UNIVERSITY OF CAPE COAST

EMPLOYEE DOWNSIZING AND CAREER MANAGEMENT IN VODAFONE GHANA

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BY

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DECLARATION

Candidate's Declaration

I hereby declare that this dissertation is the result of my own original work and that no part of it has been presented for another degree in this university or elsewhere.

Candidate's Signature:………………………………. Date:…………………..

Name: Diana Effah Yeboah

Supervisor's Declaration

I hereby declare that the preparation and presentation of this dissertation were supervised in accordance with the guidelines on supervision of dissertation laid down by the University of Cape Coast.

Supervisor's Signature……………………….. Date………………

Name: Prof. Bondzi-Simpson

ABSTRACT

The general objective of the study was to investigate career management in a firm engaged in downsizing, with special reference to Vodafone Ghana. Specifically, the study sought the causes of downsizing in a firm, the consequences of downsizing on the individual and the organization, the extent to which a firm can manage careers when downsizing and the strategies that can be adopted for a successful career management while downsizing.

The research design adopted for the study was descriptive. The simple random sampling technique was used to select respondents for the study. A total of 100 respondents were used for the study. This comprised 80 employees and 20 top management officials. The questionnaire was the main instrument used for data collection and analysis was done using the Statistical Product and Service Solutions to generate figures, frequencies, percentages and tables.

The study revealed that the possible causes of downsizing include loss in companies, economic crisis, decrease in sales leading to decreased population and a significant change in the management roles. It is therefore recommended that Vodafone Ghana must exhaust all other forms of cost-savings decisions, identify and address the root causes of events that led to the downsizing exercise.

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I could not have done any of this without the support of my family and friends. I am grateful for their support and encouragement. Finally, I am grateful to all the respondents who participated and made this study possible.

DEDICATION

To my husband

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CHAPTER ONE

INTRODUCTION

Background to the Study

Most organizations cut cost by attempting to reduce the size of their workforce. Downsizing is one of the defensive strategies an organization can adopt to cut costs or to make the organization more productive and profitable. But the perceived outcomes might not be achieved in all organizations which attempt to downsize their workforce. Sometimes organizations fail to achieve these objectives due to one reason or another. Industrial development, recessions, increased operational costs and economic changes involve risks such that no organization can unconditionally guarantee security of employment to its workers. Employees are constantly reminded of their continued relevance and usefulness in the organizations (Obinatu, 2002). However, in the last few years, business organizations have learned to strategize for success by growing their market share, sales and earnings but not their organizations or staffing strength. They have reshaped their companies for future success by downsizing their corporate bureaucracies (Tomasko, 2002). As noted by Akinola (2011), development arising from the dynamic nature of the environment and the need for business organization to survive in today's fiercely global market are causing many organizations to rethink the way they are doing business; in order to remain relevant in the unfolding dispensation, companies are adopting various strategies to survive and grow.

Equally noteworthy is the fact that competitive pressure is forcing many organizations to react to these changes with improved quality services. In view of these challenges, many organizations have played out the logical restructuring paths through the adoption of varying performance improvement methodologies ranging from Business Process Re-engineering (BPR), Business Process Management (BPM), Total Quality Management (TQM) and Management by Objectives (MBO), amongst others. Initiative-procedure must be employee-oriented (Taylor et al, 1998). The trend reveals that efficient management of existing skills, coupled with acquiring new ones and constant education are legitimate ways to beat the effects of downsizing.

It is important to stress that corporate downsizing has been the biggest fallout of the troubled times the world is witnessing. Downsizing refers to a process where a company or a firm simply reduces its workforce in order to cut the operating costs and improve efficiency. It has become a legitimate option for business-growth strategy especially, after the 1980s. In fact, downsizing is the most preferred option for companies who desire to sustain operating costs and comply with the existing scope of the business. Morever, downsizing is the "conscious use of permanent personnel reduction in an attempt to improve efficiency and/or effectiveness" (Budros, 1999, p.70). Since the 1980s, downsizing has gained strategic legitimacy (McKinley et al., 2000; Boone, 2000; Cameron et al., 1991). Indeed, recent research on downsizing in the US (Baumol et al, 2003), UK (Chorely, 2002; Mason, 2002; Rogers, 2002, Sahdev et al., 1999), and Japan (Ahmakjian and Robinson, 2001; Mroczkowski and Hanaoka, 1997) suggests that downsizing is regarded by management as one of the preferred routes to turning around declining organizations by cutting costs and improving organizational performance (Mellahi & Wilkinson, 2004). Currently, the globalized world of business is witnessing restructuring and downsizing processes, mergers and acquisitions, technological advancements and other measures in order to cope with the dynamic pressures of globalization (Greenhaus, Callanan & Godshalk 2000, Appelbaum, Ayre & Shapiro 2002, Baruch 2004). These constant changes at the organizational level have elevated the importance of managing people at work, particularly, the planning and managing of their careers (Baruch 2004). Arguably, people are the most valuable resource in contemporary organizations, and providing them with a long term stable career is a win-win situation for both organizations and their employees. Hall & Associates (1986) have defined a "career" as a lifelong process made up of a sequence of activities and related attitudes or behaviours that take place in a person's work life. It is also viewed as a pattern of work related experiences, such as job positions, jobs duties or activities, work related decisions; and subjective interpretations of work related events, such as work aspirations, expectations, values, needs and feelings about particular work experiences, that span the course of a person's life (Greenhaus, et al. 2000). Clearly, a career is not just a job, but revolves around a process, an attitude, behaviour and a situation in a person's work life to achieve set career goals. Baruch (2004) points out that career is the property of individuals, but for the employed, organizations will plan and manage employee careers. However, during the last few decades the notion that individuals are also responsible for their own careers has been well documented (Baruch 2004). Hence, career management requires initiative from both organizations and individuals in order to provide maximum benefit for both.

Career development is about the development of employees that is beneficial to both the individual and organization, and it is a complex process. Theories surrounding the complex career development processes emerged in 1950s in the work of Eli Ginzberg, Donald Super, Anne Roe, John Holland and David Tiedeman (Herr & Shahnasarian, 2001). In the last fifty years, major career development theories and practices were created, tested, and subsequently defined (Leibowitz, et al., 1986, McDaniels & Gysbers 1992, Herr, 2001). Leibowitz, Farren and Kaye (1986) contend that career development involves an organised, formalised, planned effort to achieve a balance between the individual's career needs and the organization's work force requirements. In the 1990s, the research focus was more on the practices of career development across a wide range of career issues, settings and populations and, according to Herr (2001), in the emerging world of the present and the future, the practices of career development are being challenged to find new paradigms and new scientific bases. Herr (2001) argued that this phenomenon was necessarily occurring as the inherent dynamism in the complex global business environment was increasingly affecting individual career choice. Moreover, Herr highlighted that in recent years there has been a consolidation of career behaviour, with the discussion focussed on how it can be used to guide planned programmes of career interventions, ultimately, to impact on organizational effectiveness.

Naturally, individual expects to reap the result of proper career planning and career management investment by attaining career development. According to McDaniels and Gysbers (1992), career development is the total constellation of psychological, sociological, educational, physical, economic, and chance factors that combine to shape the career of any given individual over the life span. Greenhaus et al., (2000) suggests that career development is an ongoing process by which individual's progress through a series of stages, each of which is characterised by a relatively unique set of issues, themes, and tasks. Hall and Associates (1986) define career development as the outcomes emanating from the interaction of individual career planning and institutional career management processes.

This notion of career planning and development initiatives fostering organizational effectiveness depends on the organization's ability to transit employees from a traditional pattern of expectation to one of increased responsibility for their own career growth and development (Martin, Romero, Valle & Dolan 2001). A well designed career development system enables organizations to tap their wealth of in-house talent for staffing and promotion by matching the skills, experience, and aspirations of individuals to the needs of the organizations. Additionally, it enables organizations to make informed decisions around compensation and succession planning to attract, retain and motivate the employees, resulting in a more engaged and productive workforce (Thite, 2001, Kapel & Shepherd, 2004, Kaye 2005). Furthermore, career development must be an ongoing system linked with the organization's human resource (HR) structures and not a onetime event (Leibowitz, et al., 1988). These arguments concerning the nexus of the organization and the individual in defining and maintaining a sustainable career development process call for theorising and testing of the antecedents and outcomes of career development practices across different contexts. This study considered the issue of career management vis-à-vis corporate.

Statement of the Problem

According to Appelbaum (1991), recently, the issue of corporate downsizing has assumed a focal point in management process globally. By 1992, over 500 United States of American corporations had been downsized. Stemming from the desire to become more efficient and effective, firms in both private and public sectors have adopted downsizing strategies (Cameron, 1994). Kodek downsized four times between 1982 and 1992, Honeywell twice within four years. Xeron, IBM and Digital Equipment experienced several cutbacks throughout the 1990s, Compaq computers downsized in 1991, the Pentagonal downsized in 1992 and the state of Oregon also downsized in 1993 (Candron, 1996). Leath et al (1994) noted that to their external environments, companies are attempting to reposition themselves so as to gain a competitive advantage in an uncertain market place. To do this, corporations are undergoing organizational changes. Competitive pressure around the world is now prompting organizations to cut costs, restructure and reduce their labour force.

Furthermore, countries that are moving from state domination to market, as pertaining in some countries in Eastern Europe, privatization often propels the need to reduce firms' headcount. In Ghana, the environment in which business organizations operate is changing rapidly. Consequently, companies have been more or less forced to cut down wasteful and unproductive activities and concentrate resources in the areas of core competence in order to achieve sustainable competitive advantages. Akinola (2011) has observed that global economic recession has affected company structures and practices while global management has brought companies face-to-face with complex cross cultural issues and competition.

Knowledge is one of the most important sources of competitive advantage (Hitt et al., 2001). According to the knowledge-based view of the firm, sustainable competitive advantage is based on exploiting, exploring and retaining a firm's knowledge (Grant, 1996). While exploitation and exploration have received extensive attention in research literature (Raisch et al., 2009), knowledge retention has been relatively neglected (Argote et al., 2003; Fisher and White, 2000; Marsh &

Stock, 2006). Nevertheless, knowledge retention is a core element of the organizational memory concept, enabling firms to embed knowledge within the organization (Argote et al., 2003). This knowledge is retained in various ‘human’ and ‘non-human’ repositories on specific organizational levels (Walsh & Ungson, 1991). However, the organizational knowledge retained through employees--human capital--is the most valuable source of competitive advantage (Grant, 1996). This retained knowledge is an integral part of the organizational learning process (Olivera, 2000).

Recent research has started exploring how firms can actively retain knowledge and avoid losing it over time (Girard, 2009; Massingham, 2008). Scholars have identified specific relative internal (Fiedler & Welpe, 2010) and external capacities (Robinson & Ensign, 2009) crucial for knowledge retention. Moreover, research has outlined the beneficial relationship between knowledge inflows through various HR practices (i.e. recruiting, personnel mobility, job rotation, to name four) and knowledge retention (Madsen et al., 2003). Similarly, authors have started to investigate the negative consequences of organizational knowledge loss (Massingham, 2008; Shah, 2000). In this respect, Carley (1996) emphasizes the potential benefits of further investigating the negative effects of employee downsizing on organizational learning in general and knowledge retention in particular.

Employee downsizing is a widespread strategy to improve operational effectiveness through workforce reductions (Chadwick et al., 2004). Defined as planned eliminations of positions or jobs (Cascio, 1993), employee downsizing has, nevertheless, been considered a questionable strategy to improve a firm’s long-term performance (Cascio, 1993). In Ghana, after the sale of Ghana Telecom to Vodafone, the new owners of the telecommunication company embarked on various reforms and structural changes to suit their company policy. In so doing, some employees were asked to step aside when their services were seen not needed by the company. This study, examined the issue of career management in a firm which is downsizing, with special reference to Vodafone Ghana. Drawing on Weick's (1995) four-level framework, the researcher developed a comprehensive understanding of how employee downsizing may destroy careers and pushed further to find out how firms can manage careers while downsizing with reference to Vodafone Ghana.

Objectives of the Study

The general objective of the study was to investigate the issue of employee career management in Vodafone Ghana which is downsizing. Specifically, the study sought to find out the:

1. reasons for downsizing in a firm.
2. consequences of downsizing on the individual and the organization.
3. extent to which a firm can manage careers while downsizing.
4. strategies firms can adopt for a successful career management while downsizing.

Research Questions

The following questions to guide the study.

1. What are the reasons for downsizing in a firm?
2. What are the consequences of downsizing on the individual and the organization?
3. To what extent can a firm manage careers while downsizing?

4. What are the strategies that can be adopted for a successful downsizing?

Significance of the Study

This study would help both the Board of Directors and the Management of Vodafone to know how best to manage careers even as they seek to embark on downsizing again in future. It might also serve as a reference point for other firms in communication and various industries who desire to know various strategies and effects of downsizing and how best it can be done without dismissing their best employees. Workers on the other hand, may become more familiar with the various causes of downsizing, its effect on both staff and organization. Finally, the study may be added to the current literature on corporate downsizing.

Delimitations of the Study

The study was limited in terms of scope and coverage. It focused on the causes, effects and strategies of downsizing only: all other issues on downsizing were not captured. The study investigated only three branches of Vodafone in the country, all other branches and sales points including sales agents were not captured by the study.

Limitations of the Study

One limitation of the study was the generalisability of the findings of the study. This was because most of the branches of Vodafone Ghana were not captured in the study. This made the sample chosen not to be representative of the entire population of Communication industry in Ghana.

Again, the some of the respondents were initially uncomfortable to admit what actually makes them satisfied or dissatisfied as far as their job was concerned. The respondents were of the view that they would be perceived as people who would want to leave their jobs anytime soon, since they want job security. However, they were assured that no part of the study would give out their identity as they respond to the questionnaires.

Organization of the Rest of the Study

Chapter two examines relevant literature related to the study. Chapter three explains the methodology used and data collection; chapter four analyzes and discusses the data. The final chapter summarizes the findings, provides, conclusions and recommendations.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

Introduction

This review of literature involved the identification, location and analysis of documents containing information related to the research problem. It enabled the researcher to become aware of contributions of other researches that have been done and what needs to be done in the area under investigation. The following areas to design of the review:

1. Profile of Vodafone Ghana.
2. History of downsizing.
3. The concept of employee downsizing.
4. Corporate reasoning for downsizing.
5. The concept of career management.
6. Career management and employee downsizing.
7. Consequences of employee downsizing.
8. Effect of downsizing on firms and individuals.
9. Downsizing effects on organizational knowledge.
10. Strategies of downsizing.

Profile of Vodafone Ghana

Vodafone Ghana is one of the latest additions to Vodafone Group Plc, the world's leading mobile telecommunications company. This followed the successful acquisition of 70% shares in Ghana Telecommunications Company (GT) for $900 million dollars by Vodafone International Plc on July 23, 2008. Vodafone Group Plc is making significant in-roads in Africa and currently operates in Kenya, South Africa, Tanzania and Mozambique. It has significant presence in Europe, the Middle East, Asia Pacific and the United States through the company's subsidiary undertakings, joint ventures, associated undertakings and investments.

Vodafone Group has more than 315 million customers, excluding paging customers, calculated on a proportionate basis in accordance with its percentage interest in these ventures. Operational in 31 countries, the company is ranked among the top 10 global companies by market capitalization. Vodafone has a unique portfolio of products and services. It provides high speed access to the internet, mobile services and fixed lines. The company applies the latest industry technology and is keen on building the most versatile network. It goes the extra mile to ensure that services on mobile handset enable customers to conduct business or have fun in the most enjoyable and relaxing manner. Indeed, Vodafone adds value to customers' lifestyle. The Company is a market leader in providing broadband services which are among the most competitive in the market (Vodafone, 2008).

Vodafone has a deep sense of social responsibility. It fulfils this through responsible employee volunteerism, providing access to communication in deprived communities and investing hundreds of thousands of cedis through the Vodafone Ghana Foundation in social causes. Excellent customer care is one of its strengths; it prides itself in being the only telecommunications company in Ghana with as many customer service points--situated to meet clients' need. The Company offers Ghanaians quality service on its network and ensures that customers have value for their money. The company was established after World War II as a wing of the then Post and Telecommunications Corporation. For it to function as a commercially viable entity, the company was split into two autonomous divisions by the government of Ghana, Ghana Postal Services and Ghana Telecom. Two years later, GT was privatized to G-Com Ltd and subsequently contracted to Telenor Management Partners (TMP) of Norway to manage. A Ghanaian management team then took over the affairs prior to Vodafone's acquisition. You need to cite the sources of your information

History of Downsizing in Firms

Charles Handy first predicted that the technological revolution, which was beginning to make its force felt back in the mid-1970s, would transform the lives of millions of individuals through a process he termed down-sizing (Appelbaum, Everard, & Hung, 1999). While few understood and appreciated his prediction at the time, it is now clear that downsizing is being used widely as a managerial tool in corporations and governmental bodies around the world (Macky, 2004). Literature reveals that firms have adopted and implemented downsizing as a reactive response to organizational bankruptcy or recession (Ryan & Macky, 1998) and proactively as a human resource (HR) strategy (Chadwick, Hunter, & Walston, 2004). The pervasiveness of the phenomenon renders it evident that downsizing has attained the status of a restructuring strategy (Cameron, 1994) with the firm intent of attaining a new level of competitiveness (Littler, Dunford, Bramble, & Hede, 1997). Downsizing is not a new phenomenon. It came into prominence as a topic of both scholarly and practical concern in the 1980s. It became a management mantra (Lecky, 1998) in the 1990s; it subsequently became known as the downsizing decade (Dolan, Belout, & Balkin, 2000). Accordingly, downsizing has literally transformed hundreds of thousands of firms and governmental bodies and the lives of tens of millions of employees around the world (Amundson, Borgen, Jordan, & Erlebach, 2004). The concept of downsizing emerged from a number of disciplines and draws upon a wide range of management and organizational theories. The body of literature is extensive, reflecting its prevalence in countries like the US, the UK, Canada, Europe, Australia, New Zealand, and Japan (Littler, 1998; Gandolfi & Neck, 2003; Farrell & Mavondo, 2004; Macky, 2004). While a single definition of downsizing does not exist across studies, it is clear that downsizing means a contraction or shrinkage in the size of a firm's workforce. According to Cascio (1993), downsizing is the planned eliminations of positions or jobs whose primary purpose is to reduce the workforce. A myriad of terms have been used in reference to downsizing, including resizing and rightsizing (Gandolfi, 2006), which have further contributed to a general sense of mystification and suspicion about the motive of downsizing.

Downsizing has occurred across industries (Macky, 2004). While manufacturing, retail, and service have accounted for the highest levels of downsizing, it is evident that downsizing occurs in both the private and public sectors (Dolan, Belout, & Balkin, 2000) Downsizing statistics show a sobering picture. For instance, the US Bureau of Labor Statistics (BLS) reported that more than 4.3 million US jobs were cut between 1985 and 1989 (Lee, 1992). The New York Times reported that more than 43 million jobs had been eliminated between 1979 and 1996 (Cascio, 2003). It was reported that 85 % of the Fortune 500 firms downsized between 1989 and 1994 and 100 % were planning to do so in the following five years (Cameron, 1994). There is substantial evidence suggesting that downsizing has continued to be a popular strategy across industries (Sahdev, 2003) and around the world (Mirabal & DeYoung, 2005). While downsizing is viewed as a complicated, multifaceted phenomenon (Gandolfi, 2006), it has generally been adopted either reactively or proactively (Macky, 2004). Putting forward a single cause for downsizing is problematic and underrates its inherent complexity. Each downsizing decision is likely to constitute a combination of company-specific, industry specific and macroeconomic factors (Drew, 1994). Firms frequently justify downsizing through the emergence of deregulation, globalization, merger and acquisition (M&A) activities, global competition, technological innovation and a shift in business strategies in order to achieve and retain competitive advantages (Sahdev, 2003; Zyglidopoulos, 2003).

The Concept of Employee Downsizing

Freeman and Cameron (1993) defined organizational downsizing in its broadest sense as a set of management activities aiming to improve organizational efficiency, productivity and/or competitiveness. These downsizing activities involve reducing various organizational resources (i.e. assets, capital and human resources). Thus, downsizing is often only related to a reduction in organizational size (Freeman & Cameron, 1993), leading to confusion in the extant literature (Budros, 1999). This article? focuses on employee downsizing and considers intentional personnel reduction strategies (e.g. transfers, outplacement, retirement incentives, buyout packages, layoffs and attrition) that impact an organization's work processes. A number of scholars echo this perception and associate downsizing with a planned permanent workforce reduction (e.g. Budros, 1999; Chadwick et al., 2004; DeWitt, 1998). Cascio's definition of downsizing as 'planned eliminations' therefore excludes individuals discharged for a reason and individual departures via normal retirement or resignation (Cascio, 1993: 96).

In the light of these conceptualizations, the term 'layoff' has often been used synonymously with organizational downsizing. However, in contrast to layoff and other personnel reduction approaches, employee downsizing is a distinct concept due to its focus on the organizational, instead of the individual, level of analysis (Brockner, 1988). While employee downsizing represents the overarching, broader strategic concept of workforce reduction. (Greenhalgh et al., 1988), layoff and the other approaches refer to the operational mechanism used to implement this strategy.

Moreover, the majority of researchers (Chadwick et al., 2004; Datta et al., 2010; DeWitt, 1998; Freeman and Cameron, 1993; Guthrie and Datta, 2008) stress that employee downsizing is driven by managers' belief that this strategy increases organizational efficiency and productivity. In this respect, employee downsizing is considered an intentional means of maintaining/increasing firm performance (Chadwick et al., 2004). Consequently, this study defines employee downsizing as an organization's planned implementation of workforce reduction strategies in an attempt to increase organizational performance.

Reasons for Downsizing in Firms

Researchers have approached this question from a variety of perspectives, ranging from economic imperatives and market constraints to approaches based on organizational theories, ideological motivations to social organizations for previous mismanagement and top management's strategic errors in reading the market. According to Nelson and Burke (1998), globalization of the marketplace, technological advances and growing importance of the service sector, coupled with global benchmarking with competitors for overhead costs are some of the market forces that have motivated organizations to resort to downsizing. Some organizational benefits expected from downsizing may include increase in productivity, improved quality, enhanced competitive advantage, potential regeneration of success (Nelson and Burke, 1998), lower overheads, less bureaucracy, more effective decision-making, improved communication, and greater innovativeness. The next section discusses various perspectives and approaches of organizational downsizing.

The Economic Perspective

The economic perspective rests on the assumption that managers' actions are inherently rational and that downsizing is undertaken with a view to increasing an organization's future productivity and economic performance (McKinley, Zhao and Rust, 2000). Even though downsizing helps to reduce costs, it may be offset by increases in other expenses arising from negative consequences of downsizing. Moreover, researchers are yet to prove conclusively that downsizing results in improved financial performance of a firm (Krishnan and Park, 1998). While in the early eighties, companies began downsizing with a view to cutting costs and improving the bottom line, currently, even companies posting record profits are resorting to downsizing to become 'lean and mean' (Mishra, Spreitzer and Mishra, 1998).

The A-rational Perspective

Budros (1999) has attempted to explore the reasons economically viable and financially sound organizations also go in for downsizing. In characterizing downsizing as an organizational innovation, he proposes a marriage between (1) the social context which can be either organizational or extra-organizational, and (2) the basis of organizational action which may be both rational and arational. In his framework, Budros has identified four quadrants representing four conditions/factors which cause organizations to downsize and which also determine their rate of downsizing. Some of these factors are organizational size, employee compensation levels, extent of deregulation of the industry and extent of economic troughs and peaks, employee-centredness of the firm, financial vs. non-financial background of the CEOs, linkage with the organizations that have experienced downsizing and percentage of downsized organizations considered as front-runners in the industry. Budros' approach is unique in that his framework breaks away from the restrictive assumptions of rationality and incorporates a wider spectrum of perspectives for downsizing. However, his propositions might have been better strengthened by more empirical bases rather than relying substantially on data from the popular press.

The Ideological Perspective

Adding ideological variables to the list of possible determinants of downsizing, McKinley, Mone and Barker (1998) have identified two ideologies, viz., the ideology of self-reliance of the employee and the ideology of de-bureaucratization which provide a cognitive framework in which the concept of downsizing gains legitimacy. The ideology of self-reliance of the employee stresses that, ultimately, it is the employee himself/herself who should be responsible for his/her own career welfare and job security instead of relying on the organization to take care of his career. The ideology of de-bureaucratization recommends the reduction or elimination of hierarchies. In reducing hierarchies, middle managers are most often displaced from their jobs leading to workforce reduction. Hence, organizations whose top management espouses these ideologies are more likely to downsize.

The Institutional Perspective

The institutional perspective emphasizes that the search for legitimacy and uncertainty reduction are more potent motivators for downsizing than economic efficiency and profits (McKinley, Zhao and Rust, 2000). This perspective states that downsizing has taken on the status of an institutionalized norm and hence imparts legitimacy to those adopting this strategy. In fact, McKinley, Sanchez and Schick (1995) have drawn on this institutional perspective to identify three social forces--constraining, cloning, and learning--which motivate downsizing in organizations. Since the current thinking among organizations is to get leaner and smaller, managers are constrained to do what is considered 'right,' in this case, getting smaller by reducing the workforce. Cloning forces result from imitating competitors and following their actions irrespective of whether their strategies have proved beneficial or not. Since downsizing has become the order of the day, imitating competitors in this respect imparts some legitimacy to the manager.

Finally, learning forces occur through educational institutions and professional associations where the effectiveness of the downsizing approach is further reinforced. The concepts of constraining, cloning, and learning forces are equivalent to the institutional theoretic concepts of coercive isomorphism, mimetic isomorphism, and normative isomorphism respectively, which explain how organizations strive for legitimacy (McKinley, Zhao & Rust, 2000).

The Strategic Perspective

Dewitt (1998) has attempted to broaden the definition of downsizing to include not only reductions in manpower but also reductions in non-human resources of the organizations. Hence, the choice of downsizing approach in terms of reduction strategies--retrenchment, downscaling and down scoping--is likely to be based on firm, industry, and strategy influences. In the attempt to distinguish between ‘broad’ and ‘focused’ firm strategies, it was found that while firm-level influences--recent capacity expansions, recent product introductions, and recent investments--were the only significant predictors of broad firm choice of downsizing approach, industry-level influences--competitors’ recent capacity expansions, product introductions, and investments--were the main predictors of focused firm choices. The strength of this approach lies in highlighting a relatively unexplored aspect of viewing downsizing as a strategic choice made by the organization in response to firm level and industry-level influences, different from the ideological and theoretical perspectives taken by other researchers. Generally, the strength of the approaches discussed above lies in the fact that they provide alternative windows to downsizing and partially explain why organizations continue to downsizing despite inconclusive proof of the economic efficacy of,.

In summary, it appears that while the perspectives examined by researchers suggest that economic imperatives, institutional compulsions, ideological beliefs or a-rational perspectives might be diverse causes for downsizing, these causes are not necessarily some of the mutually exclusive. In fact, a typical downsizing decision may be dictated by a mixture of the above compulsions, depending on the context in which the decision is taken.

The Concept of Career Management

Career management is conscious planning of one's activities and engagements in the jobs one undertakes in the course of his/her life for better fulfilment, growth and financial stability. It is a sequential process that starts from an understanding of oneself and encompasses occupational awareness. An individual's career is the sole source of one's natural expression of self. One school of thought describes work as the purpose of life and the source of one's expression and the purpose of being or existence. Yet some believe that there is a wide difference between an individual's career and his/her life. In any case, career is an integral component of one's life and therefore the need for its management. Career management is more or less like the organizational management; after all, an organization is nothing but an assortment of individuals! The process of career management begins with the formulation of goals and objectives, those that are short run.

This is a tedious task compared to a long term career goal which is more or visionary in nature. Since the objective is short term or immediate, it is more action oriented. Second it demands achievement every day, every moment. Again this step can be very difficult for those who are not aware of the opportunities available or are not completely conscious of their talents.

A plan of action is required in order to achieve set goal requires. The plan has to be followed by a draft or establishment of procedures/policies/norms or rules that govern action or practice. The final step in the career management process is evaluation of the career management plan to ensure that progress is being made or that the necessary changes are effected in the plan.

One may also utilize the services of various career assessment tests at various stages to choose career paths that are in tandem with ones likes and dislikes, strengths and weaknesses. These tests range from ones that are short and brief to ones that are exhaustive of minute details. Some of the tests that one may like to undergo are Myers and Briggs Type Indicator (MBTI), Strength Deployment Inventory (SDI) and Multiple Intelligence tests, among others.

The onus of career management rests more on the individual than the employer. Ensuring personal development in terms of skills, competencies, change in attitude with time are things one may need to take care of on one's own. Short term goals need to be met and evaluated. Long-term career goals need to be revised with the changes in employment scenario and individual needs; organizations may or may not be concerned in a big way or aligned to employees' priorities in career and life.

Career Management and Employee Downsizing

According to Holloman (1991), firms build their corporate culture to foster innovation and increase loyalty of employees towards the firm. However, downsizing may harm their feelings; it was observed in different firms that employees once committed, more satisfied, productive, adaptable and effective, may be disillusioned and resign from such firms (Solomon, 1992). According to a study conducted by Vecchio (1991), the survivors remain loyal as long as the working environment is suitable, wages are enough to satisfy their needs, and there exists opportunities for career advancement. Loyal employees, who survive downsizing, will remain loyal to that organization if they are satisfied with both internal culture and the external environments of the firm. If after downsizing, employees encounter an environment which does not conform to their perceptions, a sense of job insecurity, may lessen their degree of loyalty level; subsequently, they may leave the organization.

According to a survey conducted by McKenna (1991), loyalty is a vital and critical contributor to the success or failure of any organization. Research also revealed that survivors of downsizing perceive a reduction in their bond with the organization, so some extra efforts from the management to maintain the desired level of loyalty of survived employees may not be effective. In such situations, survived employees might feel that there is no real solution diminishing loyalty (Willie, 1994).

Consequences of Employee Downsizing

Despite the fact that employee downsizing has achieved a widespread reputation as a strategic initiative, strategic human resource management (SHRM) research has no general consensus on the relationship between employee downsizing and organizational performance. In their recent literature review of this topic, Datta et al. (2010) examined 36 studies that had examined downsizing outcomes from the perspective of market returns, firm profitability, organizational efficiency and other outcomes--sales growth and Research and Development (R&D) investments. While the review reveals that employee downsizing announcements are generally associated with immediate negative effects on the stock price, the long-term stock performance effects are rather mixed. The effects of workforce downsizing and firm profitability are much more contradictory (Datta et al., 2010). Some researchers state that employee downsizing leads to sustainable performance improvement (e.g. Perry and Shivdasani, 2005), but they also admit that it has sustained harmful effects on organizational profitability (Guthrie & Datta, 2008). Equivocal findings were also identified regarding employee downsizing and labour productivity, firm R&D activity and sales growth (Datta et al., 2010).

Mixed results from earlier research motivated some of the more recent studies to examine moderators that may influence the effectiveness of employee downsizing (e.g. Chadwick et al., 2004; Guthrie and Datta, 2008; Love and Kraatz, 2009). Chadwick et al. (2004) found out that the success or otherwise of employee downsizing is closely related to the way it is implemented. Cascio (1993) identified underestimating the profound effects of employee downsizing on work processes and structures as the main source of negative performance outcomes. This study subscribes to the idea that employee downsizing does not relate to *whether or not* it should be done, but rather *how* this strategy should be implemented. The study therefore joins the emerging stream of research exploring critical contingencies' moderating influences of employee downsizing.

Generally, employee downsizing is not a short-term solution to performance problems. Rather, it is a comprehensive and complex process causing dramatic changes to the existing informal organizational structure. These changes often require employees to take on new tasks within and outside the company (Cameron et al., 1991). In the aftermath of such downsizing efforts, the surviving employees frequently have to double their efforts to compensate for the reduced human resources.

Besides these quantitative problems, employee downsizing often leads to qualitative problems linked to implementation errors during the downsizing process. The SHRM perspective suggests that employee downsizing runs the risk of undermining sustainable competitive advantage. Sometimes referred to as 'dumbsizing' (Bedeian and Armenakis, 1998), employee downsizing efforts may result in the loss of key knowledge and individuals, leading to deteriorating quality, productivity and effectiveness. In fact, non-prioritized implementation tactics risk the loss of valuable institutional knowledge and memory if the wrong employees are laid off (Fisher and White, 2000; Guthrie and Datta, 2008).

The business press provides recent examples of valuable knowledge losses during employee downsizing. Pfeffer (2010) mentions the US electronics retailer Circuit City, which downsized 3400 of its highest paid (and probably most effective) sales associates in an attempt to gain sustainable cost reductions. The remaining smaller, less skilled sales force provided competitors such as Best Buy with an opportunity to gain market share. Once in this spiral, Circuit City could not prevent the haemorrhage of clients and revenues. The company filed for bankruptcy in 2008 and finally ceased trading in 2009.

Charles Schwab Corporation provides us with a crisis-induced reaction in the aftermath of the dot-com crisis at the beginning of the new millennium. After two rounds of employee downsizing, the company offered a US$7500 bonus for any previously downsized employee rehired by the firm within 18 months of the layoffs (Morss, 2008). Ironically, this is not a unique phenomenon. Companies often lose people they did not want to lose and rehire them at additional costs. A survey by the American Management Association (AMA) revealed that about one-third of companies that lay-off people subsequently rehire some of them as contractors because they still need their skills.

These examples draw attention to two critical aspects related to employee downsizing. First, employee downsizing comprises a certain amount of complexity that surpasses a pure quantitative reduction of employees and costs. Second, human and social capitals are key sources of competitive advantage (Hitt et al., 2001) that may be negatively affected by employee downsizing activities. Burt (1997) characterizes human capital as an individual's ability and knowledge, whereas social capital refers to the combined organizational knowledge obtained through social interactions. Employee downsizing's potential risk will therefore differ depending on whether one takes a human or social capital perspective. If an organization is considered an aggregate of individuals, losing an employee through employee downsizing carries the risk that the information held in that employee's memory as well as its value will be lost if this is not retained elsewhere within the organization (Fisher & White, 2000).

Conversely, if organizations are considered a collection of individuals with multiple interrelationships on a collective or organizational level, employee downsizing's potential damage translates into the loss of future knowledge created through social interactions between individuals and other organization members (Fisher and White, 2000). The multiple collaborations that each individual has within and across organizational units are the fundamental basis of knowledge retention (Argote et al., 2003). Consequently, if such collaborations are damaged, employee downsizing's potential negative effects are revealed. Massingham (2008) has highlighted and summarized these effects and categorized them into lost human, social, structural and relational capital.

However, organizational culture, processes and structure have also been found to be critical in combining and leveraging individual knowledge retention (Brown & Duguid, 1991). Unfortunately, prior research has provided us with little insight into how firms manage to successfully implement employee downsizing, retain key employees and simultaneously maintain a culture of trust and shared identity. Applying organizational learning theory, this research builds on prior conceptualizations and develops a comprehensive theoretical model that addresses these shortcomings.

Effects of Downsizing on Firms and Individuals

Companies faced with increased industry competitiveness, both domestic and international, have responded by slashing their employee roster in an attempt to eliminate “excess organizational weight” from company payrolls (Johansen & Swigart, 1994, p. 7). The theoretical rationale for downsizing presumed that many companies had developed unwieldy bureaucracies which made it difficult for them to compete in a fast-paced market. The re-engineered firm was supposed to provide more flexibility by having fewer layers between top management and line workers, by requiring less time to respond to market pressures because of shorter processes to reach decisions (Cascio, 1993), and enabling companies to focus more on their core competencies without being weighted down by non-competency related tasks.

The realities of downsizing, however, have been less stellar than predicted. In fact, a national survey suggests that fewer than half of downsized firms achieve any reduction in costs (Hitt et al., 1994). Downsized firms do not seem to realize increases in productivity, market share, product quality or product development (Cameron, Freeman and Mishra, 1991; Hitt et al., 1994). Because downsizing was intended to improve these company outcomes, the inability to meet such expectations suggests there are serious, negative, unintended consequences of downsizing. A detailed account of these consequences for product development is presented here as an example, but it is anticipated that similar effects on other organizational outcomes--market share, product quality or productivity levels--would be present. Theoretically, organizational flexibility should improve firms' capabilities for product development. In downsized firms, some degree of flexibility is forced on survivors. With fewer levels of management and fewer people, employees from different departments should interact more. This should generate more new product ideas because a variety of perspectives may be heard during the beginning phase of product developments. Also, fewer people may require a streamlined development process, which may mean fewer points along the development path where an idea may get stopped. This should reduce the time needed for the entire product development process.

The process of bringing a new product from the idea stage to the market requires significant commitment on the part of the organization. Typically, new products are championed by someone within the organization who will shelter the project in its early phases and convince others in the organization of its worth (Roberts, 1988). This championing role is indispensable in ensuring successful completion of a product. A product champion creates information networks between departments so that product developers will have access to needed information, obtain needed resources to complete the project and make management aware of the new product and its potential market value. Product development often requires reliance upon informal communication networks to facilitate completion of the project (Jelinek & Schoonhoven, 1993).

Dougherty and Bowman (1995) found that with downsizing many product champions were replaced by other managers whose knowledge of and commitment to the new product was limited. By assigning a new champion to a product, many products were lost as the networking capabilities of the new champion were not sufficient for the continuation of the project or the new champion was simply unwilling to utilize his/her resources to ensure the project's completion. Additionally, often pre-established networks were dissolved because critical players, other than the champion, were gone after the downsizing. Failure to maintain a consistent champion from beginning to end combined with the elimination of networking capabilities within the firm proved key in the demise of many product innovations. The disruption of product innovation processes highlights an essential downsizing problem of not having the right people in the right place. It illustrates a serious contradiction inherent with downsizing. A company tries to achieve stronger performance through a more efficient and effective workforce, but it eliminates much of its workforce in order to accomplish this goal. Similarly, production levels may be hard to maintain or increase with fewer workers. Product quality may suffer from employees working under higher stress conditions while doubting organizational loyalty. Gaining new market share may prove difficult with fewer employees striving to establish a foothold in new areas. The implications for the remaining workforce are substantial from two perspectives: First, employees try to maintain an optimal level of work to ensure the viability of the company through the change (Johansen and Swigart, 1994). Second, employees' self-confidence are strongly affected by such changes (Brockner et al., 1993; Metcalf and Briody, 1995; Reilly, Brett and Stroh, 1993; Stroh and Reilly, 1997).

Downsizing Effects on Organizational Knowledge

In addition to the psychological effects on employees associated with downsizing, there are the direct implications of downsizing on the processes with which work is done. The loss of a substantial portion of a workforce takes with it a similarly substantial portion of the organizational memory and knowledge (Johansen

& Swigart, 1994). The recreation of this knowledge, or some adaptation of it, is required for the firm to achieve performance levels at or above those experienced before the downsizing. Organizational learning will be needed for this re-creation of memory and knowledge to occur.

Organizational memory can be defined as “stored information from an organization’s history that can be brought to bear on present decisions” (Walsh and Ungson, 1991, p. 61). Walsh and Ungson (1991) propose five places where this information may be stored: individuals, organizational culture, transformations, organizational structure and ecology of the organization. Individuals retain information about the organization and its processes in their own memories and with personally developed files and paperwork. The loss of individuals from downsizing will bring a concurrent loss of memory and make the use of information from personal files difficult.

Culture provides employees with accepted methods of perceiving and thinking about phenomena in the organization. The shock associated with downsizing may be enough to disrupt the organization’s culture, making the memory stored in it inaccessible. For many companies, a new culture, which focuses on customer needs and responsiveness, is one of the goals of downsizing (Dubrin, 1996). In such cases the inaccessibility of old memory should be considered a positive outcome. Transformations are processes within organizations that convert inputs to outputs. These may vary on their level of analyzability.

Analyzability refers to the capability of employees to clearly communicate each step in a process and how individual pieces relate to other parts of the process. The less analyzable a transformation, the more dependent its completion is upon the tacit knowledge of the employees involved. These less analyzable transformations will be more difficult to complete without the employees who usually perform those processes because explicit instructions are not possible. Organizational structure defines the roles that employees take on as part of their jobs. Downsizing will alter many if not all of the roles within a company.

Ecology refers to the actual physical workplace. This will probably not change during the downsizing. Hence, with the possible exception of organizational ecology, the maintenance of all storage methods is highly dependent upon the employees within the organization. The employees laid off in downsizing are often from all levels of tenure, but in many cases, employees with tenure are targeted through early retirement plans; it could also be done by simply removing whole levels of management (Feldman, 1996). Therefore, downsizing will affect the ability of organizations to call upon "memory" as portions of it may have disappeared or been permanently altered due to the change.

Organizational knowledge has been defined as understanding, interpreting, distinguishing, being acquainted with, being aware of, being able to explain, being able to demonstrate, and/or being able to perform certain tasks or phenomena (Machlup, 1980). These attributes of knowledge all presume some amount of familiarity with processes or tasks. While not all of the employees leave as a result of downsizing, a significant portion do and they may be those employees, who have the most knowledge, as mentioned above. It is a reasonable assumption that they will take with them a vast amount of organizational knowledge, some of which may not be known to the survivors. Organizational memory and knowledge lost through downsizing will have to be re-created by the remaining employees through organizational learning. According to Nonaka's (1994) theory of organizational knowledge creation, individuals are the centre of knowledge creation.

Individuals gain knowledge through the transmission of tacit and explicit knowledge from one person to another or the conversion of tacit to explicit knowledge (or vice versa) within a person. Such transmissions or conversions take place through one of four methods: socialization, externalization, internalization or a combination of the three. Organizational level learning occurs when these modes of learning are amplified throughout the employees of the firm. Or more precisely, organizations "learn" when one piece of knowledge becomes known by all relevant parties within an organization. Therefore individual learning is a necessary but not sufficient condition for organizational learning. Only when individuals transfer this knowledge to other employees, who are affected by the knowledge, has organizational level learning occurred. It is this organizational level of learning, as described by Nonaka (1994) that should be the focus of downsized organizations.

According to Miller's (1996) typology of organizational learning, two different learning processes--emergent and methodical--occur as a result of various modes of thought and action. Emergent learning is accomplished through the intuition and instincts of employees. Methodical learning results from analytic appraisals of "objective" events. These classes of learning are analogous to Nonaka's (1994) tacit and explicit knowledge. Large scale workforce depletion may result in a decrease in both of these learning types. Emergent learning depends on intuition and instinct acquired through experience with processes being performed. Tacit knowledge is information, which is difficult for employees to explicitly articulate for others (Polanyi, 1958).

The creation of patterns (Miller, 1996) developed through the repetitive interaction of employees that are taken for granted and applied to a variety of settings (Cohen & Bacdayan, 1994), is often classified as emergent learning and may result in tacit knowledge. Such knowledge derives from actions or involvement in specific contexts and can usually only be acquired through shared experiences including those who possess the knowledge and those trying to obtain this knowledge. Organizational socialization or externalizations are examples of this type of learning (Nonaka, 1994). In a downsized firm, many employees with tacit knowledge leave the organization and will interact with neither survivors nor newly-hired to pass along their knowledge.

Because senior employees may be over-represented in the laid-off population (Feldman, 1996), those employees with the greatest amount of intuition and instinct may be systematically taken out of the company and thus the amount of emergent learning may be significantly curbed. Newer employees will be less capable of providing insight relevant to the company through such emergent processes because they have less experience with many organizational processes. Because these same longer tenured downsized employees, who possess tacit knowledge also, have market, product or technical knowledge, methodical or explicit learning may also be reduced. Methodical learning occurs through analysis, experimentation and observation of structural features (i.e., routines and standardized information processing). These systematic approaches to learning include gathering data and making decisions based upon these data.

However, many of the employees who possessed and understood the required data may be gone after downsizing. While this type of learning may be easier to replicate than emergent learning, it may still be a formidable task when employees who formerly provided data and information are no longer available. One consequence of downsizing is that the opportunity to transfer knowledge, whether emergent or methodical, from one person to another may be significantly reduced because much knowledge that could have been passed along to others is lost. Surviving employees will not have the benefit of relying upon former co-workers' knowledge. They will need to re-learn much of what has been lost.

Strategies of Downsizing

With regards to downsizing strategies, Cameron, et al (1994) outlines three approaches. First, employee reduction strategies which are intended to reduce headcount usually through redundancy. Second, work redesigns strategies which include redesigning roles, hours and organizational structures. Work redesign includes eliminating functions, hierarchical levels, divisions, or products, consolidating and merging units and reducing the working hours, while systematic changes entail changing the organization's internal and external systems such as values, communication, production chains in terms of suppliers and customers (Bleuel, 2001). Third, systemic change strategies which involve redefining downsizing as 'an ongoing process, a basis for continuous improvement rather than as a programme or target' (Cameron, et al, 1994: 199). Mishra and Mishra (1994) argue that the reliance on employee reduction as a strategy has a detrimental impact on organizational cost and quality, whilst the use of a work redesign and/or systemic change strategies has a positive impact on organizational cost and quality.

This claim is limited by questions of causality, an assumption that the impact of downsizing can be measured and a narrow criterion of success focused on the organization's perspective. The claim also conflicts with alternative views in the literature that 'Corporate goals of downsizing are rarely achieved, with share prices of downsized firms tending to decline over time' (Redman & Wilkinson, 2001, 317).

Organizational downsizing is mostly done through top-down directives. It usually comes with other strategies such as work redesign and systematic changes. Downsizing using the workforce reduction strategy has been regarded as the harshest way of improving efficiency, productivity and worker competencies because of its impact on both the leavers and survivors (Makawatsakul & Kleiner, 2003). The effectiveness of downsizing strategies is ultimately dependent on the reactions of both the survivors and victims of the process. Thus, the survivors' behaviour is critical for the slimmed organization's effectiveness. Behavioural changes not only result from changes in the formal system or the normative structures but are also influenced by changes in the cognitive and perceptual orientations of the individuals (Chin and Benne, 1994; Allen, et al, 2001). This highlights the importance of the survivors' interpretation and perceptions of the downsizing process as well as the evaluation of their current position and status in the organization.

CHAPTER THREE

METHODOLOGY

Introduction

This chapter focuses on the method that was employed for the study. It describes the research design, population, sample and sampling procedure, research instrument, data collection procedure and data analysis.

Research Design

The research design adopted for the study was the descriptive survey method. Such a design is non-experimental; it studies the relationship between non-manipulated variables in a natural setting. According to Gay (1992), descriptive survey involves collecting data in order to test hypothesis or to answer questions concerning the current status of the objects of study. Best and Khan (1996) also recommends the descriptive survey for the purpose of generalizing from a sample to a larger population for inferences to be made about characteristics, attitudes or behaviour of the population. In an attempt to look at employee downsizing and career management in an organization with over sixty branches across the country, the descriptive survey design became suitable design to use. Considering the purpose of the study and the research questions, the descriptive survey was deemed the most appropriate to use to gather information from a large group of respondents, solve the problem under study and draw meaningful conclusions.

A limitation of this design has to do with managing to reach a large population and eliciting accurate and valid information from respondents.

Population

Population in this context refers to the people from whom information was gathered for the research work. According to Agyedu, Donkor and Obeng (1999), population refers to the complete set of individuals (subjects), objects, events having common observable characteristics in which the researcher is interested. It may be infinite when the elements of the population cannot be definitely known. Koul (2001) referred to population as any collection of specified human beings or of non-human entities. Hummelbrunner, Rak and Gray (1996) also explained population as the total of all items in the group of items in which the researcher is interested.

For the purpose of the study, the population for the research was the staff of Vodafone Ghana; however, the accessible population were the workers of the selected branches of Vodafone in Accra.

Sample and Sampling Procedure

The multistage sampling technique was used in selecting the respondents for the study. First, the researcher used the purposive sampling technique to select three branches of Vodafone Ghana in Accra. Then, the simple random method was employed in sampling respondents for the study. A simple random sample is a subset of individuals (a sample) chosen from a larger set (a population). Each individual is chosen randomly and entirely by chance, such that each individual has the same probability of being chosen at any stage during the sampling process. A total of 80 respondents were sampled from the three selected branches and 20 management officials from the headquarters of Vodafone Ghana were used for the study. In all a total of 100 respondents were used.

Research Instruments

A study on employee downsizing and career management in Vodafone Ghana required the use of an instrument that would make it easy to collect the necessary data for easy analysis and discussion. The questionnaire was the major instrument used for the study. Questionnaires were the main tools used in this research work because it provided easy access to the needed data. According to Twumasi (2001), the questionnaire method of research survey has the advantage of reaching many respondents within short space of time, therefore saves time and resources. The disadvantage of this method, as he noted, is its inability to reach out to illiterate respondents who may have communication problems with the questions.

Questionnaires were research instrument for the study because of the limited time and resources available for the researcher and also the fact that all the respondents were well educated. The questionnaire was carefully designed to avoid ambiguity and bias. The questionnaire was divided into five sections. Section one dealt with the background information of respondents. Section two dealt with the causes of downsizing in a firm; section three considered the consequences of downsizing on the individual and the organization as a whole. The fourth section dealt with the extent to which a firm can manage careers in a firm engaged in downsizing and the last section, explored the strategies that can be adopted for a successful career management in a downsizing firm. The questions were presented in a point level Likert scale with the options Agree (A), Undecided (U) and Disagree (D).

Data Collection Procedure

A copy of an introductory letter received from the Head of the School of Business, University of Cape Coast (UCC), was sent to the headquarters of Vodafone Ghana. The manager also gave the researcher an introductory letter to the various branches selected for the study. The introductory letter eased access to the sampled staff at the selected branches. The researcher personally sent the letters to the head of each branch; the letters stated the purpose of the study and sought the cooperation respondents.

After delivery, the researcher sought permission from the head and distributed the questionnaires to the employees using the simple random sampling technique. Filled questionnaires were collected the same day. The period for observation and data recording was one week. The return rate for the questionnaire was 100%.

Data Analysis Procedure

The data gathered from respondents were edited and coded, and analyzed using the Statistical Package for Service Solutions (SPSS version 16). Being a descriptive survey, descriptive statistics were used. To clarify issues, percentages and frequency distribution tables were used to support the analysis of the major responses. To facilitate easy identification, the questionnaires were given serial numbers. The responses of items on the various scales in the different sections of the questionnaire were assigned values and scored accordingly. The responses of the Likert scale type of questions were scored. The responses of the close-ended were pre-coded. Descriptive statistical method was used to analyze data gathered from the observation. Percentages and means and standard deviations were also used to analyze the data.

CHAPTER FOUR

RESULTS AND DISCUSSION

Introduction

This chapter focuses on the findings of the data collected from respondents. It describes the causes of downsizing in firms, consequences of downsizing on the individual and the organization, the extent to which firms manage careers in a downsizing firm and the strategies that can be adopted for a successful downsizing.

Background Information of Respondents

Background information such as gender, age, education, position and educational qualification was sought from the respondents. That information was crucial since the researcher wanted to explore the underlying characteristics of the respondents in the study. Table 1 presents the gender of respondents.

Table 1: Gender of Respondents

Gender	Frequency	Percentage
Male	32	32
Female	68	68
Total	100	100

Source: Field work, 2013

From Table 1, it can be seen that out of the 100 employees used for the study, 32 (32%) were males and 68 (68%) were females. This means that female employees used for the study exceeded the males by 36%. Table 2 gives a summary of the age distribution of the respondents.

Table 2: Age distribution of respondents

Age	Frequency	Percentage
20 – 25 years	8	8
26 - 30 yrs	32	32
31 – 35 years	17	17
36– 40 years	10	10
41 – 45 years	15	15
46 – 50 years	12	12
Above 50 years	6	6
Total	100	100

Source: Field work, 2013

From Table 2, it can be observed that, most of the employees 32 (32%) were between the ages of 26 – 30 years. Also, 17 (17%) were 31 to 35 years old while 15 (15%) age ranged between 41 – 45 years. 46 – 50 years recorded 12 (12%) out of the 100 respondents while 10 (10%) were between 36 – 40 years. Six (6%) of the employees were above 50 years while 8 (8%) were between 20 to 25 years. This indicates that the age of employees of Vodafone cut across all age levels. Table 3 considers the educational qualification of respondents.

Table 3: Educational Qualification

Gender	Frequency	Percentage
DBS	15	15
HND	20	20
First Degree	40	40
MBA	13	13
Others	12	12
Total	100	100

Source: Field work, 2013

The educational qualification of employees was also a background factor that was considered by the researcher. From Table 3, it can be observed that 40% of the respondents have first degree from various fields. Also, 20% of them have Higher National Diploma (HND) while 15% possessed Diploma in Business Studies (DBS). It was also detected that 13% out of the 100 respondents had a Masters in Business Administration (MBA) while 12% indicated that they had various qualifications some of which were certificates in office management, customer care, among others. It became evident that, the sampled Vodafone employees possessed the requisite educational qualifications for the job. Table 4 presents the position or rank of employees.

Table 4: Position/Rank of Employees

Position	Frequency	Percentage
Top Management	20	20
Senior Staff	50	50
Junior Staff	30	30
Total	100	100

Source: Field work, 2013

Table 4 presents the position or rank of the employees used for the study. The researcher ranked the employees in three categories: top management, senior staff and junior staff. It can be seen that majority, 50% of the employees were in the rank of senior staff, 30% were classified as junior staff while 20% were occupying top management positions. Therefore, all levels of employees were used for the study. Selecting employees from various levels helped to obtain the required information from all ranks of employees. It must be noted that downsizing affects mostly senior and junior staff in a company; that is why they formed 80% of the respondents for the study. Table 5 presents the working experience of the employees.

Table 5: Years of working

Years	Frequency	Percentage
Less than 1 year	12	12
1-2 years	22	22
3-4 years	58	58
5 years or more	18	18
Total	100	100

Source: Field work, 2013

From Table 5, it can be observed that 58 (58%) of the employees used for the study had spent 3 - 4 years in the organization, 22 (22%) had spent 1 to 2 years; 18 (18%) had been with the organization for 5 years or more while 12 (12%) had spent less than a year with Vodafone. It can be seen that the respondents had been with the organization from 1 to 6 years, which made them qualified to respond to the issue of employee downsizing.

Research Question 1: Reasons for Downsizing in a Firm

Downsizing refers to a process where a company or a firm simply reduces its work force in order to cut the operating costs and improve efficiency. It has become a legitimate business-growth strategy, especially after the 1980s.

Table 6: Reasons for downsizing in firms

Statement	M	SD
When a certain firm combines its operations with another firm and operates as a single entity in order to maintain profit or expand the market reach (Merging of two or more firms).	2.83	.47
If one organization purchases another, there is a definite change in management and the acquired company staff has to face unemployment (Acquisition).	2.79	.50
A significant change in management roles may drastically affect the employee size for a particular style of working.	2.91	.37
Economic crisis can lead to downsizing.	2.94	.34
In times of recession, business opportunities dwindle, leading to downsizing of the surplus staff hired.	2.79	.50
Increase in efficient work flow and computerized services.	2.62	.67
Decrease in sales leading to decreased production.	2.89	.43
Company losses?	2.95	.27

Source: Field work, 2013

Mean ranges: Agree (3.0), Not Sure (2.0) and Disagree (1.0)

Mean of means = 2.84

Mean of Standard Deviation = 0.44

In fact, it is the preferred option of companies who wish to sustain operating costs and comply with the existing scope of the business. Downsizing is an important management venture and requires large assistance from the human resource management team. There might be a number of reasons for a company downsizes its employee base. Research question 1 exploited those reasons. Table 6 presents a summary of the responses.

From Table 6, it can be observed that the possible causes of downsizing include loss in companies (M = 2.95, SD = .27), Economic crisis (M = 2.94, SD = .34), a significant change in management roles (M = 2.91, SD = .37) and decrease in sales leading to decreased population (M = 2.89, SD = .43). It can be observed that out of the eight possible causes identified by the researcher as causes of downsizing, increase in efficient work flow and computerized services (M =2.62, SD = .67) recorded the least mean value with loss in companies having the highest mean value. It was also observed that all the eight causes identified had mean values of more than 2.50 which indicate that the respondents generally agreed that all the items can cause downsizing in firms.

A further analysis was carried out to find the overall view of the respondents on the causes of downsizing in firms. A mean of means (M = 2.84, SD = 0.44) indicates that the employees identified eight causes of downsizing. A mean of standard deviation of 0.44 indicated the level of cohesion of the responses. In other words, the responses were grouped around the mean of 2.84 ~ 3.00 (Agree). This finding was in line with the views of Sahdev (2003) and Zyglidopoulos (2003) that

Firms frequently justify downsizing through the emergence of deregulation, globalization, merger and acquisition (M&A) activities, global competition, technological innovation, and a shift in business strategies in order to achieve and retain competitive advantages. Also McKinley, Zhao and Rust (2000) have indicated that the economic causes rest on the assumption that managers' actions are inherently rational and that downsizing is undertaken with a view to increasing an organization's future productivity and economic performance.

Research Question 2: Consequences of Downsizing on the Individual and the Organization

A major finding in the downsizing literature (Cameron & Freeman, 1994) is that most organizations do not accomplish the desired improvements; instead the negative consequences escalate. The belief is that downsizing has a profound effect on the organization and the personnel—both victims and survivors. Personnel and organizations aside, downsizing also has an impact on the economy. When the workforce is downsized, people lose their jobs and subsequently, their income. So the jobless spend less while survivors, afraid of being laid off, are also likely to cut down on spending. In effect, there will be less aggregate demand in the economy which will cause sales to fall and affect economic growth. Research question 2 looked at the effects of downsizing on the individual and organization. Table 7 summarizes the responses.

Table 7: Influence of Downsizing on the Individual and the Organization

Statement	M	SD
When companies start downsizing, the economy of the country shrinks.	2.87	.85
Individuals affected by downsizing may experience psychological and other health problems.	2.46	.94
The loss of a substantial portion of a workforce takes with it a similarly substantial portion of the organizational memory and knowledge.	2.41	.72
Downsizing will alter many, if not all, of the roles within a company.	2.60	.85
Newer employees will be less capable of providing insight relevant to the company through such emergent processes because they have less experience with many organizational processes.	2.41	.94
Downsizing reduces organizational slack and operating costs; it streamlines operations and enhances organization competitiveness.	2.23	.96
There is a total effect on organizational performance	2.46	.92

Source: Field work, 2013

Mean ranges: Agree (3.0), Not Sure (2.0) and Disagree (1.0)

Mean of means = *2.49*

Mean of Standard Deviation = *0.88*

Downsizing impacts enormously on the individual, the organization and even the economy. From Table 7, it can be observed that downsizing shrinks the economy (M = 2.87, SD = .85). This is the highest mean value recorded. This means that the respondents were well-informed about the possible effects of downsizing on the economy. A mean of 2.60 was recorded for the issue of downsizing resulting in the altering of many if not all of the roles within a company (SD = .85). The least mean obtained for the possible outcome of downsizing was 2.23, for the view that downsizing reduces organizational slack and operating costs, streamlines operations, and enhances organizational competitiveness (SD = .96).

An analysis was carried out to find the overall view of the respondents on the consequences of downsizing on the individual and the organization. A mean of means (M = 2.49, SD = 0.88) indicated that the employees were not sure about the enormous consequences of downsizing on the individual and the organization. However, a mean of standard deviation of 0.88 gave an indication of the scattered nature of the responses, a mean of 2.49 (not sure). Johansen and Swigart (1994) are of the view that downsizing leads to loss of a substantial portion of a workforce takes with it a similarly substantial portion of the organizational memory and knowledge; that assertion was confirmed by the employees' mean responses of 2.41.

Research Question 3: The Extent to which a Firm manages Careers While Downsizing

Managing dozens or a workforce of hundreds after downsizing is one of the most difficult challenges an employer may face. Those left behind carry a lot of emotional baggage, including fear, anxiety, uncertainty, grief, guilt and mistrust. The most common worker-response is disengagement. Productivity levels drop just when the boss needs it. Downsizing is often so traumatic that most managers are out of their element and psychologically ill-equipped to deal with the fallout. Based on this, the researcher used research question 3 to investigate the extent to which firms manage careers when downsizing firm.

Table 8: Career management in a downsizing firm

Statement	M	SD
There should be constant interaction between management and employee.	2.59	.47
There should be enough motivation for the employees.	2.81	.50
Giving direct support to the 'survivors' as well as the 'victims' of downsizing leads to other types of intervention. They may address such areas as Stress Management and Career Counselling.	2.79	.37
Work to rebuild relationships between and among groups and departments, often through team building activities.	2.74	.34
Staff may need training and experience in order to adjust to new job demands.	2.71	.50
Performance Management can ensure that staff accepts new job demands as realistic due to the reduced staff resource.	2.79	.67

Source: Field work, 2013

Mean ranges: Agree (3.0), Not Sure (2.0) and Disagree (1.0)

Mean of means = *2.74*

Mean of Standard Deviation = *0.48*

Downsizing affects morale in firms; this means that a lot of work has to be done by the human resource management department of the firm in order to boost employee morale and get them back on track to help the organization to succeed. From Table 8, it can be observed that "there should be enough motivation for the employees" recorded the highest mean (M = 2.81, SD = .50). Motivation is the key to employee performance and it was not surprising that the respondents identified this as the most important factor in managing careers in a downsizing firm. Also, "giving direct support to the 'survivors' as well as the 'victims' of downsizing leads to other types of intervention, they may address such areas as stress management and career counselling" and "performance Management often needs attention to ensure that staff feels that the new demands are realistic in terms of the reduced staff resource" recorded mean values of (M = 2.79, SD = .37) and (M = 2.79, SD = .67) respectively.

A further analysis was carried out to find the overall view of the respondents on how to manage careers in a firm engaged in downsizing. A mean of means of 2.74 indicates that employees agree with the fact that motivation for the employees, giving direct support to the 'survivors' as well as the 'victims' of downsizing, work to rebuild relationships between and within groups and departments, often through team building activities. Performance management is often necessary to ensure that staff feels that the new demands are realistic in terms of the reduced staff resource. Enhanced access to training and work experience are the possible ways through which human resource managers can manage careers when downsizing. A mean of standard deviation of 0.48 gives an indication of the nearness of the responses. The responses were grouped around the mean of 2.74 ~ 3.00 (Agree).

In the view of Solomon (1992), downsizing may harm the feelings of employees. It was observed in different firms that employees once committed, more satisfied, productive, adaptable and effective, may be disillusioned and resign from the firm, therefore, it is necessary to constantly motivate such employees. Vecchio (1991) also indicated that the survivors remain loyal as long as the working environment is suitable, wages can satisfy their needs, and chances are available for career advancement.

Research Question 4: The Strategies that can be adopted for successful Downsizing

Various scholars have come up with different interpretations for organizations' inability to achieve the desired results through downsizing. One reason might be an oversimplification and short-sightedness of organizations where downsizing may be equated with cost-cutting through headcount reductions (Kets de Vries and Balazs, 1997). This would lead to the disappearance of crucial human capital, hence, the negative effects cited in the previous section. Therefore, a more constructive way of looking at downsizing could be to make it a part of a 'continuous corporate renewal' process whereby an organization adopts? A long-term perspective (Cascio, 1993) of improving productivity, cutting costs, and increasing profitability. The arguments above might imply that the expected benefits of downsizing do not materialize due to poor planning (Cameron, Freeman & Mishra, 1991; Labib & Applebaum, 1993).

Table 9: Strategies that can be adopted for successful Downsizing

Statement	M	SD
Approach downsizing as a long-term strategy and a way of life rather than as a single programme or target to be completed and abandoned.	2.41	.49
Consider human resources in the organization as assets rather than liabilities and plan to invest in them.	2.60	.21
Approach downsizing as an opportunity for improvement rather than as a mere reaction to a threat or crisis.	2.41	.59
Prepare for downsizing before it is mandated or crucial for survival.	2.23	.69
Involve customers and suppliers in suggesting and designing improvements in downsizing strategies.	2.46	.67
Involve employees in identifying what needs to change through downsizing.	2.76	.24

Source: Field work, 2013

Mean ranges: Agree (3.0), Not Sure (2.0) and Disagree (1.0)

Mean of means = *2.48*

Mean of Standard Deviation = *0.48*

In order to ensure that downsizing is successful, specific strategies should be adopted and used. It can be seen from Table 9 that some of the strategies identified include involving employees in identifying what needs to change through downsizing (M = 2.76, SD = .24), regarding human resources in the organization as assets rather than liabilities, planning to invest in staff development and ideas (M =

2.60, SD = .21). Others include involving customers and suppliers in designing and suggesting improvements in downsizing strategies (M = 2.46, SD = .67), approaching downsizing as a long-term strategy and a way of life rather than a single program or target to be completed and abandoned (M = 2.41, SD = .49) and approaching downsizing as an opportunity for improvement rather than as merely a reaction to a threat or crisis (M = 2.41, SD = .59).

An analysis was carried to find the overall view of the respondents on the strategies that can be adopted for successful downsizing. A mean of means (M = 2.48, SD = 0.48) indicates that the employees were not sure that the strategies identified in table 8 are realistic approaches or if adopted can ensure effective downsizing. A mean of standard deviation of 0.48 indicates the nearness of the various responses to each other. In other words, the respondents' responses are grouped around the mean of 2.48 (Not Sure).

These strategies are better identified by Cameron, et al (1994) who outline three approaches: First, employee reduction strategies which are intended to reduce headcount, usually through redundancy. Second, work redesign strategies which include redesigning roles, hours and organizational structures. Work redesign includes eliminating functions, hierarchical levels, divisions, or products, consolidating and merging units, and reducing the working hours while systematic changes entail changing the organization's internal and external systems such as values, communication, production chains in terms of suppliers and customers (Bleuel, 2001).Third, systemic change strategies which involve redefining downsizing as 'an ongoing process, as a basis for continuous improvement rather than as a programme or target' (Cameron, et al, 1994).

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

This chapter summarizes the findings of the study; it concludes the report and offers recommendations for career management for firms which undergo downsizing.

Summary

The general objective of the study was to investigate career management in a firm engaged in downsizing, with special reference to Vodafone Ghana. Specifically, the study sought the causes of downsizing in a firm, the consequences of downsizing on the individual and the organization, the extent to which a firm can manage careers when downsizing and the strategies that can be adopted for a successful career management while downsizing.

The research design adopted for the study was descriptive. The simple random sampling technique was used to select respondents for the study. A total of 100 respondents were used for the study. This comprised 80 employees and 20 top management officials. The questionnaire was the main instrument used for data collection and analysis was done using the Statistical Product and Service Solutions to generate figures, frequencies, percentages and tables.

Key Findings

The following key findings were made:

1. The study revealed that the possible causes of downsizing include loss in companies, economic crisis, decrease in sales leading to decreased population

and a significant change in the management roles.

2. The study exposed that the prominent effect that downsizing is the shrinking of the economy and the altering of many if not all of the roles within a company.
3. The study brought to the fore that the overall view of the respondents on how to manage careers in a downsizing firm, includes motivation for the employees, giving direct support to the 'survivors' as well as the 'victims' of downsizing and working to rebuild relationships between and within groups and departments, often through team building activities.
4. The two most important strategies that should be employed for a successful downsizing are involving employees in identifying what needs to change through downsizing and approaching human resources in the organization as assets rather than liabilities and plan to invest in their development and ideas.

Conclusions

The broad questions relating to downsizing (why, what, and how) have been studied in fairly rigorously detail. Despite a theoretical understanding of the principles underlying the process, the negative consequences associated with this exercise on both organizations and individual employees continue unabated (Labib & Applebaum, 1993). It is hypothesized that this could be the result of viewing downsizing as a panacea for organizational problems rather than seeing it as a part of an overall strategy for organizational renewal. These negative consequences could be minimized by viewing it as a process of transformation not just through incremental changes but also by reframing existing mental models, assumptions, policies, and relationships to enhance the adaptive potential of the organization. Thus, it can be concluded that even though management might want to downsize, in most cases this process is carried out arbitrary without any laid down procedures and proper planning.

Recommendations

The following recommendations were made based on the findings of the research.

1. The study revealed that the possible causes of downsizing include loss in companies and a significant change in the management roles. It is therefore recommended that organizations must exhaust all other forms of cost-savings decisions, identify and address the root causes of events that led to the downsizing exercise.
2. The study also exposed a prominent effect of downsizing as the shrinking the economy and the altering of many, if not all, of the roles within a company. Hence, it is recommended that management should develop a long-term strategic plan taking cognizance of how departments, areas and processes can be redesigned while retaining high performers. Management must also develop time frames for downsizing programme.
3. Organizations must recognize employees as their most valuable assets. Also, management must develop a humane and dignified severance package for the displaced workers.
4. Finally, downsizing programmes must not be merely managed but be headed by a leader. Thus, the overall vision, strategy and direction have to come from top management but organizations must initiate an open and honest communication with their employees.

Suggested Areas for Further Research

Future research should focus more on the following:

1. Human resource management during organizational downsizing.
2. The relationship between downsizing and employee motivation.
3. Balancing organizational downsizing and employee retention.
4. The impact of downsizing on the individual, firm and the economy.

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APPENDICE

APPENDIX

UNIVERSITY OF CAPE COAST

SCHOOL OF BUSINESS

QUESTIONNAIRE FOR RESPONDENTS

This questionnaire is part of a research work. The topic of the study is EMPLOYEE DOWNSIZING AND CAREER MANAGEMENT IN VODAFONE GHANA. Information solicited would be used purely for academic purposes and will be treated with utmost confidentiality.

Instructions; Read each question carefully and choose the appropriate answers by making the mark [✓] in the appropriate box corresponding to the chosen item.

SECTION A

BACKGROUND INFORMATION

1. Sex; Male [ ] Female [ ]
2. Age; 20 – 25 years [ ] 26 - 30 yrs [ ] 31 – 35 years [ ]

50 – 40 years [ ] 41 – 45 years [ ] 46 – 50 years [ ]

50 ears and above [ ]

3. Position/Rank ……………………………………………………………….
4. How long have you been an employee in this institution? ……………………..
5. Educational Qualification; DBS [ ] HND [ ] First Degree [ ]

MBA [ ] Others …………………………

SECTION B

CAUSES OF DOWNSIZING IN A FIRM

Please indicate your level of agreement to the following statements by ticking [√] at the appropriate response.

Agree (A) = 3, Undecided (U) = 2, Disagree (D) = 1

S/N	Statement	A	U	D
6	When a certain firm combines its operations with those of another firm and operates as a single entity, in order to stay in profit or expand the market reach (Merging of two or more firms).			
7	If one organization purchases another one, there is a definite change in the management and the acquired company staff has to face unemployment (Acquisition).			
8	A significant change in management roles may drastically affect the employee size to suit a particular style of working.			
9	Economic crisis can lead to downsizing.			
10	In times of recession, business opportunities dwindle, leading to downsizing of surplus staff.			
11	Increase in efficient work flow and computerized services			
12	Decrease in sales lead to decreased production.			
13	Loss in companies			

SECTION C

CONSEQUENCES OF DOWNSIZING ON THE INDIVIDUAL AND THE ORGANIZATION

Please indicate your level of agreement to the following statements by ticking [√] at the appropriate response.

Agree (A) = 3, Undecided (U) = 2, Disagree (D) = 1

S/N	Statement	A	U	D
14	When companies start downsizing, the economy of the country shrinks.			
15	There are a lot of psychological problems faced by individuals who are affected by downsizing and this can lead to health problems.			
16	The loss of a substantial portion of a workforce takes with it a similarly substantial portion of the organizational memory and knowledge.			
17	Downsizing will alter many if not all of the roles within a company.			
18	Newer employees will be less capable of providing insight relevant to the company through such emergent processes			

	because they have less experience with many organizational processes.			
19	Downsizing reduces organizational slack and operating costs, streamlines operations, and enhances organizational competitiveness.			
20	There is a total effect on organizational performance.			

SECTION D

THE EXTENT TO WHICH FIRMS MANAGE CAREERS WHILE DOWNSIZING

Please indicate your level of agreement to the following statements by ticking [√] at the appropriate response.

Agree (A) = 3, Undecided (U) = 2, Disagree (D) = 1

S/N	Statement	A	U	D
21	There should be constant interaction between management and employees.			
22	There should be enough motivation for the employees.			
23	Giving direct support to the ‘survivors’ as well as the ‘victims’ of downsizing leads to other types of intervention. They Such support may help employers address issues such as stress management and careers counselling.			
24	Work to rebuild relationships between and within groups and departments, often through team building activities.			
25	Enhanced access to training and work experience may be needed to help staff adjust to new job demands.			
26	Performance Management is often necessary to ensure that staff feels that the new demands are realistic due to reduced staff resource.			

SECTION E

THE STRATEGIES THAT CAN BE ADOPTED FOR SUCCESSFUL DOWNSIZING

Please indicate your level of agreement to the following statements by ticking [√] at the appropriate response.

Agree (A) = 3, Undecided (U) = 2, Disagree (D) = 1

S/N	Statement	A	U	D
27	Approach downsizing as a long-term strategy and a way of life rather than a single program or target to be completed and abandoned.			
28	Approach human resources in the organization as assets rather than liabilities and plan to invest in their development and ideas.			
29	Approach downsizing as an opportunity for improvement rather than as a mere reaction to a threat or crisis.			
30	Prepare for downsizing before it is mandated or crucial for survival.			
31	Involve customers and suppliers in designing and suggesting improvements in downsizing strategies.			
32	Involve employees in identifying what needs to change through downsizing.			