to curb the worry and re-direct employee energies to the job at hand the most preferred method of communication is personal appearances from upper management; however, any communication at all will be helpful. Keeping open communications with each employee is also very important for success in the downsizing effort.
The success in the downsizing effort also involves showing compassion for the employees eliminated. This helps in maintaining a positive image to the employees retained and also to the customers and public served (Misha, et al., 1998). Further, open communication with the staff is also critical. Employees who have full knowledge of the company's finances and its industry feel personally in control amid the uncertainty, resulting in less anxiety and distraction.

Merit-based work-force reduction policy combined with timely communications about the layoff process may tend to improve the work performance of the survivors, enabling the organization to get back in track (Pederson, 1991).

2.2.4 Productivity
Fundamentally, productivity represents the output of goods and services that can be obtained from a given input of employees within the firm. Productivity can also be expresses the relationship between output from systems and inputs, which go into their creation. Performance is related to productivity when productivity is used as a means of measuring actual operations thus used as a way of analyzing and evaluating performance. Productivity should be monitored by using such measures as employment costs per unit of output.

While job cuts are likely to produce savings in the short term, few studies have attempted to evaluate the medium and long-term effects of this action, and little research has been conducted on the effects on employees of downsizing episodes (Moore, Gruenberg, and Gruenberg, 2004). It should be noted that job elimination not only incurs extraordinary large initial direct outlays, such as severance pay, remuneration for early retirement programs, outplacement services, and so on, but also other direct and indirect costs.

These may include losses resulting from the negative effects of the downsizing program on remaining employees. Physical and psychological well-being deteriorate significantly during unemployment, and it is suspected that this adverse effect starts building up when
employees begin to suspect they might lose their jobs in the near future. It has been suggested that survivors of downsizing and corporate restructuring view their jobs as continually vulnerable and display negative health outcomes (Kalimo, Taris, & Schaufeli, 2003).

Clearly, some of these outcomes may adversely affect productivity or level of services. They may thus jeopardize the success of the downsizing project undertaken to improve the organization's competitive posture, the major objective of the intervention in the first place. Management may also have to adopt the necessary measures to assist some employees to cope with the anxiety and insecurity resulting from these changes. These and other disquieting and disappointing consequences of downsizing are eminently reviewed and that is problematic in its useful nature because it is popularly associated with giving people the “Axe” in organizations it is not a term that many management consultants go out of their way to use.

Furthermore, until the obstacles generated by the downsizing process are overcome, the company may have to rely in part on outsiders, or may even be compelled to rehire some of the dismissed workers. It stands to reason that all these compensator procedures may entail large additional expenditures during the transition period.

Reduction in personnel may not necessarily lead to increased productivity for example; study by Mishra and others found that a ten percent (10%) reduction in personnel resulted in only a one point five percent (1.5%) in costs (Mishra, et al, 1998). Their research also found that the employee thrust and empowerment were shattered after the downsizing. This caused the employees left after the downsizing to show less initiative in getting the work done. Their feeling was that they would be the ones terminated next, so their attitude is one of “why try to do the job since I am going to be the next laid off.” He further observed that a successful downsizing process requires planning that begins long before the downsizing occurs.
Organization downsizing is based on the assumption that the failures of organizations ie low or no profit result from inadequacies of employees. This makes some employees victims of downsizing rendering them to joblessness which may have negative impacts to them and their family members. The remaining employees’ too are affected as their perception of the fairness of the lay-off process and their attachment to the lay-off victims could lead to morale surge and poor performance which may lead to the low productivity of the organization, this too may lead to high employee turnover.

2.2.5 Motivation and Morale

2.2.5.1 Motivation Defined
Motivation has been defined as the act of stimulating someone to take a desired course of action to push the right button to get a desired reaction (Paramahansa, K.R. 1991). Motivation concerns itself with the will to do work. It seeks to know the motives for work and to find out ways and means, by which their realization can be helped and encouraged. A person’s performance on a specific task is a function of his skill and motivation. Skill alone does not guarantee that the individual will put forth his best effort. There is another variable, namely motivation which finally determines the effort which can be expected from such employees. That difference in motivation affects performance. Performance level is higher if the motivation level is higher.

Motivation refers to the psychological process that gives behaviour purpose and direction. Maslow’s hierarchy of needs and the Herzberg’s Motivation – Hygiene Theory, can best explain this

2.2.5.2 Maslow’s Hierarchy of Needs theory
One of the most theories of motivation is the hierarchy of needs theory put forth by psychologist Abraham Maslow. Maslow saw human needs in the form of a hierarchy ascending from the lowest to the highest and he concluded that when one set of needs is satisfied this particular need ceases to be a motivator.

The hierarchy is illustrated by the figure below;
Figure 2.1. Maslow’s Need Theory Model

Source: Mullins, (1996)

Physiological needs - are the basic needs for sustaining human life- they include food, shelter, clothing, and sex. Deprivation of these basic needs causes a lot of tension to employees and lead to job dissatisfaction and eventually poor performance.

Security or safety needs – these are needs to be free of physical danger and the fear of losing a job, property, shelter etc. i.e. the need for a stable environment free from threats. In Kenya, recently there has been rise insecurity especially in urban areas. Telkom should ensure protection and job security to their employees to ensure that this basic need is satisfied to ensure good performance of the employees. Job security of the employees should be enhanced by the organization honoring its employees, employment contracts, benefits after retirement and avoiding unprocedural termination of jobs.

Social need – since people are social beings they need to belong i.e. be accepted by others. The Telkom’s management should foster an environment of commonness and teamwork to ensure that employees relate well and belong to a common team and hence improve their performance.
Esteem needs – according to Maslow, once people begin to satisfy their need to belong; they need to be held in esteem both by themselves and by others. This kind of need produces such satisfaction as power, prestige, status, and self-confidence.

Need for self-actualization - Maslow regards this as the highest need in the hierarchy. It is the desire to become what one is capable of becoming, maximize or realize one’s potential and self-fulfillment.

2.2.5.3 Herzberg’s Motivation- hygiene Theory

Herzberg’s (1966), Motivation-Hygiene theory extended Maslow’s hierarchy of need theory and is more directly applicable the work situation. Hersberg’s theory was based on “motivators” and hygiene factors. The motivators are those favourable things that spur people to high achievement and include sense of achievement, recognition, responsibility, nature of the work and personal growth and advancement. These factors are related to job context or extrinsic factors of the job. The motivators are associated with long-term positive effects in job performance.

The “hygiene” factors are related to job contents or the intrinsic factors of the job, and include job security, working conditions, organization policy, interpersonal relations and level and quality of supervision. According to the theory, the absence of hygiene factors can create job dissatisfaction, but their presence does not motivate or create satisfaction. The hygiene factors consistently produce only short-term changes in job attitudes and performance.

To motivate workers to give their best the manager must give proper attention to the motivators or growth factors, and they should never deny people proper treatment at work. On the other hand hygiene factors are necessary to avoid unpleasantness at work and to deny unfair treatment. These are variables, which actually motivate people.

Herzberg’s work has had a considerable effect on rewards and remuneration packages offered by corporations. Increasingly, there has been a trend towards various benefits in
which people can choose from a range of options. In effect, employees can select the elements they recognize as providing their own motivation to work.

2.2.5.4 Performance and Motivation
The link between performance and motivation is a positive one; increased motivation results in more effort and improved performance. However, it can be argued that while higher motivation will produce better performance, improvements in performance will increase motivation due to resulting sense of achievement. Motivation influences performance, for example when feedback is communicated to the employees or mostly when recognition of achievement of an individual’s performance is realized then the output of the individual is likely to increase. Motivation has that attractiveness of certain kinds of rewards, which influence performance (Miner, 1980)

2.2.5.5 Morale Defined
Morale refers to a feeling of enthusiasm, zeal, confidence in individuals or groups that they will be able to cope with the tasks assigned to them. It is said to be the ability of group to work together for a common objective. If a group is able to work together for a common objective, it is said the morale is high. The result of high morale generally results in the high efficiency of the organization. One of the most unpredictable effects of the level of morale is its impact on worker productivity.

Morale-sapping character of most downsizing and low morale creates anxiety and paralysis within their companies to the subsequent detriment of productivity (Mabert et.al,1997). When an individual loses his or her job, confusion and anxiety sets in. many of them are thrown into unexpected transition with extended middle periods characterized by confusion and lack of ability to move forward (Borgen,1997)

2.2.6 Stress and Job insecurity
Job insecurity is a condition wherein employees lack the assurance that their jobs will remain stable from day to day, week to week, or year to year. The most commonly used
indicator of job insecurity is the unemployment rate. Most high-commitment workplaces have implicit or explicit long-term contracts with their employees that emphasize increased job security (Levine 1995)

High job insecurity coupled with high need to work, resulted in increased work effort following a layoff. High job insecurity, coupled with low need to work resulted in no change in the level of work effort (Brockner et al, 1992). This seems to indicate that when there are high levels of job insecurity, as would be expected during downsizing; employees with a high need to work will increase their work effort, while those with a low work will have no change in work effort.

While this result is interesting, of more interest was the finding that variables moderated this observed relationship. Specifically, the study found that the remaining employees’ perception of the fairness of the lay-off process and their attachment to lay-off victims colored their views. This issue of fairness has been found to be related to a number of other work-related variables and has its roots in theories of organizational justice.

2.2.6.1 Theory of Organizational Justice

Theory of organizational justice proposes that people attend the process used to determine outcomes as well as to the end result in determining fairness. Survivors of downsizing considered the way in which their co-workers were treated during downsizing process as losing their jobs. From this perspective, layoff survivors can be expected to exhibit the most negative reactions when they identify with the layoff victims, and feel the victims have not been well compensated.
2.3 CRITICAL REVIEW OF MAJOR ISSUES

In this chapter, a number of studies done on downsizing have been reviewed. Drawing from studies conducted by other researchers, several factors related to downsizing are suggested as possible contributions to the poor performance of organizations in general.

A significant role change or ambiguity reported a decline in work performance (John, 1994). This addresses the need for reduction by design, not number quotas and that restructuring requires new roles to be clearly defined.

While studies on the downsizing points change in productivity as the major cause of organizational downsizing, a truer and fuller understanding of the forces shaping and thrusting downsizing forward today comes from an appreciation of increased global competition; changing technologies, which in turn are profoundly impacting the nature of work; increasing availability of a contingent workforce, and shifting balance of power among organizational constituents away from rank and file employees and in the direction of shareholders and the chief executives who serve as their proxy.

Other studies done also show downsizing collated negatively with both morale and productivity variables (Duron, 1994). The study reveals that the management practices of clarity of expectations, communication and recognition collated positively with morale and had a greater impact on employees than the negative consequences of the downsizing effect.

2.4 SUMMARY OF THE GAPS TO BE FILLED BY THE STUDY

The study carried out by Mishra, et al (1997), has a lot in common with my study. However, Mishra’s study focused on the survivors contribution to the organizations performance after downsizing, while my study intends to investigate the impact of downsizing on employee of Telkom whether positive or negative.

The relationship between downsizing and performance in this study is a negative one, increased organizational downsizing leads to reduced productivity. However, if
downsizing is done in the right way, it could result to the desired outcome. It is the interest of this study to address how best downsizing can be done in order to reduce the negative effects.
2.5 CONCEPTUAL FRAMEWORK

The model below illustrates how downsizing affects factors of organizational performance. These factors will form the dependent variables of the study and how they have been affected by the independent variable, which is organizational downsizing.

Figure 2.1: The Conceptual Framework

Source: Researcher, 2008
CHAPTER THREE
3.0 RESEARCH METHODOLOGY

3.1 INTRODUCTION
This section outlines steps undertaken in executing the study. It provides information on the research design, target population, sampling procedures, and methods of data collection, procedures of data collection and how data was analyzed.

3.2 RESEARCH DESIGN
A research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure (Kothari, 2004). The study used a descriptive research design. This method was chosen because the researcher wanted to establish the effects of downsizing on employee performance before and after downsizing at Telkom Kenya Limited. This kind of design enabled respondents to give more information freely. Descriptive is a process of collecting data in order to test hypothesis or to answer questions concerning the current status of the subjects in the study. It determines and reports the way things are and it also attempts to describe such things as possible behavior, attitudes, values and characteristics.

3.3 TARGET POPULATION.
Population refers to an entire group of individuals, events and objects having a common observable characteristic. In other words, population is the aggregate of all what conforms to a given specification. (Mugenda and Mugenda, 1999).

Employees of Telkom Kenya are approximately 17,000. The study however was carried among 210 employees of Telkom Kenya, Mt. Kenya east region.
### Table 3.1: Target Population Table

<table>
<thead>
<tr>
<th>Staff Category</th>
<th>Population Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Area Managers</td>
<td>10</td>
<td>5</td>
</tr>
<tr>
<td>Heads of Departments</td>
<td>20</td>
<td>10</td>
</tr>
<tr>
<td>Heads of Sections</td>
<td>40</td>
<td>19</td>
</tr>
<tr>
<td>Others</td>
<td>140</td>
<td>67</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>210</td>
<td>100</td>
</tr>
</tbody>
</table>

**Source:** Researcher, (2008)

### 3.4 SAMPLE SIZE AND SAMPLING STRATEGY

The study was concerned with top managers, middle level managers, heads of departments, and a sample representative of other members of staff. To sample top managers, 6 of them were selected using simple random sampling as a representative sample. This is because it gives equal opportunities to all and it is not biased. For the rest of the categories, a stratified random sample of 30% was considered whereby each employee was chosen on the basis of their departments.

### Table 3.2 Sample design

<table>
<thead>
<tr>
<th>STAFF CATEGORY</th>
<th>TOTAL POPULATION</th>
<th>SAMPLE RATIO</th>
<th>SAMPLE SIZE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Managers</td>
<td>10</td>
<td>0.6</td>
<td>6</td>
</tr>
<tr>
<td>Middle level Managers</td>
<td>20</td>
<td>0.3</td>
<td>6</td>
</tr>
<tr>
<td>Heads of Departments</td>
<td>40</td>
<td>0.3</td>
<td>12</td>
</tr>
<tr>
<td>Others</td>
<td>140</td>
<td>0.3</td>
<td>42</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>210</td>
<td><strong>1.5</strong></td>
<td><strong>66</strong></td>
</tr>
</tbody>
</table>

**Source:** Researcher, (2008)

### 3.5 DATA COLLECTION INSTRUMENTS AND PROCEDURES.

The study used both primary and secondary data. Primary data was collected using questionnaires that were administered to all study participants, who were identified in the sampling frame to fill after providing a written consent. The questionnaires contained both structured and unstructured questions. The researcher was available to clarify any
issue on the instrument that may not be clear. Caution was taken to ensure that the researcher doesn’t influence the responses in the process of providing clarity. These questions helped to extract as much information as possible from the respondents. Person to person interviews was also conducted to ensure that information that was not captured by the questionnaires was collected.

Secondary data was also used in this study. Secondary data is one, which has already been collected and documented. The following sources of data were used:

- Published reports and journals
- Books
- Research thesis (projects) carried out by other researchers

3.6 DATA ANALYSIS AND PRESENTATION

This involved interpreting data or information that was collected from the respondents. The data was analyzed through descriptive statistical analysis. A narrative summary of open and closed questions was made using tables, percentages, and mean scores. Data analyzed was presented in form of charts and simple frequency tables. SPSS was used as a statistical tool to help analyze responses secured from respondents.
CHAPTER FOUR.

4.0 DATA ANALYSIS AND PRESENTATION OF RESULTS

4.1 Introduction
This study set out to investigate the effects of downsizing on employee performance among employees of Telkom Kenya, Mt. Kenya East (Embu) region, and to identify the degree of change in workload among remaining staff and how it affects performance. The study also aimed at identifying the structural relationship and communication at Telkom, and to determine the extent to which downsizing has affected productivity of employee as well as their motivation and morale, and finally to establish the relationship between downsizing and stress and job security.

4.2 Quantitative Analysis of Data Collected
Out of sixty-six (66) questionnaires that were distributed sixty (60) were returned. This represents a response rate of 91%, which is well enough to provide a basis for valid and reliable conclusions with regard to the study objective.

Data on demographic and work related characteristics were collected to establish the background of staff working at the Telkom Kenya, Mt. Kenya east region. 38.33% of the respondents were Female while 61.67% were male.

10% of respondents had 15 years of service at Telkom, 43% had served for a period of 5-10 years, 30% had 10-15 years of service, 16.7% had been in Telkom for 5 years.

33.3% of the respondents had university level of education. 43.3% had Diploma and other tertially education. 16.7% had secondary level education while 6.67% were primary school leavers.

On the assessment of success of downsizing, 75% responded on the positive while 25% response was negative.
33.33% were of the view that poor selection and recruitment method contributed to downsizing at Telkom. 21.67% were of the opinion that lack of foresight contributed to downsizing at Telkom. 26.67% felt that poor management had a contributing hand to downsizing, while 18.33 thought that downsizing was as a result of change in technology.

67.7% of the respondents however felt that downsizing had not met the required purpose, 25% thought to the positive while 8.33% had had nothing to say

75% had experience change in workload, 25% had not experienced any change.
50% of the respondents said that downsizing had affected structural relationships and communication, 40% said that communication was not affected, 10% did not know whether or not it affected.

58.3% agreed that downsizing affected employees productivity, 41.7% said that downsizing had no effect to productivity.
80% agreed that downsizing led to change in employee morale and motivation, 20% said they experience no change on morale and motivation.
76.7% were affected by stress and job insecurity, 23.33% were not affected.

The tables and figure that follows here under are presentation of the quantitative analysis of the results

4.3 Demographic Characteristics of Respondents

Table 4.1 - Gender Frequency Distribution

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>23</td>
<td>38.33</td>
</tr>
<tr>
<td>Male</td>
<td>37</td>
<td>61.67</td>
</tr>
<tr>
<td></td>
<td>60</td>
<td>100.00</td>
</tr>
</tbody>
</table>
As shown in the table 4.1, 38.3% of the respondents were female while 61.7% were male. A further graphical presentation in figure 4.1 reveals that out of the 60 respondents 23 were female while 37 were male. The imbalance of gender distribution could have been as a result of employer preference of hiring male employees as opposed to female based on the belief that the former had more to offer in terms of expertise and due to the fact that many employers are of the view that female take most of their time attending to other chores or on the positive they can multitask as opposed to their male counterparts who only do one thing at a time.

**Figure 4.1 Gender Distribution of the Respondents**

![Gender Distribution Graph]

**4.4 Respondents’ Year of Service at Telkom**

Respondents that had served Telkom for more than 15 years were 10%, however, 43% had served for a period of 5-10 years while 30% 10-15 years. 16.7% had been in Telkom for less than 5 years.

**Table 4.2 Respondent year of service**

<table>
<thead>
<tr>
<th>Year of service</th>
<th>Frequency</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 to 5</td>
<td>10</td>
<td>16.67</td>
</tr>
<tr>
<td>5 to 10</td>
<td>26</td>
<td>43.33</td>
</tr>
<tr>
<td>10 to 15</td>
<td>18</td>
<td>30.00</td>
</tr>
<tr>
<td>over 15</td>
<td>6</td>
<td>10.00</td>
</tr>
<tr>
<td></td>
<td>60</td>
<td>100.00</td>
</tr>
</tbody>
</table>
The bar chart interpretations of the above outcome translate into 10 respondents having served for 1-5 years, 26 respondents 5-10 years, 18 respondents 10-15 years and 6 respondents had served for over 15 years. This distribution could be as a result of high staff numbers hired in the eighties during the former government regime.

**Figure 4.2 Respondent year of service graph**

4.5 Respondents level of Education

Of all the respondents at the region, 33.3% of respondents had university level of education. 43.3% had attained diploma and other professional courses in college. 16.7% of respondents were secondary school leavers and mainly performed as subordinates while those that were primary leavers accounted for 6.67% were still in Telkom due to experience and expertise at their areas of work and the training they had acquired from Telkom.

**Table 4.3 level of education**

<table>
<thead>
<tr>
<th>Education</th>
<th>Frequency</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary</td>
<td>4</td>
<td>6.67</td>
</tr>
<tr>
<td>Secondary</td>
<td>10</td>
<td>16.67</td>
</tr>
<tr>
<td>University</td>
<td>20</td>
<td>33.33</td>
</tr>
<tr>
<td>Others(College)</td>
<td>26</td>
<td>43.33</td>
</tr>
<tr>
<td></td>
<td>60</td>
<td>100.00</td>
</tr>
</tbody>
</table>


This finding represent 20 respondents having a first degree, 26 colleges and other tertially colleges, 10 secondary school education and 4 had only primary school education.

Figure 4.3 Level of education

![Education level chart]

The rest of the findings are presented according to the research questions.

4.6 General assessment of Downsizing at Telkom Kenya, Mt Kenya East region

General assessment of downsizing among employees was that 75% of the respondents reported that downsizing was successful as it helped get rid of old unproductive employees and brought down the employees to a manageable number. However 25% of respondents felt it was unsuccessful as the criteria used was not justified to all the employees and thus did not see the need for downsizing.

<table>
<thead>
<tr>
<th>Table 4.4 Respondents Attitude to Downsizing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Downsizing</td>
</tr>
<tr>
<td>-------------</td>
</tr>
<tr>
<td>Yes</td>
</tr>
<tr>
<td>No</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>
Thus, 45 of the respondents were of the view that downsizing was successful while 25 of the respondents said that downsizing was not successful.

Figure 4.4 Respondents Attitude to Downsizing

![Pie chart showing 75% Yes and 25% No]

Respondents felt that poor selection and recruitment methods, lack of foresight, poor management of organization and the everchanging technology mainly caused factors that contributed to downsizing as shown below.

Table 4.5 Factors Contributing to Downsizing

<table>
<thead>
<tr>
<th>Factors contributing to downsizing in Telkom</th>
<th>Frequency</th>
<th>Percentage</th>
<th>Degrees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor selection &amp; recruitment methods</td>
<td>20</td>
<td>33.33</td>
<td>120</td>
</tr>
<tr>
<td>Lack of foresight</td>
<td>13</td>
<td>21.67</td>
<td>78</td>
</tr>
<tr>
<td>Poor management</td>
<td>16</td>
<td>26.67</td>
<td>96</td>
</tr>
<tr>
<td>Change of technology</td>
<td>11</td>
<td>18.33</td>
<td>66</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>60</strong></td>
<td><strong>100.00</strong></td>
<td><strong>360</strong></td>
</tr>
</tbody>
</table>

Figure 4.5 Factors Contributing to Downsizing
66.7% of the respondents gave No as response to whether downsizing had met the intended purpose because the company was reducing on employees but they were still recruiting. 25% of respondents felt that it met the intended purpose because the remaining employees had to increase their productivity levels. However, 8.3% of respondents did not know what to conclude.

Table 4.5 Success of Downsizing

<table>
<thead>
<tr>
<th>Did downsizing meet its objective?</th>
<th>Frequency</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>15</td>
<td>25</td>
</tr>
<tr>
<td>No</td>
<td>40</td>
<td>66.67</td>
</tr>
<tr>
<td>I don't know</td>
<td>5</td>
<td>8.33</td>
</tr>
<tr>
<td></td>
<td>60</td>
<td>100.00</td>
</tr>
</tbody>
</table>

15 of the respondents agreed that downsizing had met the intended purpose, 40 argued that it had not met the intended purpose while 5 of the respondents had no idea.
4.7 Change in workload after downsizing

On the question of workload, 75% of the respondents had experienced change in workload after downsizing. They had increased working hours, more tasks and responsibilities and had to multitask. Telkom Kenya had to outsource for some of its services. 25% of respondents claimed not to have had a change in workload as they still performed the same duties as they did before downsizing. They however concluded that the situation of workload could be improved by increasing computers, restructuring the chain of command, improvement in communication and merging related duties and tasks.

Table 4.7 Change in Workload

<table>
<thead>
<tr>
<th>Answer</th>
<th>Frequency</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>45</td>
<td>75.00</td>
</tr>
<tr>
<td>No</td>
<td>15</td>
<td>25.00</td>
</tr>
<tr>
<td></td>
<td>60</td>
<td>100.00</td>
</tr>
</tbody>
</table>

45 of the respondents had experienced a change in workloads since downsizing took place, and 25 had not experienced any change.
4.8 Structural Relationship and Communication

Table 4.8 and figure 4.8 shows level of satisfaction as regards structural relationship and communication after downsizing. Half of the respondents were of the view that downsizing has affected communication and structure very greatly because following downsizing there was a broken chain of communication especially where those downsized played a key role in relaying information. 40% of the respondents felt that the downsizing did not affect communication as they could still receive and pass information as they did before downsizing. 10% of the respondents did not know whether or not it had affected communication as they felt they were not involved.

Respondents however felt that communication could be improved by restructuring the chain of command in relation to the number of remaining employees as well as use of other communication tools for example, memos, and encourage open communication.

<table>
<thead>
<tr>
<th>Answer</th>
<th>Frequency</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>30</td>
<td>50.00</td>
</tr>
<tr>
<td>No</td>
<td>24</td>
<td>40.00</td>
</tr>
<tr>
<td>Don't know</td>
<td>6</td>
<td>10.00</td>
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<tr>
<td></td>
<td>60</td>
<td>100.00</td>
</tr>
</tbody>
</table>
30 respondents said downsizing had affected structural relationships and communications in the organization, 24 responded to the negative while 6 respondents said they did not know anything concerning the subject matter.

**Figure 4.8 Structural Relationships and Communication**

<table>
<thead>
<tr>
<th>Answer</th>
<th>Frequency</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>35</td>
<td>58.33</td>
</tr>
<tr>
<td>No</td>
<td>25</td>
<td>41.67</td>
</tr>
<tr>
<td>Don't know</td>
<td>60</td>
<td>100.00</td>
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</tbody>
</table>

**4.9 Employees Productivity**

58.3% of respondents agreed that downsizing had affected employees’ productivity as it had led to high incidences of gossip and rumour mongering thus hindering performance, time and other resource wastage during job search by employees, high incidences of accidents in the organization and absenteeism, lateness and habitual tardiness and employees lack of initiative in getting work done. This they attributed to the fact that they would be the ones terminated next so they formed a negative attitude. This finding is consistent with the findings by Mishra, et al, 1998.
However, 41.7% felt that downsizing did not affect employee productivity as they still went on with their duties and responsibilities just like they did before downsizing. Respondents felt that after downsizing in order to increase productivity Telkom needed to train remaining employees, offer the job security and adapt to faster technology. The figure below describes further this fact.

**Figure 4.9 Employees Productivity**

![Pie chart showing 58% of respondents believed productivity increased after downsizing, while 42% believed it did not.](image)

### 4.10 Motivation and Morale

Motivation has been defined as the act of stimulating someone to take a desired course of action to push the right button to get a desired reaction (Paramahansha, K.R. 1991). Three-quarters of the staff were of the view that there had been change in morale and motivation of staff after downsizing. They attributed it on the one hand positively in that after downsizing ones productivity could improve thus lead to recognition therefore get rewarded for their efforts and on the other hand it affected respondents in that they felt like they were the next target to get downsized thus leading to fear and suspicion. Another quarter had this view that there was no change in morale and motivation after downsizing because they still had to perform their tasks. Respondents indicated that
change in morale and motivation can affect employee performance when employees’ lose self-esteem, feelings of unaccomplishments and feelings that they are not recognized for tasks well performed. Thus management should recognize their employees’ efforts.

Table 4.10 *Motivation and Morale*

<table>
<thead>
<tr>
<th>Answer</th>
<th>Frequency</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>48</td>
<td>80.00</td>
</tr>
<tr>
<td>No</td>
<td>12</td>
<td>20.00</td>
</tr>
<tr>
<td></td>
<td>60</td>
<td>100.00</td>
</tr>
</tbody>
</table>

48 of the respondents experienced a change in morale after downsizing while 12 had no morale and motivation change.

4.11 Stress and Job insecurity

76.7% of respondents were affected by stress and job insecurity in their productivity. Job related stress contribute to organization inefficiency, high staff turnover, absenteeism because of sickness, habitual tardiness, lateness, and accidents at workplaces, general complaints and lack of team spirit. This finding compares to that of Raeda (2004) whose
findings held that the above factors contributed to a decrease in quality and quantity of care, increased cost of health care and decreased job satisfaction.

Job related stress is defined as work situation perceived by the worker as threatening because of the mismatch between the situation’s demands and the individuals coping abilities (Failla, 1999). Therefore, given the importance of having a stress free workplace, it was gratifying to note that 23.3% reported that they were not affected by stress and job insecurity as they perform best under duress and felt that they had a responsibility to protect their jobs and that in such a situation, they have developed a coping mechanism.

Respondents felt that job related stress and insecurity could be improved by open communication, clear delegation of duties and responsibilities, increasing pay for example overtime compensation.

Table 4.11 Stress and Job Insecurity

<table>
<thead>
<tr>
<th>Answer</th>
<th>Frequency</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>46</td>
<td>76.67</td>
</tr>
<tr>
<td>No</td>
<td>14</td>
<td>23.33</td>
</tr>
</tbody>
</table>

46 of the respondents had experienced stress and felt that their jobs are threatened, 14 of the respondents were not at all affected.
20 of the respondents agreed that job insecurity and stress had led to absenteeism, 10 high turnover, 8 habitual tardiness, 15 lateness and 7 gave other reasons.
Table 4.12 Results of Stress Job Insecurity

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Absentism</th>
<th>High turnover</th>
<th>Habitual tardiness</th>
<th>Lateness</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>20</td>
<td>10</td>
<td>8</td>
<td>15</td>
<td>7</td>
<td></td>
</tr>
</tbody>
</table>

70% of respondents did not think there is job security at Telkom considering the trend in downsizing and the criteria used. They were already trying to get alternative jobs while others had enrolled for further studies. 30% of respondents were however, secure with their jobs at Telkom as they felt their jobs were more demanding and needed their skills and expertise.

Table 4.13 Responses on Job Security

<table>
<thead>
<tr>
<th>Answer</th>
<th>Frequency</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>18</td>
<td>30.00</td>
</tr>
<tr>
<td>No</td>
<td>42</td>
<td>70.00</td>
</tr>
<tr>
<td></td>
<td>60</td>
<td>100.00</td>
</tr>
</tbody>
</table>
42 of the respondents agreed that with the current trend of downsizing, there is no job security at Telkom while 18 of the respondents felt that irrespective of the downsizing, they can still boast of job security at Telkom.

Figure 4.13 Responses on Job Security

4.12 Employees perception of the most important factors affecting employee productivity
Respondents were asked to mention other factors that affected employee productivity other than those covered by the questionnaire. Other issues mentioned by the managers include lack of training opportunities, lack of allowances for extra work such as overtime, lack of recognition for work well done and lack of equitability in promotion among all staff. This finding confirms that employees lack a forum to express this factor and as such
are not at all satisfied. In fact, a number of them and mostly the youngsters stated that they intend to leave the parastatal in the near future and look for greener pastures.

The fact that the youngsters in the organization are considering leaving the organization is a worrying fact considering the new development in technology and the stiff competition with the organizations competitors, the mobile phone companies. Expression of intention to leave is the best predictor of actual departure. Strategies for retention of remaining staff of Telkom Kenya after downsizing need to be considered and this work is one way of contributing towards this end by identifying factors that lead to poor performance in an organization. Some of the factors can be addressed without extra cost to the parastatal.
CHAPTER FIVE

5.0 SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 INTRODUCTION
This chapter summarizes the major findings of the study in relation to the objectives provided in chapter one. It discusses the recommendations, limitations of the study and the study suggestions for further research. The chapter is therefore structured around the research questions.

5.2 SUMMARY/ANSWERS TO RESEARCH QUESTIONS
The study set out to investigate effects of downsizing on employee performance and the results of the findings are based on the following research questions:

What are the effects of downsizing on performance of the remaining employees at Telkom?
This was measured by asking if the downsizing was successful, and what was its impact in the organization.
Contributors of downsizing were measured in four dimensions: Poor selection, Poor respondents were to state if or not downsizing had met the intended purpose.

Majority of the respondents were of the opinion that downsizing was successful while a small proportion said that it was not successful. 20 respondents attributed downsizing to poor selection and recruitments methods, 13 attributed downsizing to lack of foresight, 16 said such factors as poor management caused downsizing, while 11 said change in technology.

Has the recent downsizing of Telkom Kenya led to increase in workload for the remaining employee?
This objective was measured by asking respondents “Do you think downsizing has led to increase in workload of the remaining staff” this was answered by indicating ‘yes’ or ‘No’
Respondent were asked to suggest ways of reducing the workloads burden to the remaining staff.

75% of the respondents had experienced change in workload, while 25% had not experienced any change. Respondents concluded that increasing computers, restructuring the chain of command, improvement in communication and merging related duties could improve the situation of downsizing.

Is there an impact on structural relationship and communication as a result of downsizing?
This objective was measured by asking respondents to indicate if they had experienced any change in the organization after downsizing. Respondents were required to give their suggestions on how to improve structural relationship and communication in the organization.

Half of the respondents were of the view that downsizing had affected communication and structural relationship very greatly, 10% felt that no change in communication and structural relationships, and 10% did not know what to conclude. Respondents responded that communication could be improved by restructuring the chain of command in relation to the number of remaining employees as well as use of other communication tools for example, memos, and encourage open communications.

Has downsizing at Telkom affected the productivity of the employees?
Employees’ level of productivity was measured in two dimensions: whether the organization level of productivity had been affected by downsizing and how to improve productivity after downsizing.
58.3% of respondents agreed that downsizing had affected employees’ productivity as it had led to high incidences of gossip and rumour mongering thus hindering performance, time and other resource wastage during job search by employees, high incidences of accidents in the organization and absenteeism, lateness and habitual tardiness and employees lack of initiative in getting work done. This they attributed to the fact that they
would be the ones terminated next so they formed a negative attitude. This finding is consistent with the findings by Mishra, et al, 1998.

**Does downsizing at Telkom have any impact on motivation and morale of the remaining staff?**

Morale and motivation was measured by asking the respondents if they have experienced any change in morale and motivation after downsizing. If there was any change, respondents were expected to state how the change has affected productivity in the organization.

Three-quarters of the staff were of the view that there had been change in morale and motivation of staff after downsizing. They attributed it on the one hand positively in that after downsizing ones productivity could improve thus lead to recognition therefore get rewarded for their efforts and on the other hand it affected respondents in that they felt like they were the next target to get downsized thus leading to fear and suspicion. Another quarter had this view that there was no change in morale and motivation after downsizing because they still had to perform their tasks. Respondents indicated that change in morale and motivation can affect employee performance when employees' lose self-esteem, feelings of unaccomplishments and feelings that they are not recognized for tasks well performed.

**Has downsizing led to stress and decreased job security of the remaining staff?**

Respondents were asked to say what they attribute to stress and job insecurity, and to state if there is any link between job security and performance in the organization, further respondents were to state if there is job security at Telkom with the current state of downsizing trend.

76.7% of respondents were affected by stress and job insecurity in their productivity. Job related stress contribute to organization inefficiency, high staff turnover, absenteeism because of sickness, habitual tardiness, lateness, and accidents at workplaces, general complaints and lack of team spirit. This finding compares to that of Raeda (2004) whose
findings held that the above factors contributed to a decrease in quality and quantity of care, increased cost of health care and decreased job satisfaction. 23.3% reported that they were not affected by stress and job insecurity as they perform best under duress and felt that they had a responsibility to protect their jobs and that in such a situation, they have developed a coping mechanism.

5.3 CONCLUSION
In this study, the determinants of organizational performance were nature of workload, structural relationships and communication, employee morale and motivation and job related stress, and job security. For instance multitasking, undefined structural relationship and communication, neglected morale and motivation of employee all these coupled with job related stress and job insecurity will negatively affect the operations of the organization thereby hindering organization performance. This issue is critical considering that this organizations long-term goal of downsizing was to cut down expenses through selective downsizing thereby increasing employee productivity in order to achieve high organization performance.

This study has noted some observations in relation to the impact of downsizing on employee performance. First it clearly appears that employment relationship has changed from long-term and stable to short term and contingent and that many organizations no longer make accommodation to avoid laying people off. Further this study has revealed that downsizing generally fails to improve performance, productivity, or profits. Despite downsizing, Telkom has not realized productivity gains and the organization is currently anticipating negative effects.

The findings also show that despite the supposed necessity of downsizing, which was to increase profitability and productivity, downsizing has not yielded the intended results. Downsizing has been over-applied and used as a quick fix without sufficient planning to bring about long-term benefits. And therefore, it has led to additional problems, such as overloading and multitasking of the remaining employees, morale of the employees had been negatively affected by the process of downsizing a situation, which has created
negative emotions in the employees thus hindering productivity, loss of highly skilled and reliable workers and the added expense of outsourcing in order to refill positions vacated by downsizing.

Also there is a decline in customer service because workers feel they lack job security after layoffs. Employee attitudes has changed for the worse, a situation that has lead to absenteeism, tardiness, and reduced productivity as well as job related stress.

Job related stress is defined as work situation perceived by the worker as threatening because of the mismatch between the situation’s demands and the individuals coping abilities (Failla, 1999). Therefore, given the importance of having a stress free workplace, it was gratifying to note that 23.3% reported that they were not affected by stress and job insecurity as they perform best under duress and felt that they had a responsibility to protect their jobs and that in such a situation, they have developed a coping mechanism.

The finding that 77% of employees were experiencing job insecurity, and that 70% have indicated that there is no job security at Telkom gives a warning sign to the organization as this is a clear indication that employees are busy searching for jobs else where. This gives credence to the findings of this study to advise organizations to explore other avenues of improving profits other than downsizing.

The fact that the youngsters in the organization are considering leaving the organization is a worrying fact considering the new development in technology and the stiff competition with the organizations competitors, the mobile phone companies. Expression of intention to leave is the best predictor of actual departure. Strategies for retention of remaining staff of Telkom Kenya after downsizing need to be considered and this work is one way of contributing towards this end by identifying factors that lead to poor performance in an organization. Some of the factors can be addressed without extra cost to the parastatal.

The findings of this study have implications for organizations, policy and research.
5.4 RECOMMENDATIONS
The researcher has suggested some simple question areas that organization leaders might usefully consider. These include:-

5.4.1 Policy and Practice
Communication and Workshops
Engaging in appropriate dialogue, thinking through the consequences for those who may be adversely affected, leaders should also recognize the need to rebuild, re-energize and revitalize the remaining workforce after a downsizing has occurred. This could be done through workshops and by ensuring open communication. This directly impacts the remaining employees, the organization and the customers.

5.4.2 Support to Departing Employees
Rapid intervention to refocus concerns, issues, and the sense of loss associated with a downsizing is the best way for the remaining organization and its people to recover and grow. The organization should give additional support for departing employees; this not only helps the departing employees to move forward but also helps to motivate the remaining employees because their well-being while at the organization and after they leave is assured. Also assisting a departing employee with career transition skills makes a significant statement about the character of the organization, identifies issues, and lessens the potential for a negative organizational impact.

5.5 AREAS OF FURTHER RESEARCH
- Given the current trend of organizational downsizing, it will be important to study the long-term impact of downsizing to the families of the downsized.

- Explore reasons why despite the fact that downsizing has become a common phenomenon in the business world, only few people are willing to leave the organizations on their own volition

- Conduct a qualitative study to identify problems associated with downsizing in the immediate families of the victims of downsizing.
REFERENCES


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## APPENDICES

### APPENDIX I

## TIME AND BUDGET PLAN

### TIME PLAN

<table>
<thead>
<tr>
<th>PHASE</th>
<th>ACTIVITY</th>
<th>DURATION IN WEEKS</th>
<th>MONTH</th>
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<td>Study concept development</td>
<td>2</td>
<td>January 2008</td>
</tr>
<tr>
<td>2</td>
<td>Proposal development</td>
<td>5</td>
<td>Jan/Feb 2008</td>
</tr>
<tr>
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<td>Submission of the proposal and presentation</td>
<td>2</td>
<td>March 2008</td>
</tr>
<tr>
<td>4</td>
<td>Pre-testing the questionnaire and correction</td>
<td>1</td>
<td>March 2008</td>
</tr>
<tr>
<td>5</td>
<td>Primary data collection</td>
<td>4</td>
<td>April 2008</td>
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<tr>
<td>6</td>
<td>Data coding and Analysis</td>
<td>2</td>
<td>May 2008</td>
</tr>
<tr>
<td>7</td>
<td>Reporting writing</td>
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<td>May 2008</td>
</tr>
<tr>
<td>8</td>
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<td><strong>Total</strong></td>
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<td></td>
</tr>
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## APPENDIX 2

### BUDGET PLAN

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<tbody>
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</tr>
<tr>
<td></td>
<td>Consultative meetings with the Supervisors</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Stationery, computer, photocopy, printing and biding</td>
<td>3000</td>
</tr>
<tr>
<td>2.</td>
<td>Research instruments, questionnaire typing and other</td>
<td>3000</td>
</tr>
<tr>
<td>3</td>
<td>Booking, telephone services (phone cards)</td>
<td>3000</td>
</tr>
<tr>
<td>4</td>
<td>Data collection, research assistant</td>
<td>3000</td>
</tr>
<tr>
<td>5</td>
<td>Data management and analysis</td>
<td>3000</td>
</tr>
<tr>
<td>6</td>
<td>Project preparation, computer services stationery photocopying and biding</td>
<td>6000</td>
</tr>
<tr>
<td>7</td>
<td>Transport and subsistence</td>
<td>6000</td>
</tr>
<tr>
<td>8</td>
<td>Miscellaneous</td>
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<tr>
<td></td>
<td><strong>Grand Total</strong></td>
<td><strong>43,000</strong></td>
</tr>
</tbody>
</table>
APPENDIX 3

TRANSMITAL LETTER

Evelyne Karwirwa Gitonga
P.O. BOX 439
MERU

TO THE RESPONDENT
TELKOM KENYA
MT. KENYA EAST REGION (EMBU)

RE: QUESTIONNAIRE ON THE EFFECTS OF DOWNSIZING ON EMPLOYEE PERFORMANCE

The undersigned who is an MBA student at Kenyatta University is carrying out a research on the above stated matter.

This is to request your co-operation in answering the questions on the attached questionnaire. Information so gotten will assist the making important conclusions about the subject matter under study.

The research findings will form an important database to the management for future reference on matters relating to downsizing and employee performance in an organization.

Information gathered will be treated with utmost confidentiality.

Thank you in advance.

Yours Faithfully,
Evelyne Karwirwa (Researcher)
APPENDIX 4
Questionnaire

SECTION A

GENERAL

INSTRUCTIONS: The following information pertains to your personal background. Please complete each item by ticking where appropriate.

1. Gender
   Female ☐
   Male ☐

2. Department

3. Designation

4. Years of service at Telkom
   A 1 – 5 ☐
   B 5 – 10 ☐
   C 10-15 ☐
   D Over 15 ☐

5. Highest level of education
   A. Primary ☐
   B. Secondary ☐
   C. University ☐
   D. Others ☐
SECTION B

DOWNSIZING

INSTRUCTIONS: The following items pertain to downsizing. Please complete each item by either ticking as appropriate or giving a comment.

6. There was a recent downsizing at Telkom Kenya. Was it successful?
   A. Yes
   B. No

7. What in general was the impact of downsizing in the organization?
   ...........................................................................................................................................
   ...........................................................................................................................................
   ...........................................................................................................................................
   ...........................................................................................................................................

8. What do you think are some of the factors that contribute to downsizing at Telkom?
   A. Poor selection methods
   B. Lack of foresight
   C. Poor management of the organization
   D. Change of Technology

9. Did downsizing meet the intended purpose?
   A. Yes
   B. No
   C. I don’t know

10. Give reasons for your answer
   ...........................................................................................................................................
   ...........................................................................................................................................
   ...........................................................................................................................................
   ...........................................................................................................................................

60
SECTION C

WORK LOAD

INSTRUCTIONS: The following items pertain to workload as a result of downsizing. Please complete each item by either ticking as appropriate or giving a comment where applicable.

10. Have you experienced any change in workload/task since downsizing took place?
   A. Yes  
   B. No  

11. If your answer in 10 above is yes, what do you think are indicators of change in workload in an organization?
   A. Increased working hours  
   B. More tasks and responsibilities  
   C. Multitasking  
   D. Outsourcing  

12. How can the situation of work load be improved?
   A. Increase computers  
   B. Restructure the chain of command  
   C. Improve communication  
   D. Merge related duties  

13. In your opinion, do you think downsizing has affected workload at Telkom?
   A. Yes  
   B. No  

14. Please explain your answer

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

15. Suggest what can further be done to improve work load of staff.
SECTION D
STRUCTURAL RELATIONSHIPS AND COMMUNICATION

INSTRUCTIONS: The following items pertain to structural relationships and communication. Please complete each item by either ticking as appropriate or giving a comment.

16. Has downsizing affected the organization communication and structure?
   A. Yes
   B. No

17. If yes, to what extent?
   A. Very great
   B. Great
   C. Moderate
   D. Low
   E. Very Low

18. In what ways has downsizing affected reporting relationship?

19. Has the downsizing at Telkom improved communication?
   A. Yes
   B. No

20. Please explain
21. What else do you think need to be done to improve communication and structural relationship?

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

SECTION E

PRODUCTIVITY

INSTRUCTIONS: The following items pertain to productivity. Please complete each item by either ticking as appropriate or giving a comment.

22. Has downsizing at Telkom affected the organization level of productivity?
   A. Yes □
   B. No □

23. If yes, to what extent?
   A. Very great □
   B. Great □
   C. Moderate □
   D. Low □
   E. Very Low □

24. What do you think the organization can do to improve employee productivity after downsizing?
........................................................................................................................................................................
........................................................................................................................................................................
........................................................................................................................................................................
........................................................................................................................................................................
........................................................................................................................................................................
SECTION F

MOTIVATION AND MORALE

INSTRUCTIONS: The following items pertain to motivation and morale. Please complete each item by either ticking as appropriate or giving a comment.

25. Has there been any change in morale and motivation of staff after downsizing?
   A. Yes  
   B. No  

26. Please explain your answer

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

27. Are there fewer incidences of lateness and absenteeism after downsizing?
   A. Yes  
   B. No  

28. To what extent has morale or motivation been improved after the exercise?
   A. Very great extent  
   B. Great extent  
   C. Moderate extent  
   D. Low extent  
   E. Very Low extent  

SECTION G

STRESS AND JOB SECURITY

INSTRUCTIONS: The following items pertain to stress and job security. Please complete each item by either ticking as appropriate or giving a comment.

29. Has downsizing brought out incidences of stress on remaining staff?
   A. Yes  
   B. No  

30. Please explain your answer.
31. Has the downsizing exercise brought out a feeling of job insecurity among remaining staff?

A. Yes ☐
B. No ☐

32. Give reasons to your answer for 31 above

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

33. What deliberate action has the organization done to promote job security and lower stress of remaining staff?

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

Thank you