

# The Experiences Of Retrenchment Implementers

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## INTRODUCTION

In the new world of work, globalisation, technological advances and low productivity have promoted competitive pressures to which many South African organisations have reacted by reducing employment levels through retrenchments during restructuring or downsizing interventions. Despite their critical role in retrenchment, researchers and practitioners alike have largely ignored the experiences of retrenchment implementers when formulating retrenchment models and best practice guidelines.

Molinsky and Margolis (2006) confirm that like the victims and survivors of retrenchments, the implementers of retrenchments too are negatively affected by the retrenchment act, experiencing many emotional challenges when implementing the retrenchment. Wright and Barling (1998) suggest that implementers are worthy of empathetic scrutiny because of the negative effects on both their wellbeing and functioning within the organisation, which manifest as a result of implementing the retrenchment.

The aim of this study is to explore the experiences of South African implementers of retrenchment, with specific reference to their procedural and personal experiences and the organisational and personal enabling strategies employed when implementing retrenchments (Westermann-Winter, 2007).

## BACKGROUND

The potential impact of retrenchment appears to have been recognised in that a number of studies have examined the experiences of the victims and survivors of retrenchment. In the majority of research it has been found that the negative experiences in the case of survivors translate into lowered work attitudes, work performance, increased job insecurity, feelings of organisational unfairness, distrust and betrayal, depression, emotional stress, work overload and fatigue, reduced risk-taking and social, psychological and medical consequences of unemployment in the case of the victims (Brockner, Konovsky, Cooper-Schneider, Folger, Martin & Bies, 1994).

Little is known about the experiences and emotional challenges the implementers are faced with in their attempts to produce interpersonally sensitive behaviour when delivering retrenchment messages, how they cope with these challenges and what organisations can do to support them. The case studies by Noronha and D'Cruz (2005, 2006) will be used as a basis for investigating the procedural and personal experiences of implementers.

With reference to their procedural experiences, to the implementers in the study by Noronha and D'Cruz (2005), the local economic circumstances which prompted their organisation's need to retrench were undisputed. Implementers in the Noronha and D'Cruz (2006) study also indicated that once the decision had been made to retrench, top management engaged with union leaders, explaining the need to retrench and the proposed benefits. All actions relating to the retrenchment were within the purview of existing labour laws and union negotiated agreements. Implementers in the Noronha and D'Cruz (2005) study also reported feeling unprepared for the role enactment expected of them. Assistance was provided to help separated employees manage their severance packages via meetings with

representatives from financial institutions who provided advice on investment and long term financial planning (Noronha & D'Cruz, 2005, 2006).

With reference to their personal experiences, implementers in the Noronha and D'Cruz (2006) study described organisational expectations as the manner in which their supervisors followed up on their implementing performance. Implementers experienced a range of negative emotions, often at a high level of intensity, ranging from anxiety and fear to sympathy, sadness and guilt, sometimes even shame, before, during and after the retrenchment event. Participation in a retrenchment process underscored a grave dilemma, especially since managers are trained to see their role as one of giving employment and developing people, but retrenchment demands actions to the contrary. Some implementers felt a sense of discomfort with their task (Noronha & D'Cruz, 2006). All implementers reported mixed feelings. On the positive side, all implementers believed their participations in the retrenchment process would save their organisation and this made them feel it was worth the pain. The experience of actually delivering the retrenchment message unleashed a surge of emotions catching implementers by surprise. These emotions derailed implementers from the path they had been trained to follow. In their attempts to regain emotional equilibrium, some implementers strayed into dysfunctional conversations, namely bargaining, cushioning, unloading and arguing (Molinsky & Margolis, 2006).

Noronha and D'Cruz (2005, 2006) argued that in the absence of being able to control the situation, implementers largely relied on emotion-focussed strategies to cope with their experiences, namely justifying one's actions, quarantining emotion, releasing emotion and diverting attention.

Several authors hold the view that while organisations mostly prescribed fair and dignified treatment as an essential quality of the retrenchment process, they do not do enough to prepare the implementers to handle the emotional dynamics essential for delivering this form of treatment (Folger & Skarlicki, 1998; Grunberg, Moore & Greenberg, 2004; Kets de Vries & Balazs, 1997; Molinsky & Margolis, 2006; Wright & Barling, 1998). Suggested examples of the role that organisations can play in providing assistance and support in this regard, include amongst others the provision of realistic simulations of emotional dynamics, coaching and counselling and support (Mishra, Spreitzer & Mishra, 1998). Personal preparation was found to be key for the implementer, with DuBose (1994) suggesting that they be allowed time to plan, organise and practice the steps for the retrenchment interviews, which should improve their ability to handle their own emotions and victim reactions to bad news.

## **METHODS**

Within the qualitative paradigm, a phenomenological-hermeneutic approach was chosen, interpreting the phenomenon, firstly from the perspective of available literature and then by allowing the descriptions of the phenomenon to assert their meaning (Terre Blanche & Durrheim, 1999).

A sample of 25 South African managers was determined to be appropriate in the qualitative context. Participants were selected across industry categories with the aim of obtaining the participation of organisations of comparable size with a variety of orientations to retrenchment implementation. From the sample, 17 participants identified themselves as willing to be interviewed. The record of the interviews of two participants (Participant B and P) could not be used due to the inaudibility of the recording. All 15 participants were personally involved as implementers in at least one retrenchment intervention. The biographical data of the implementers is presented in Table 1 below.

Table 1. Biographical data of implementers (n = 15)

Participant	Age	Gender	Designation	Industry	Work experience
A	Unknown	Female	HR Consultant	Advertising	16
C	40	Male	Operations Manager	Motor	17
D	37	Male	HR Manager	Security	10
E	48	Female	HR Consultant	Government	26
F	Unknown	Female	HR Manager	Services	8
G	44	Male	HR Executive	Banking	15
H	37	Female	HR Executive	Packaging	7
I	35	Female	Marketing Director	Retail	13
J	48	Male	Managing Director	Manufacturing	30
K	31	Female	HR Manager	Leisure	10
L	43	Male	HR Manager	Liquor	20
M	42	Male	HR Director	Retail	18
N	53	Male	Production Manager	Textiles	34
O	36	Female	HR Manager	Semi-government	15
Q	37	Female	HR Manager	Unknown	15

An interview guide, divided into three sections representing self-contained themes, was developed after extracting the following themes from the literature review:

- Participants' procedural experiences regarding legal requirements;
- Participants' personal experiences of their role as implementers, with specific reference to their emotions; and
- Participants' experiences of organisational enabling strategies and their personal preparation for facilitating retrenchment conversations.

Semi-structured interviews were conducted. The interviews were tape recorded with consent and the assurance of anonymity. Recordings were transcribed verbatim and edited into a readable text free of redundancy.

The data was analysed using content analysis. The transcript protocols were re-read and the recordings replayed repeatedly to gain a holistic sense of the data. Thereafter the raw data was classified into categories according to thematic patterns. Themes were labelled through a system of coding and transformed into formal psychological language. Thereafter units of data were indexed according to the emerging themes. The indexing system involved the highlighting of key phrases and noting wording repetitions followed by indexing the category in the margin of the transcript. Through a process of continuous refinement, initial categories were changed, merged or discarded; related themes were combined and catalogued in sub-themes until central themes and their sub-themes emerged.

Reliability of the qualitative data was ensured by describing the research question and design of the study in a clear and non-contradictory manner, such that every step of the research was congruent and consistent with the former. Regarding data gathering and analysis, multiple observer bias was avoided since only the researcher collected and analysed the data.

According to Saunders, Lewis and Thornhill (2003), qualitative research is considered valid insofar as it is useful and worthwhile in assisting the researcher, participants and others to gain a deeper insight and understanding of the phenomenon under investigation. The findings of the present study provide rich, reflective material for the implementers of retrenchment with regards to raising their awareness of the experience of having to implement the retrenchment as well as the means by which they choose to cope with their

task. Validity was furthermore attained by clarifying and checking the participants' responses both during the interview (i.e. by way of probing and crosschecking) and at the end of the research. To this end, copies of the transcripts were made available to all the participants for validation of their experiences as implementers of retrenchment.

The present study can be considered generalisable insofar as the themes emanating from the findings are tied with the broader themes as unearthed in the literature review. Such themes can therefore be transferred to and have a bearing on other contexts, as related to the individual experiences of the retrenchment implementers.

## **RESULTS**

The analysis of the data obtained from the qualitative interviews led to a number of themes and sub-themes.

### **Implementer's Experiences Of Procedural Aspects**

This theme reflects the implementers' experiences of the manner in which the retrenchment process was managed and includes a number of sub themes:

- The need to restructure was found to be the most frequent cause for the retrenchment decision.
- The majority of the participants experienced the organisational management style as autocratic in making the final decision on whether to implement the retrenchment decision. This meant that management had already made the decision to retrench prior to entering into the consultation process.
- In the majority of participants' organisations, objective selection criteria were applied, for example the last-in-first-out principle subject to the retention of key skills
- Eleven of the participants experienced the organisation as offering more than the minimum legal requirements for severance pay.
- The majority of participants experienced their organisations as offering some form of formalised assistance to retrenched, with individual retrenchment counselling for the victim being the most popular form of assistance offered.
- The majority of participants were satisfied that attempts at communication increased in their organisations, once the news of the retrenchment decision had broken.
- The majority of the participants were of the opinion that the victims were not treated with dignity and respect and that in their experience, victims were treated as if the retrenchment was their fault.
- All participants reported that no formal follow up systems were in place to check up on victims' welfare.

### **Implementer's Experiences Of Personal Aspects**

The different sub themes emerging from the second central theme are summarised below:

- Regarding the participants' experiences of organisational expectations in their roles as implementers of the retrenchment decision, in all cases the participants' main task was ensuring compliance with legal requirements as per the relevant labour legislation and in most cases to enact the retrenchment conversation and answer all questions.
- As part of their role preparation, the majority of participants reported receiving training in the procedural aspects of retrenchment as well as some information on what they could expect from the victims in terms of their emotional reactions.
- In the majority of cases, the implementers' emotional experiences during the retrenchment process indicated that they experienced negative feelings, for example concern regarding their own jobs.

- Diverse reactions were obtained with regard to the implementers' emotional experiences of the retrenchment conversation. This relates to amongst others, feelings of guilt and a sense of responsibility, experiences of decreased emotional wellbeing, role overload, role conflict, and a sense of isolation.
- Concerning the implementers' experiences of the retrenchment conversation, the majority of participants reported experiencing dysfunctional conversation types some of the times during their retrenchment conversations. The majority of participants relied on emotion-focussed coping techniques or behaviours to reduce or resist the dysfunctional effects of their emotions. The majority of participants diverted their attention to non-work activities, focusing on something else other than their own distress or that of the retrenchment victim.

### **Implementer's Experiences Of Enabling Strategies**

The third central theme relates to the role that organisational and personal enabling strategies can play in preparing implementers for the challenges they may face in handling retrenchment conversations. The findings can be summarised as follows:

- All participants were in agreement that organisational emotional support, pre-retrenchment training or coaching and psychological counselling was vital to their performance in fulfilling the implementer role.
- The majority of participants expressed the view that because of the changing world of work and the implications for the traditional psychological contract, the responsibility for career management was a joint one between employers and employees.
- Relating to personal and practical preparation for the implementer role, the majority of participants reported on the value of investing time in personal preparation.

## **DISCUSSION**

### **Procedural Experiences Of The Retrenchment Initiative**

The core finding to emerge in the analysis of implementers' procedural experiences suggest that in most cases the legislative requirements of the relevant South African legislation were followed. The finding that a minority of the participants experienced limited or no compliance could be interpreted as either the retrenchment decision makers (senior management) being unaware of the legal provisions, or they selectively applied the law. In addition, the findings could also be interpreted as the implementers not advising the decision makers correctly. With regards to whether the business goals were achieved against the suggested operational requirements, some participants were of the view that while there were short-term benefits, there might have been longer-term losses. Some participants were of the view that there was a downside to achieving stated business goals and that was the human impact of retrenchment. Alternatively, some suggested that the emotional costs were often ignored in the business rationale. These experiences are validated in the literature, where authors indicate that the people dimension is often marginalised when implementing retrenchment programmes (Folger & Skarlicki, 1998; Kets de Vries & Balazs, 1997).

The majority of participants experienced their management as already having made the final decision to retrench even before consulting with the other consulting party. The participants' experiences are therefore in contrast with legal requirements and would be seen to be supported by their experiences of the organisational management style as characteristically autocratic. The minority of participants experienced the selection criterion of poor performance as a subjective and unfair selection mechanism, as in their opinion, poor performers or other unwanted employees were managed out of the company under the guise of retrenchment. Issues of justice, specifically procedural justice, which refers to the perceived legitimacy of the retrenchment, that is, perceived fairness of the processes used to implement the retrenchment decision, is also supported by the literature (Brockner, 1992).

Some participants experienced unfairness in severance pay offered in that senior management received more than the minimum requirements and junior staff received the minimum in terms of severance pay. In some cases management tried to dissuade the loss of certain employees who were applying for voluntary retrenchment. This too influenced the perceptions of fairness (distributive and procedural justice) of employees by participants. The literature cites various examples of justice issues in this regard (Noronha & D'Cruz, 2005, 2006).

A minority of participants expressed dissatisfaction with the role that senior management played in being involved in the notification and communication process of the retrenchment decision as well as the poor treatment (lack of dignified and respectful treatment) of employees. This aggravated their experience of unfair treatment of employees and is supported by the theory of informational and interactional justice respectively (Brockner & Wiesenfeld, 1996).

### **Personal Experiences Of The Retrenchment Initiative**

With reference to the implementers' personal experiences, most participants underwent procedural training on what to say and what not to say. Despite their training, only a few of the implementers experienced some form of experiential training or coaching to prepare them to handle the dynamics of their own emotions. This experience is supported in the literature (Grunberg, Moore & Greenberg, 2004; Molinsky & Margolis, 2005, 2006).

Participants reported on their own initial response to the views of retrenchment by indicating having thoughts and feelings about their own jobs. This experience would relate to the literature review on employee awareness of the new employment and psychological contract and the role that they need to play in becoming employable (Leung & Chang, 2002). Participants also indicated that upon being tasked with the implementer role, they experienced a range of thoughts and emotions related to the task and coming to terms with their role in having to implement the decision. These experiences are supported in the literature (Grunberg, Moore & Greenberg, 2004; Mishra, Spreitzer & Mishra, 1998).

Further to the personal experiences of the implementer role, their emotional experiences during the retrenchment process also require attention. The majority of participants reported experiences of negative feelings. Participants also referred to experiencing a variety of emotions. As the participants form part of the surviving groups of stakeholders, it could be postulated that the negative emotional experiences are in some instances comparable to the symptoms of "survivor syndrome" as experienced by survivors. Evidence of this is suggested in the literature on the symptoms of "survivor syndrome" in remaining managers (Newell & Dopson, 1996).

Concerning the implementers' experiences of the retrenchment conversation, previous researchers have highlighted dysfunctional conversation types, where the experience of their emotions negatively directed implementer behaviour in delivering the retrenchment message, thereby undermining the treatment afforded the victims (Molinsky & Margolis, 2006). The majority of participants reported experiencing dysfunctional conversation types during their retrenchment conversations some of the time.

### **Organisational And Personal Enabling Strategies**

The majority of participants relied on emotion-focussed coping techniques or behaviours to reduce or resist the dysfunctional effects on their emotions, which also assisted them in maintaining composure and treating the retrenchment victims with interpersonal sensitive treatment during the retrenchment conversation. This is borne out in the literature (Noronha

& D'Cruz, 2005, 2006; Molinsky & Margolis, 2006). Examples of these coping techniques included quarantining, releasing emotions before and after retrenchment conversations and diverting their attention to non-working activities

The majority of participants indicated that they did not receive sufficient or any organisational support for the challenges they may face in handling retrenchment conversations. The notion of organisational support is suggested as a significant buffer against work stress and the participants' experiences in this regard are echoed in the literature by the participants in the study conducted by Wright & Barling (1998). All participants in the present study were in agreement that organisational emotional support, pre-retrenchment training or coaching and psychological counselling were vital to their performance in fulfilling the implementer role. The literature would suggest that implementers often need counselling in dealing with their own guilt and stress (Grunberg, Moore & Greenberg, 2004; Mishra, Spreitzer & Mishra, 1998), as it allows those responsible for implementing the retrenchment programme the opportunity to ventilate and dissipate their feelings in a safe and appropriate setting. The majority of participants expressed the view that because of the changing world of work and the implications for the traditional psychological contract, the responsibility for career management was a joint one between employers and employees. Various authors support these views (Sandler, 2003; Leung & Chang, 2002; Thornhill & Saunders, 1997). Relating to personal and practical preparation for the implementer role, the majority of participants reported on the value of investing time in personal preparation. This finding is also supported by the literature (DuBose, 1994).

## **CONCLUSION**

The literature review provided an overview of the experiences of retrenchment implementers, indicating that they are subjected to both procedural and personal experiences as well as enabling strategies during retrenchment discussions.

The results of the content analysis of the interview data confirm that the experiences of South African implementers are comparable to the experiences of participants in international research, and therefore provide rich, reflective material for the implementers of retrenchment with regards to raising their awareness of the experience of having to implement the retrenchment decision as well as the means by which they choose to cope with their task.

The findings of this study also benefit retrenchment decision makers (senior management) in that they offer a window on the life-world of the implementers, thereby assisting them in understanding some of the challenges implementers face in implementing the retrenchment, and therefore offer guidance in the role that employers can play in preparing the implementers to deal with the emotional impact of retrenching others.

Finally, the findings of this study can be used to develop guidelines for assisting implementers in their personal preparation for their role.

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