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A Necessary Evil: The Experiences of Managers Implementing Downsizing Programmes

Ernesto Noronha
Indian Institute of Management Ahmedabad

Premilla D'Cruz
Indian Institute of Management Ahmedabad, pdcruz@iimahd.ernet.in

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Abstract
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Keywords
Downsizing, Implementors, Dilemmas, and Coping

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A Necessary Evil: 
The Experiences of Managers Implementing Downsizing Programmes

Ernesto Noronha and Premilla D’Cruz
Indian Institute of Management Ahmedabad, Gujarat, India

This paper presents the findings of a phenomenological study, which describes the experiences of human resource (HR) managers implementing a downsizing programme in a steel manufacturing organisation in India. Data were collected through conversational interviews. Following van Manen’s sententious analytic approach, the core theme of “a necessary evil,” emerged, which indicates that while participants were pained by their task of having to terminate workers and deprive them of their livelihood, they believed that they had no choice in the matter if they had to ensure the competitive position of the organisation and their own survival as employees. The findings of the inquiry provide insights into a virtually unstudied area and raise questions about the role of HR managers in contemporary organisations. Key Words: Downsizing, Implementors, Dilemmas, and Coping

Introduction

Downsizing refers to the planned elimination of positions or jobs with an intent to cut costs and to improve organisational performance (Kets de Vries & Balazs, 1997; Kozlowski, Chao, Smith, & Hedlund, 1993). Alternatively termed as rightsizing, reorganisation, restructuring, and rationalization downsizing, which is a technostructural OD (organisation development) intervention (Cummings & Worley, 2002), ranges from a mere headcount reduction to a part of a continuous corporate renewal process through which the organisation is reinvented. Companies feel compelled to downsize because being “lean and mean” is believed to strengthen competitiveness (Leung & Chang, 2002), with global benchmarking and revolutionary transformations in information and communication technologies being other reasons (Kets de Vries & Balazs). Yet Kets de Vries and Balazs maintain that downsizing endeavours work only if they challenge the overall way in which an organisation does business rather than focusing on perceived internal efficiency. Reducing head count causes organisations to lose human capital and organisation memory, and be left with unhappy and overworked employees who often have to do tasks for which they are not trained (Kets de Vries & Balazs). Broader approaches which affect work processes and alter business practices have more positive long-term impact. This divergence in approach probably accounts for the mixed evidence about the presumed benefits of downsizing such as lower overheads, increased productivity, better earnings, and decreased bureaucracy (See, for example, Henkoff, 1990 or Tomasko, 1992). Notwithstanding the dichotomy, downsizing remains an
attractive choice for many organisations since it gives the impression that decisions are being made and actions are being taken (Kets de Vries & Balazs).

Though several studies have been conducted on the phenomenon of downsizing, Shaw and Barrett-Power (1997) highlight that most of these inquiries focus on the organisational level of analysis (See for instance, Cameron, Freeman, & Mishra, 1991, 1993; Freeman & Cameron, 1993) rather than on micro-level foci such as individuals and work groups. Shaw and Barrett-Cope postulate that this is so because downsizing has always been defined in terms of its function for the organisation. However, actions associated with downsizing are initiated and experienced by individuals and groups. As such, more information is needed to understand downsizing at a microlevel. The present paper works towards this end by describing the experiences of managers implementing downsizing programmes in a private manufacturing firm in India.

The Micro-Level Impact of Downsizing

Individuals employed by a downsizing organisation could be either victims (those who are separated from the organisation), survivors (those who remain with the organisation after the downsizing process is completed), or implementors (those involved in executing the downsizing programme in the organisation). For all these individuals, the single most important issue associated with downsizing is the breach of the psychological contract (Kets de Vries & Balazs, 1997). The psychological contract describes employees’ reciprocal obligations with their employer (Rousseau, 1990). Traditionally, the psychological contract was relational, premised on the idea of providing job security and promotion opportunities in exchange for employee work effort and commitment. The current contract is transactional; harbouring the notion while job contracts are short-term with fewer guarantees of job security employees are responsible for their own career development and must rely on themselves to accomplish their personal goals. The psychological implication of the transactional contract causes employees to put their self-interest above their loyalty to their employer (Leung & Chang, 2002). In other words, employability and career self management replace the concept of tenure and job security. Kets de Vries and Balazs underscore that the alteration in the psychological contract implied by an organisation’s adoption of a downsizing programme evokes a sense of betrayal in employees. Downsizing thus unleashes numerous adverse outcomes in employees that make the idea of the co-existence of downsizing and a motivated workforce a contradiction in terms.

Western and Indian literature point out victims of downsizing experience complex affective reactions akin to the loss associated with bereavement. A sense of meaningless and desperation, loss of self-esteem, depression, and reduced sense of mastery, which may culminate in violence or self-destruction, are commonly reported (Barse, 2001; Greenhalgh & Rosenblatt, 1984; Kets de Vries & Balazs, 1997; Noer, 1993; Noronha & Sharma, 1999). Financial losses and an impoverished quality of life are frequently observed outcomes, compounded by difficulties in getting re-employed either because of age, lack of skills or an over-saturated labour market. Victims often resort to defensive coping and recount instances of ill-health (Barse; Greenhalgh & Rosenblatt; Kets de Vries & Balazs; Noer; Noronha & Sharma). Besides the antagonistic and depressed reactions described above, Kets de Vries and Balazs (p. 24) talk about two
other groups: the adaptable and those who “do a Gauguin” Those who adapt are people of high skill find an alternative job in the same field with relative ease. While their experience of downsizing makes them cynical, being in a new organisation has a positive effect on their sense of self, and provides them with opportunities to learn from new responsibilities and challenges. Those who do a Gauguin turn the termination into a new opportunity by opting for a career change, pursuing something they had always dreamt of doing, but had never dared to do.

Survivor syndrome refers to a cluster of reactions among those remaining in the organisation (Cascio, 1993). For starters, this group begins to look at its employers differently. An air of mistrust filled with questions about the need for, and legitimacy of, the downsizing endeavour and the ethics with which it was implemented as well as about the fairness of the compensation is common. Insecurity about one’s position and future take root with survivors beginning to re-examine their options and look out for other jobs. Overall, uncertainty, vulnerability, and ambiguity are generated. Not surprisingly, survivors display lower commitment and loyalty to the organisation and turn their attention to nurturing their own skills. At the same time, survivors speak of their feelings of guilt over being retained, while others were asked to leave, which makes it difficult for them to interact with victims; creating a distance between the two groups. Besides having to cope with an increased workload that could precipitate burnout, survivors compete among themselves to ensure that they can retain their employment. As a result, productivity increases even though employee morale is low (Kets de Vries & Balazs, 1997; Leung & Chang, 2002).

Implementors of downsizing programmes have received virtually no research attention, despite the key role that they play in the process. Kets de Vries and Balazs’s (1997) empirical work on implementors appear to be the only study of its kind and has been conducted from a clinical psychology or psychoanalytic perspective. Focusing on coping, the study found implementors of downsizing programmes to be either adjusted or maladjusted to their role. Adjusted are people who showed minimal scarring, which could be the outcome of a well executed defensive process. Maladjusted implementors showed various forms and degrees of dysfunctionality, falling into categories such as depressive, dissociative, abrasive, alexithymic/anhedonic, and compulsive/ritualistic. This group is faced with an unpleasant task that has considerable emotional ramifications for both themselves and those they terminate. Moreover, they must also cope with their own affective reactions to the new psychological contract. Clearly, then, implementors deserve greater research attention, the objective of which should be to provide an empirical basis for interventions. The present paper is a step in this direction.

The Process of Implementing Downsizing

Some experts believe that how organisations handle downsizing is a key issue in influencing the experiences of employees. Hopkins and Hopkins (1999), for example, point out the ethics of downsizing. According to them, while top management has a moral obligation to act in the best interests of the firm, they also have a legal obligation not to violate the rights of employees. To achieve the latter end, the decision to downsize should be communicated in a timely and appropriate manner with the provision of complete information.
Appelbaum and Donia (2001) suggest the realistic downsizing preview which outlines practices and strategies that organisations should adopt to minimize the negative outcomes of downsizing. They maintain that organisations should carefully review their decision to downsize: Indeed, this option should be resorted to only if other alternatives such as job sharing, pay freezes, wage cuts, and hiring freezes are not feasible. Moreover, the downsizing plan should be based on a long-term view of the organisation such that only those positions and functions that are clearly redundant are targeted. In this way, the organisation does not lose employees who are critical to its survival.

The involvement of employees in the downsizing process cannot be compromised. That is, two-way and honest communication must be practiced at all times. Not only must the decision to downsize be communicated to employees as early as possible, but employees must also be informed of the long-term goals of the organisation and how downsizing fits in with these objectives. There is a tendency for top management and executives involved in the downsizing process to decrease communication during this time either because they are too busy with the restructuring exercise, or because they cannot face employees and their pain, or because they believe that the communication of such distressing news will adversely affect employee morale. However, Appelbaum and Donia (2001) contest these practices, underscoring that constant and clear communication helps build trust and credibility which work to the organisation’s advantage in the long-term. Failure to communicate, on the other hand, precipitates greater damage since rumours and speculation flourish, portraying a false picture and diverting employee attention away from work. Failure to communicate also creates a sense of false hope in employees, propelling them to a stage of denial and inertia about their options. Over time, employee distrust and organisational paralysis emerge. The duration and frequency of downsizing programmes must be carefully considered, given the trauma associated with the experience.

Appelbaum and Donia (2001) advocate that downsizing should take place at one shot in the shortest time possible so that the organisation can quickly regain its equilibrium and provide a stable working environment. Long-drawn and repeated downsizing endeavours give rise to chronic uncertainty, fear, and paranoia that diminish employee productivity. It is also important that organisations recognize that they have the responsibility to ensure that their employees have understood the new employment contract and have opportunities for retraining and career self-management. Victims must be given maximum advance notification, the best possible package of benefits, and support to cope with the transition and to gain re-employment.

The manner in which the organisation handles the downsizing programme provides survivors with important insights into organisation culture and values, which in turn has implications for survivors’ affective and motivational states. In addition to providing survivors with support to cope with the change, work redesign must be undertaken with the aim of clarifying each employee’s roles and responsibility. This ensures that the already anxious and disoriented survivors are not subjected to additional burdens. Overall, the assistance that organisations provide to their employees during such a period defines the organisation itself.
Background of the Study

The present paper draws on a larger study which examined the experiences of managers who were responsible for implementing a downsizing programme in two organisations in India, Companies A and B. While both the companies were private sector manufacturing firms located in the same industrial town, the reasons underlying the adoption of the downsizing programme were different for each organisation. Company A undertook the downsizing programme to focus on its core activity and to strengthen its competitive advantage whereas Company B opted for such an exercise as a means of reducing its losses. The benefits offered under the severance package of each company differed, with Company A’s package clearly being more attractive than that of Company B’s. Both these factors made a difference to the implementation of the programme – since Company B was experiencing losses, there was greater urgency for its managers to successfully conduct the downsizing exercise. Yet, the attractiveness of Company A’s scheme made it easier for managers here to sell the scheme to their employees.

The researchers had read about the downsizing programmes and contexts of both these organisations in the local newspapers and decided to undertake a study of the implementation process. They developed a proposal for the study which was reviewed by the first author’s employers (an academic institute) who funded the research and by the top management of the study organizations. The proposal outlined the objectives, methodology and ethical standards of the study. While the organizations involved in the research did not require IRB approval as this is not a customary practice in India, the researchers ensured the inclusion of ethical guidelines such as informed consent, voluntary participation, and confidentiality in order to protect the rights and interests of participants (See section on Method for details). Funding was approved of by the first author’s employer while permission for the conduct of the study was granted by the top management of the organisations. It may be noted that neither of the organisations attempted to influence the study, its objectives, methodology, processes of data collection and data analysis and its outcomes in any way.

To do justice to the presentation of the findings of the study keeping in mind space constraints, the findings for Company A and B are presented separately. The present paper discusses the findings of Company A (See Noronha & D’Cruz, 2005, for a discussion of Company B).

Brief Description of Company A

Company A, one of India’s foremost manufacturers of steel located in an industrial town, had a large workforce of 78,000 in the early 1990s. Liberalisation of the steel sector in the early 1990s suddenly made supporting such a large workforce impossible. Steel prices were stagnating due to a slowdown in the iron and steel sector. The slowdown arose on account of factors such as sluggish demand, lack of investments in infrastructure projects, cost escalation in the input materials, reduction in import duty on iron and steel, increase in excise duty, competition from imports, dumping of finished steel and adverse conditions in the iron and steel export market (Ministry of Steel, n.d.). The government’s stand towards this sector was far from supportive. That is, though
Western countries had imposed high anti-dumping duties against Indian steel, the Indian government had not been adopting similar measures against dumping in the domestic market by Russia and other CIS (Commonwealth of Independent States) countries. Coupled with the downturn in steel, profits of Company A slid rapidly. Between 1996 and 1999, net profits crashed from Rs (Rupees, Indian currency) 56 crore to Rs 28 crore. It was not until the year 2000 that extreme cost cutting measures and improvements in efficiencies helped profits rebound to Rs 43 crore. Besides this, Company A faced competition from several groups which had astonishing productivity levels. There were also concerns regarding the domestic demand-supply positions. Additionally, the top management of Company A opined that the organisation had diversified into multiple activities (on account of which it had had to employ so many more people) that were both a drain on its bottom-line and that diverted attention away from its core activity of producing steel. The early part of the 1990s saw Company A’s top management work in favour of reinventing the organisation to focus on its core business of steel making, to reduce production costs and to downsize/rightsize manpower. To meet the last objective, the organisation initiated a voluntary retirement scheme (VRS) for union category employees (details of benefits offered under the scheme appear in figure 1) in 1993-94 and had brought down its workforce to 48821 by 2000.

Table 1

Benefits provided under company A’s VRS scheme

<table>
<thead>
<tr>
<th>Benefits Provided</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Last monthly salary + additional amount depending on the age of the employee and years of service in the company – given per month till 60 years of age</td>
</tr>
<tr>
<td>• Medical benefits for self and dependents up to 60 years of age:</td>
</tr>
<tr>
<td>• In the same city, at the company hospital</td>
</tr>
<tr>
<td>• In a different city, reimbursement up to Rs. 95,000/- per annum upon payment of Rs. 100/- per head per annum</td>
</tr>
<tr>
<td>• Medical benefits after 60 years of age for self and spouse as per the rules for retiring employees</td>
</tr>
<tr>
<td>• Interest free loan of Rs. 2 lakhs</td>
</tr>
</tbody>
</table>

Methodology

Broadly, the study aimed at understanding managers’ experiences of implementing a downsizing programme in Company A. The focus was on managers’ subjective interpretations and meanings. Van Manen’s (1998) hermeneutic phenomenological approach provided the theoretical perspective for the study and methodological decisions were guided by this approach. Following van Manen’s approach, the conversational interview was used to explore and gather experiential narrative material that would serve as a resource for developing a richer and deeper understanding of the experience being studied. The interview was semi-structured in that it was guided by the fundamental questions that prompted the research, thereby including an element of directiveness. Yet the clarity of the research questions did not preclude exploring issues that emerged during the interview, since the researcher was aware that they could generate important insights into the phenomenon under study. Interviews were
conducted in English and were recorded on audio cassettes with the consent of participants.

Within Company A, participants were selected through two stages. Initially, the HR (Human Resources) department of the organisation identified HR managers belonging to different departments/units and at different levels of the organisations who had participated in implementation of the VRS scheme. These people were approached by the HR department of the organisation and informed about the study. Their willingness to participate was voluntary. The final sample could therefore be described as nominated but voluntary.

Those who agreed to participate in the study were introduced to the researchers who discussed the study, its scope, and its objectives with them at length. Participants’ questions were answered such that they felt comfortable about their involvement in the study. Participation was voluntary and respondents could drop out as well as refuse to answer particular questions, if they so wished. Participants were also given the choice of recording their interviews on audio cassettes versus not recording them and maintaining field notes instead. It may be noted that none of the participants objected to the audio recording of their interviews. Participants were required to sign a consent form as part of the ethical standards of the study.

Eleven HR managers from Company A (alternatively referred to as the participants) at different levels in the organisational hierarchy ranging from Senior Officer (Personnel) to Assistant General Manager (Personnel) were included in the study. Ages ranged from 25 to 51 years, and all of whom held post-graduate diplomas or degrees in management/human resource management/personnel management. The length of participants’ service with Company A varied from 1 year to 27 years.

Data collection and data analysis proceeded concomitantly. As data were collected, cassettes were transcribed and the researchers relied on open coding to identify emergent themes, categories and patterns, and their linkages (Crabtree & Miller, 1992; Marshall & Rossman, 1999), which were used to inform further data collection, through which they were tested and challenged. Based on newer data, these themes, categories, and patterns further developed, thereby feeding back into the analysis (Marshall & Rossman). Iteration thus formed an integral part of the research process.

When all the data were collected, the researchers adopted a sententious, holistic thematic analysis approach (van Manen, 1998), whereby they examined each transcript to find the core/essential meaning that emerged from it. That is, through a careful reading of the transcript, the fundamental meaning of the experience for the participant as emerging from the text as a whole was identified. They observed that across all participants, a common theme could be found. “A necessary evil” was the label used to capture the core structure of participants’ experiences and indicated that while they were pained by their task of having to terminate workers and deprive them of their livelihood, they believed that they had no choice in the matter if they had to ensure the competitive position of the organisation and their own survival as employees.

Next, a selective highlighting thematic analysis approach (van Manen) was followed where each transcript was read repeatedly to identify the meaning of statements that were particularly revealing for the experience under study. This exercise helped in the identification of themes, whose labels were standardized across participants. A careful study of the themes allowed for those that dovetailed and held together in a
meaningful ways to be subsumed under major themes. Through this exercise, the components of experience into processual and personal aspects were delineated. The processual aspect included the various tasks and strategies associated with the implementation of the scheme, while the personal aspect encompassed participants’ opinions about the scheme and their involvement in its implementation as well as their affective reactions and coping.

The researchers, following Miles and Huberman (1984), developed causal networks for each transcript. Networks developed at the ideographic level (i.e., at the level of the individual participant, focusing on particularities) were compared, and through the creation and use of uniform labels across networks and the subsuming under these labels of variables that dovetailed together, a nomothetic level (i.e., at the level of generalization across individual instances) was achieved across participants. This allowed for the creation of a conceptual map that highlighted the factors impinging on participants’ experiences and the linkages between these factors. Figure 2 depicts the conceptual map whose linkages are described in the findings section.

*Figure 1. Conceptual map emerging from the study.*

- **COMPANY**
- **INDIVIDUAL DIFFERENCES**
- **IMPLEMENTORS’ EXPERIENCES**
- **EXTERNAL ENVIRONMENT**
- **NATURE OF VRS**
- **WORKERS’ RESPONSE**

**Individual differences** (personality, age, length of service with organisation)

Company context (the reasons underlying the company’s decision to downsize, the nature of package possible, manner in which scheme was conducted, retrenchment agreement, the nature of the psychological contract, expectations of top management, physical/geographical location)

Nature of VRS (benefits provided under the scheme)

Workers’ response (positive or negative)

External environment (Comparison of Company A’s scheme with other schemes, implementors’ perception of the need for the scheme under globalisation)
Methodological rigour was maintained through prolonged engagement and consensual validation/peer debriefing. Prolonged engagement led the researchers to spend a lot of time in the organisations where the data were collected. Particular importance was given to rapport building with the respondents: It was opined that making the respondents feel comfortable and establishing their trust would play a critical role in helping them to share their stories. During the course of the interview, the researchers used probes and cross-checks to better their understanding of respondents’ narratives. Immersion in the data during the process of analysis helped the researchers gain insight into respondent experiences and ensure the rigour of the findings. For peer debriefing and consensual validation, the researchers shared their analysis procedures and outcomes with academicians working in the area of qualitative research methods, who reviewed the researchers’ methods, interpretations, and findings; providing critical evaluations, suggestions, and feedback. The incorporation of their inputs strengthened the analysis.

Findings

The core theme that emerged in the analysis was “a necessary evil,” which captures the dilemma that participants experienced in implementing the downsizing programme. On the one hand, they were aware of the importance of the VRS scheme for the organisation’s continued survival and competitive advantage, particularly under the global economy. Implementing VRS as part of a larger and long-term organisational strategy of cutting costs, enhancing productivity, efficiency, and effectiveness as well as focusing on core business were seen as imperative for the organisation. Participants also acknowledged that implementing this programme was a part of their jobs and failure to do so put their own positions in peril. On the other hand, participants were acutely aware of and disturbed by the upheaval such change had unleashed within the organisation. They referred to the alteration in the psychological contract and in the ethos of the organisation, which had so far prided itself on being familistic and people-oriented. The adoption of downsizing was akin to a life change event, which generated extreme distress and uncertainty, and represented an enormous upheaval for employees and their families: This could not be denied. It was also indicated that the organisation’s predicament had implications for their own future. Moreover, participants’ distress was exacerbated by their lack of preparedness to perform the role of a downsizing manager since nothing in their training or experience as HR managers had oriented them to such a task.

Processual and personal aspects of participants’ experiences are presented below (See Table 1 for a summary of themes). Vignettes of participants’ experiences in their own words are included in the presentation.
Table 2

Themes Subsumed Under Processual and Personal Aspects of Participants’ Experience

<table>
<thead>
<tr>
<th>Processual aspect</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initiating the programme</td>
</tr>
<tr>
<td>Setting and meeting targets</td>
</tr>
<tr>
<td>Being selective</td>
</tr>
<tr>
<td>Displaying on-going concern for separated employees</td>
</tr>
<tr>
<td>Managing organizational expectations</td>
</tr>
<tr>
<td>Balancing work and life</td>
</tr>
<tr>
<td>Receiving threats</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Personal aspect</th>
</tr>
</thead>
<tbody>
<tr>
<td>Being convinced of the need for the scheme</td>
</tr>
<tr>
<td>Appreciating the package</td>
</tr>
<tr>
<td>Coming to terms with the implementor role</td>
</tr>
<tr>
<td>Harbouring mixed feelings</td>
</tr>
<tr>
<td>Coping with the situation</td>
</tr>
</tbody>
</table>

The Processual Aspect of Experience

Initiating the programme

Once the top management of Company A decided in favour of a downsizing programme, they planned a number of activities. Firstly, the top management spoke to union leaders, explaining the need for the programme and the benefits to be offered under it. After a series of discussions and negotiations with the union leaders, the top management gained their support and backing. Mass awareness was created throughout the organisation in a variety of ways. The MD (managing director) of the organisation spoke about the programme at all meetings. Posters and circulars were displayed within the organisation and in-house publications carried information about the programme. HR managers would brief employees belonging to their department or unit through group meetings, while union leaders also discussed the matter with union members.

Setting and meeting targets

Concomitant with the creation of mass awareness, target setting was initiated. Setting targets involved planning and negotiations. While the MD had a target number of employees to be separated, which percolated down the organisation hierarchy through the HR department, the number of surplus manpower in each department/unit was identified and the number to be separated was finalised through negotiations with the union. HR managers belonging to the particular department/unit were responsible for meeting the target of that department in a phased manner.
Participants recounted that during the initial phases of the downsizing programme, workers who wished to avail of the scheme would approach them voluntarily. Workers with employability or with some alternative in hand, or in mind, were willing, and sometimes even happy, to leave as then they could get a double income. Others who voluntarily chose VRS included people in shift based work, people with other interests, people who wished to manage their property at the native place, people who completed their family responsibilities, and those with poor health. Sometimes, people felt that they had worked enough and needed a rest.

However, once the pool of those voluntarily taking VRS dried up, HR managers had to resort to a variety of strategies to meet their targets. They decided that they would study the men on roll (MOR) in their department/unit, and examine various aspects such as age, performance, attendance, behaviour, and so on. It was believed that older workers, who were above 50 years, had limited liabilities and could be asked to take VRS. Moreover, habitual absentees, chronic alcoholics, and non-performers were considered to be liabilities for the organisation, and hence should be separated through VRS. Through this exercise, people above 50, habitual absentees, chronic alcoholics, and non-performers were identified and motivated to take VRS. A concerted effort was made not to target younger workers who had greater liabilities and would be worse affected.

Individuals who were targeted were called both individually and in groups, and were to take VRS. The counselling session highlighted the need for the VRS programme, pointed out the gains for the individual in question and for his/her family and worked out the package to which the employee was entitled. While counselling sessions for illiterate employees demanded a lot of effort on the part of the manager, to make them understand the situation, participants reported having to be doubly careful while counselling educated workers since the latter easily found loopholes.

Having illiterate employees is possibly a boon also and a negative aspect also because you need to tell them what it is and they try and understand and possibly they take it. If we have an educated lot and we try to tell them that this is what you are going to get, they try to find out loophole – *aisa nahin hoga, isme income tax lag jayega, ye hoga* (this will not do, there will be income tax here, this will happen).

Overall, the strategy was to show the workers the attractiveness of the scheme.

We tell them that because you have contributed so much to the company, so the company is rewarding you. If we go by the rules of the government, it might simply ask you to go out of the gate by giving you 15 days salary for every year of service. But what the organisation is giving you means that it is recognising your hard work. And it expects that you do something with the money.

While some workers got convinced in these sessions, others pleaded, bargained, broke down, or refused. In some of these cases, participants either asked their family
members to come to the office and held counselling sessions with them or paid home visits in an attempt to convince the worker and his/her family members.

According to the participants, there were instances in this group of workers who had genuine problems such as young children still to be settled, housing, and so on as well as workers who felt that they would lose their status and purpose in life and be stigmatised. The insecurity that inhibited some workers from opting for the scheme was that if they take up VRS, their payments may stop one day. A few workers even insinuated that the company had used them. They say, “We worked for 30 years in the company and this is what the company is doing to us?”

Participants reported using repeated counselling sessions and relying on strong persuasion to convince these workers to opt for VRS.

I use my motivational skill and that is like pressurising – every evening and morning, I will call him and make him sit. “So what did you think? Take the form even if you do not take VRS. Yesterday I gave you the form – what happened?” “My wife is not ready.” “Call your wife”.

According to some HR managers, apart from using these tactics, the final decision remained with the workers, but a few admitted that they used harsh tactics. The use of these measures was admitted for various reasons. Targets were one factor.

We have to use harsh language at times. We have to tell him that if you don’t take VRS, you are an absentee case, I’ll discharge you in the next 6 months. That comes from the in-built pressure. You have to give a b**** target, and if it is not coming across, these things start happening. And then the complaints go to the union – that ___ (manager in question) is forcibly giving VRS.

The personality of the worker being dealt with was another factor.

Company A has a history of people who never worked. We have police coming to pick up these people because they have beaten people in their neighbourhoods. So if you take a softer stand with them, they’ll sit on your head. You have to be tough in talking to them.

Despite all endeavours, there were some workers who just refused to take the scheme. They were allowed to continue in the organisation. Basically, workers in Company A were protected by an earlier agreement between workers and management according to which no worker could be retrenched. This formed the greatest security for the workers. As a result, HR managers could convince the workers up to a point, but after that they had to stop. In that sense, the final choice laid with the workers. Workers who chose to stay on in the organisation were redeployed to the surplus pool from where they were assigned as required.
**Being selective**

In spite of Company A having targets set for the downsizing programme and HR managers experiencing the urgency of having to meet these targets, voluntary applications for VRS were not blindly accepted.

It’s not that whoever will come and I will give them. First, I will…valuate his skills – suppose he is a trade apprentice, he is very young and the company has trained him for 3 years, then I will not give him VRS because if he is there in the company, he will contribute actually.

Participants highlighted instances where skilled, high performing workers, sometimes in a younger age group, whose services were required by the organisation came forward to avail of VRS and they were either refused, dissuaded from doing so, or asked to defer their departure till a replacement was trained. According to participants, workers in this group wished to opt for VRS for various reasons such as using the money to start a business or taking up a better job offer and receiving a double income.

**Displaying ongoing concern for separated employees**

Company A’s concern for the welfare of its separated employees was clear from its efforts to help the latter manage their money. Through tie-ups with banks and financial institutions, employees separating received advice about investing their benefits and about long-term financial planning. In addition, though Company A’s HR department did not create a formal follow-up scheme for those separated from the organisation, all managers reassured the workers at the time of their departure that they could turn to them if they needed any advice or assistance. Follow-up occurred through numerous channels. While some workers returned due to specific problems, there was a special cell constituted to redress separated employees’ financial concerns and participants noted that when workers visited this cell, they tended to drop in on them too.

HR Managers themselves attempted to keep a track of the separated workers through those continuing with the company. “I try to get a feedback, not from them directly because I am not always in a position to keep in touch with them. But I get details from the sectional heads, their colleagues and so on.”

Chance meetings at public places, if separated workers continued living in the same town, also provided an opportunity to check on their welfare.

There are number of employees who are in ___ (the same town) so when you go outside in the market place or some other social functions, we meet them and we try to ask them if they are happy or not.

Based on information gathered through these sources, participants concluded that the conditions of separated workers ranged from happy to unhappy. Workers who were interested in opting for VRS and/or who were using their time and money wisely appeared to be happy. Those who had squandered the money were unhappy.
Senior managers among the participants cautioned against making simplistic conclusions in this regard. In their view, gauging workers’ predicament was difficult as those who were unhappy were not likely to admit this so easily.

You know, there is a difficulty here. An adult takes a decision in broad daylight after signing several forms. He does not like to say that he has made a mistake. It is another trauma for him to admit that he has made a mistake because there is no coming back.

Managing organisational expectations

Company A’s emphasis on downsizing had considerable impact on the lives of their HR managers. Participants described the manner in which their superiors followed up on their performance. The work week began with a meeting of HR managers and top management during which top management publicly reviewed the progress of each HR manager individually and tried to understand the reasons behind their performance. Targets for the week were then set for each manager, keeping in mind the manpower required in his/her department/unit and the capacity of the manager. There was an expectation that HR managers should push themselves to meet the targets and hence the ceiling limit to be achieved was high. During the week, immediate superiors frequently checked the progress and even held review meetings.

In such an environment, it was not surprising to hear participants say that VRS was always on their mind, even beyond office hours. That is, they constantly thought of ways of meeting their targets. Many of them wanted to be in the office all the time, just in anticipation that they did not lose a potential VRS target.

Targets are so important that I devote all my time to building up strategies, thinking how to get across to these people. You have to do a lot of speaking – there is so much of mental tiredness and you cannot do anything else. I come to office early in the morning, thinking that there may be someone around who I can give VRS to. I come back fast from lunch, hoping that I have not missed a candidate. Or if I have asked my time checkers to send a few people, I feel that they must be waiting, so I must get back to office fast in order to convince them and get numbers. I stay till 10 pm.

Interactions with the workers were always coloured by evaluations as to whether they were prospective VRS candidates. Interactions with peers revolved around strategies to separate workers and to handle difficult cases.

Balancing work and life

Experiences during office hours were carried back home.

When I get back home, I think that I spoke to him (a candidate) and it was a failure. Why did he not take it? Maybe it was because of this? So it
simply pops into your head. You are driving a car and you think...you meet a guy from the office on the road and you think...If you are trying real hard to achieve a daily target you set for yourself and it does not come, then I go home gloomy, and it’s like I don’t want to do anything, I have not earned my salary...

Leisure time was also affected, particularly because contextual factors made the demarcation between home and work almost impossible. That is, living in a small industrial town did not allow one to leave the office behind. Moreover, younger managers living in a hostel or chummery with colleagues found themselves discussing work beyond duty hours.

____ (the town in which Company A was located) is one place where you cannot...you come out of the job and whatever you are here – you simply cannot come out of this image when you back to your house because you go to club, you happen to see your deputy manager or assistant general manager there and the moment you see them, you start getting these – God, Monday again this review...we went to see a film and there was a senior manager so again one remembered that on Monday, this will happen again. So I don’t know – had it been some other place we would have been able to come out of this and switch to our other social life. But in a place like this, you cannot leave the work place stress in the work place and have a nice weekend or evening...And since I am staying in ____ hostel (accommodation provided by Company A), I have my colleagues and so whenever we see each other, we keep discussing this thing only or someone will start narrating their experiences – this happened today, I am trying this method to motivate people, I have called so many people, I am going there tomorrow.

Receiving threats

Among the workers who were reluctant to opt for VRS were a few who threatened the HR managers.

I received threats twice. I received a call, ‘Aap ke haath kaatke, gate ke bahar phenk denge (I will cut off your hands and throw them outside the gate)’. I said, ‘You better do it – I do not care, but now that you have informed me, I will go and sign my nomination papers for provident fund and gratuity – thanks for informing me.

The Personal Aspect of Experience

Being convinced about the need for the scheme

The adoption of a downsizing programme was inevitable in the current global economic scenario: This was undisputed among participants. Senior HR managers who
had spent decades with Company A and who had observed the organisation through a number of phases opined that recruitment policies implemented in the past were partially responsible for the current situation. According to them, Company A had engaged in “mindless recruitment,” where it was continually employing people over and above the requirement. In other words, no scientific or rational approach to recruitment had been adopted, and consequently the organisation now had to separate people.

We never liked that role of senseless recruitment, mindless recruitment of people into non-existent jobs. We used to joke that you put a chair on a table and paper will automatically flow into that. Had we done a good job at that time, we would not have to undo what we have done. We recruited and now we are unrecruiting. And it was the HR’s role, our role – we should not blame anyone for that. We should have foreseen. But then the going was good, so nobody bothered – everybody thought, the bigger you are the better, larger the size, greater the strength.

However, at the same time, there were reservations expressed about cutting down one’s own workforce and substituting them with contract labour. “But if you are sending off your own people and bringing in contract labour – those are issues that are questionable. And we try not to get into those situations – that is the company’s policy too.”

Appreciating the package

All participants agreed that Company A’s VRS package was unparalleled, and that it made it easier for them to sell the scheme to workers as well as assuage their distress about the upheaval in the organisation and in employees’ lives.

It is an excellent scheme basically. It is a gift to the employee. Nowhere in the world does any company offer such a generous amount when you are separating an employee. And we even take care of their investment needs, their counseling, family problems, we go out of our way to look after them, even after they have separated.

To some, the scheme reflected the sensitivity of the organisation towards its employees.

I have always felt that the sensitivity the reality of the individuals has been very, very high in this organisation and that makes me feel good. I feel that there have been opportunities where people have explained their problems - that for this reason they cannot... the openness to listen, openness to react to individual issues is something that is highly admirable. We are not blindly like the bulldozer moving on the street.
There was also the view that giving such a lucrative scheme to defaulters amounted to rewarding them, but there was no other choice in the matter. “I think we are rewarding them, we should not do that but we have no option: The rules compel us to do that.”

**Coming to terms with the implementor role**

Implementing a VRS programme was antithetical to one’s role and training as a HR manager: This was stressed by all participants. HR managers, according to respondents, are supposed to recruit and develop people, and view them as resources and assets. The VRS programme goes against such principles. Moreover, nothing in their training had prepared them for such a role. Both these factors accounted for their sense of discomfort with the role as well as their lack of preparedness to deal with it.

This was the first assignment given to us – we had not done any development work or any recruitment work and the first assignment given was that you separate people. I landed in this department on 6th January and on 15th January the scheme was here. So it made you feel terrible that what is this? This is not what I wanted. I wanted to be positive, developing people and planning their career and manpower planning and all and here what is this? The moment we joined, within 2 or 3 days, we were given this assignment - this is your department, you have a target of this many people. So at that time, we felt that we did not have enough preparation.

Undoubtedly, participants were disturbed by their predicament, but realised that their own future in the organisation and their own job security, survival, and livelihood depended on their performance of this role. They believed that they had no choice but to proceed with the task at hand. Participation in the VRS programme thus caused participants to redefine their identity and roles. Equally interesting was their observation that workers also looked at them differently.

Earlier when one was working in the employment bureau as a HR man and went to the department I would be *gheraoed* (surrounded) by the employees because everybody was having some expectation from the person. They were expecting that they would help in promotion they would help in employment. All the expectations were derived… Now the HR officer are considered that *woh ayega to* (he is coming) he will ask for VRS or something. This change has certainly taking place. I will give you one example. When I was interviewing last time, I got a vacancy - I wanted to place a particular person so I called him to inform that you are being placed in a particular department. He came after 4 to 5 days – when he came, I told him that I had called you 3-4 days back to be placed, what happened? He told me, ‘Sir, kya karega? (what to do?) I thought again you are calling to advise me to take VRS.’ This kind of feeling is prevailing in the minds of people, the role of the HR to that extent has changed.
Indeed, some managers highlighted that instead of being seen as a liaison between management and labour, workers saw them as representatives of the management. Some participants maintained that the organisation’s preoccupation with VRS and the concomitant fall-out on managers’ role sets affected their professional growth.

Initially, I used to do innovative work, additional work, like I was trying to redesign the structure of the department – I used to read. But now that time is totally into VRS, so I feel the pinch because this is going to hurt me after sometime. I am not adding value to myself – I am not gaining any knowledge – it is only VRS, VRS, VRS. I hope that this assignment gets over as soon as possible.

However, this was not a view that was expressed by all the respondents. “Earlier, I was recruiting people. But now there is also an opportunity to reduce surplus manpower through VRS. So it is a learning for me professionally.”

Harbouring mixed feelings

Participants reported mixed feelings about their involvement in the VRS programme. Being instrumental in maintaining the organisation’s competitive advantage brought a sense of satisfaction. Meeting targets was another source of positive affect. “...I said that I would do it and I did it. That’s the excitement of accepting a challenge and doing it.”

Managers derived satisfaction from being able to help workers solve specific problems.

In my first VRS, the worker had a lot of debts. I helped him calculate how to manage the money, how to do away with the debts. When he saw that, he took it immediately. I felt good – I was able to help an uneducated man. So when he left, he left without debts. And it was my first VRS. As a professional, I had achieved my target. So that was a source of happiness. But it was nothing like elation or something.

Some participants said that in the case of alcoholic workers who were separating, they made arrangements such that the wife or family would get the benefits including the monthly salary. Being able to ensure the well-being of the family in this manner evoked positive reactions.

Negative feelings stemmed from three sources: empathizing with the workers, mounting targets, and threats. All participants admitted to feelings of guilt and distress about the mental anguish they were causing to workers and their families, by divesting them of their livelihood and of their identity. Having shared a relationship with the workers, sometimes over a period of time, exacerbated the sense of discomfort.

It is not just losing the job but doing nothing worthwhile is also traumatic. If somebody’s son asks, “Daddy, what do you do when you go to duty?”
what does he say? He has to say something – he cannot say that I do not do anything. Nobody likes to idle away their time. In fact, we had a lot surplus people we were trying to convince to take VRS. Then we put them into very, very difficult jobs, which they were not used to doing. But these people adapted themselves extremely well. So given a choice, people would like to remain in their jobs. Because it is a matter of identity. So no one will feel good about losing his/her job. The feeling of worthlessness is the worst kind of humiliation. Just receiving a cheque every month without doing anything else does not make a person happy.

Junior managers spoke of their heightened discomfort in handling emotionally distressed older workers. “We were not mature enough for some situations…grown up men, 40-45-50 years who start crying and hold your leg and all. Those were terrible situations.”

Participants maintained that their distress was mitigated by two factors. The attractiveness of the scheme which addressed workers’ well-being was one factor. The fact that the final decision to opt for VRS remained with the workers because of an earlier worker-management agreement that disallowed retrenchment was another factor.

Setting and meeting targets remained a contentious issue. Even though weekly targets were fixed in consultation with the concerned HR manager, participants stated that quite often they were made to do more than what they were comfortable with. Participants held dual views about the constant monitoring of their progress. On the one hand, they believed that their superiors were just executing their duties.

Oh, they (the superiors) drive us crazy sometimes. They give us calls – where are you right now – that kind of a thing…it’s a pressure definitely. But they are doing their job. At the end of the day, if you think unbiasedly about it, they are doing their job.

On the other hand, they expressed fear and resentment about the way they were being monitored.

Review meetings with top management are held first thing on Monday mornings so one dreads coming to the office at the beginning of the week. At these meetings, we are called out by name and asked why the target was soft, why it was not met. So there is fear.

For one respondent, negative feelings also arose from the perception that for those who achieved the target, the reward was only rising expectations and higher targets, not recognition or reinforcement.

Last time I was given a target of 40, I did 50. So this time, I was given a target of 50, I did 75. And now it is being expected that I must do at least 100, which is considered to be a soft target for me. I was not told that I did a good job or anything. The person who was supposed to do 10 did just 2,
but there was no penalty. Nobody recognises you – I am really hassled about this.

Managers admitted their feelings of fear in the light of threats. “You are walking in the market. You feel scared because you have made people leave the organisation. They might...you know...you get the feeling that 4-5 people spot you in the market and get together and thrash you out.”

Coping with the situation

Emotion focused coping strategies were the only option for participants to deal with the situation if they wished to remain with Company A. In other words, they could rely on mechanisms to alter their view of the situation without actually changing the situation, and they could rely on support, spiritual sources, and leisure activities. These tactics were instrumental in helping them manage their intrapersonal issues.

In the first category of coping strategies, managers were observed to use defense mechanisms such as rationalisation, suppression of feelings, and compartmentalisation.

If I start feeling, I am not doing justice to my post here. I cannot be swayed. If I know that he is not good for the department, I should not be swayed by his personal interest. My first priority as a management person is to take care of the department. Definitely not at the cost of his genuine problem if he has one but otherwise...Of course, one gets moved, but I have to keep control over my emotions. Otherwise, I had have it. I have to empathise professionally, not personally. To do that, one thinks of it as a job. One has to build a wall around oneself.

Participants maintained that they got a lot of support from their peers. Not only did they share experiences from which they learned how to handle different situations, but they also empathised with each other and facilitated ventilation. “Talking to friends helps in the sense that when you discuss it with others and you feel that they are also undergoing the same kind of emotionally difficult feelings...somehow then we talk and take it out.”

Junior HR managers described the support and advice they received from their seniors in discharging this function. Not only did senior managers advise them to adopt a professional outlook where the mind took precedence over the heart, but they would also give them tips on how to handle specific questions/situations during the counselling.

They (the seniors) have given us their full support. Like initially we could not handle this – like how to go about. They taught how to go about- even if you are counseling what aspect of the person you should touch upon so that he is ready to take it and how should you sell this scheme to them. They spoke to us and told us that now you are a professional, you should behave professionally. When you are professional, meeting your target and acting professionally is important. It is not that... emotions should be there but that should not be the main consideration.
Quite often, HR managers would collectively discuss problems that they were facing or that they anticipated and attempted to find solutions to them. Junior HR managers also benefited from observing their superiors during counselling sessions. “I accompanied one of my senior colleagues and observed him doing the counselling. Slowly and steadily, I picked up the tactics – how to speak, how to counsel.”

Conclusion

As the review of literature has shown, implementors have received virtually no research attention. Whereas the experiences of victims and survivors have been captured through various empirical inquiries, implementors have remained an almost unexplored group. This research has brought out the complexity of implementors’ experiences, highlighting the concomitant presence of conflicting feelings and thoughts as well as the processes involved in role performance. Implementors are faced with a difficult dilemma. On the one hand, they believe that they have no choice in the matter if they have to ensure the competitive position of the organisation and their own survival as employees. On the other hand, they are pained by the task of having to terminate other employees, thereby causing upheaval and distress in their lives. Implementors’ affective states were compounded by the changes in the psychological contract and the organisational ethos as well as by their own lack of preparedness to perform the role of a downsizing manager. However, as they grappled with their emotions and thoughts, they still had to deliver. In addition to describing the strategies and actions employed to this end, the study provides insights into implementor’s preoccupation with targets, the impact on their careers, and the receipt of threats. It is in the area of implementors’ coping that the study findings build on the work of Kets de Vries and Balazs (1997). Participants in the study relied on social support, spiritual leaning, leisure activities, and defense mechanisms to cope with their experiences. That is, they resorted primarily to emotion-focused mechanisms that centered on the intrapersonal, involving affective and cognitive restructuring rather than actually solving the problem (Lazarus & Folkman, 1984). Though the long-term efficacy of such coping strategies has long been in question, none of the HR managers interviewed displayed the dysfunctions such as depression, dissociation, abrasion, alexithymia/anhedonia, and compulsiveness/ritualism described by Kets de Vries and Balazs, but given their reliance on emotion-focused strategies, especially the use of defense mechanisms, their coping appears to echo Kets de Vries and Balazs’s view that adaptive responses are actually the outcome of a well executed defensive process.

The downsizing programme at Company A in terms of its objectives, the nature of the package, and the process of implementation are laudable and serve as a pointer to other organisations opting for similar technostructural interventions that ethical standards and human orientations can be integrated with the toughest corporate decisions. At the same time, details about the historical growth of Company A, especially its recruitment policy, raises questions about its strategy and focus at various stages of growth and its contextualisation within and interpretation of the general and sectoral extra-organisational environment. Taking a cue from Company A, organisations would do well to closely monitor their extra-organisational environment, and to appropriately match organisational strategy at all levels with extra-organisational demands.
Though the downsizing programme at Company A formed part of a corporate renewal process and followed much of Hopkins and Hopkins’s (1999) and Appelbaum and Donia’s (2001) prescriptions, the findings demonstrate that the social costs associated with downsizing cannot be completely eliminated. In other words, despite the steps that Company A took to make its downsizing programme as humane as possible, both workers and implementors experienced distress. Clearly, then, there is no easy way to downsize, and the need to create organisational support systems, which address the emotional predicament of all stakeholders is crucial. Organisations have heretofore maintained the Aristotelian view that rationality should prevail over emotion if they are to perform effectively. However, growing academic acknowledgement (emerging from empirical research) that organisations are sites of emotionalised rationality and that emotions and reason are inextricably linked in business, should translate into the development of compassionate systems and processes in organisations where emotions are honoured (Fineman, 2000). Such initiatives should correspond to every stage of the downsizing endeavour including planning (to orient employees to the new psychological contract and help them plan ahead), implementation (to help them work through their feelings, to adjust to their roles, to find alternative training or employment, and to manage money and other issues if they are victims), and follow-up (to assist survivors fit in with the altered organisational environment and to ensure that victims continue to cope adaptively). At the same time, organisations should think beyond intervening only at the time of radical change, and attempt to create contexts that prepare employees for the dynamic requirements of today’s global economy. That is, through ongoing training and human resource development (HRD) programmes, they should orient their employees to the need for employability and investment planning, and provide avenues for the same. In this manner, employees are better equipped to face up to any eventuality.

The findings of the study raise fundamental questions about the role of HR managers in contemporary organisations. Sahdev, Vinnicombe, and Tyson (1999) provide a historical view of the HR function. In the 1970s, HR harboured a personnel focus, being concerned with negotiations and administration of policies and procedures in an era when industrial relations dominated the business climate. In the 1980s, HR came into its own, advocating people management at the strategic “heart” of business. Currently, HR professionals have the opportunity to play a central role in managing change. To this end, they must develop innovative HR practices that enable employees to make role transitions and cope with ambiguity effectively, without undue compromise of organisational interests. Since employees continue to define employment in terms of duration and security, alternative ways of thinking that encourage multi-skilling and autonomy are required to make the shift from current entrenched positions. Tangible horizontal career paths with effective redeployment mechanisms are called for. Furthermore, HR managers must work towards the creation of contexts which do not shy away from recognising emotions as part of organisational life. Overall, HR professionals need to work towards maintaining a twin focus of fulfilling their traditional role of developing human resources and meeting contemporary expectations. Undoubtedly, since these demands can be fulfilled only if HR managers feel sufficiently prepared and equipped to face emerging challenges, there is an underlying implication that the curriculum of HRM (Human Resource Management) courses be re-examined and revamped to meet market requirements. However, the responsibility for developing
competent professionals does not lie with academic/training institutes alone. Organisations need to ensure that their personnel are equipped to meet contemporary challenges and hence must promote participation in continuing professional education and training. Designing induction programmes that prepare new recruits for ongoing organisational challenges is relevant. Mentorship programmes are another means towards facilitating the professional development of junior employees.

It must be remembered that the negative effects of downsizing are not confined to the microlevel. The widespread adoption of downsizing as a means to cutting costs and improving organisational performance raises the question of societal level impacts. While downsizing is seen as a means of facilitating organisational survival, its implications for society at large call for systematic investigation. Moreover, given the adverse consequences that downsizing has on multiple stakeholders, is there no alternative to it? McKinley, Zhao, and Rust (2000) believe that only when top management in organisations reclaim their sense of agency over organisational decisions would they consider other means of ensuring competitive advantage. In their view, downsizing has become institutionalized through the collectivization and reification of a “downsizing is effective” schema in spite of the lack of convincing empirical evidence that it produces technical or financial performance improvement. Organisations must work towards sensitizing managers to show that downsizing is not an objective reality external to their decision making. On the contrary, it is the result of managerial actions and thus its basis and efficacy can be re-examined, perhaps laying the foundations for novel but humane ways of bringing about organisational survival.

References


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**Author Note**

Ernesto Noronha has a Ph.D. in Industrial Sociology from Tata Institute of Social Sciences, Mumbai, India. He is currently Associate Professor of Organisational Behaviour at Indian Institute of Management Ahmedabad. His academic interests include
ethnicity and diversity at the workplace, technology and work, cross-cultural issues in management, and labour and globalisation.

Premilla D’Cruz has a Ph.D. in Social Science from Tata Institute of Social Sciences, Mumbai, India and is currently Assistant Professor of Organisational Behaviour, Indian Institute of Management, Ahmedabad. Her current research interests include emotions in organisations, organisational control, self and identity at the workplace.

Please send correspondence concerning this article to Ernesto Noronha or Premilla D’Cruz at Indian Institute of Management Ahmedabad, Vastrapur, Ahmedabad 380 015; Email: pdcruz@iimahd.ernet.in

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