

DETERMINING THE IMPACT OF FORCED DOWNSIZING STRATEGIES ON EMPLOYEES' JOB SATISFACTION IN LIBYAN EDUCATION SECTOR

Mansour Alshrif Al-Hammali⁽¹⁾
Mohamed Mihlar Abdul Muthaliff⁽²⁾
Nasser Habtoor⁽³⁾

ABSTRACT

Survivors from downsizing might lose interest in their jobs after undertaken downsizing process in which can results in high job dissatisfaction within organizations. The current study examines the impact of forced downsizing strategies on employees' job satisfaction in Libyan education sector. Sample for the current study was drawn from few divisions from the ministry of education located in different parts in Tripoli, Libya. A sample of 258 completed questionnaires took part in the study, yielding a response rate of 73.7%. The results show that downsizing negatively affects the job satisfaction and moral satisfaction of survivors. Based on the conclusion made, policymakers in Libyan education sector must support survivors more dynamically with respect to their upcoming prospects since downsizing was found to have an influence on their job satisfaction.

Key words: forced Downsizing Strategies, Employees' Job Satisfaction, Education Sector, Libya

1. Introduction

Downsizing is a policy used very frequently by organizations during the last two decades to face the challenges emerged with the environmental competitive of business demands. Hence, downsizing is a form of restructuring organizations in term of workforce reduction to bring the required improvement in work systems, redesign organization and establishing adequate human resources to maintain business competitiveness (Kulkarni, 2013). Though in theory, downsizing is supposed to have a positive effect for an organisation, in many instances, this does not occur. Many organisations continue to use the lay-off tactic as a cost cutting strategy; some of which are realising that they need to weigh the costs and benefits against the negative impact downsizing has on its workforce (West, 2000). The implementation of downsizing exercises has been found to have profound effects not only on the victims, but also on survivors, especially when procedures used are considered to be unfair.

In an effort to address this issue, Chu and Ip (2002) suggested that downsizing strategy could create severe economic problems for employees who survive the layoffs process. Other studies for example have focused on survivors' dissatisfaction in the work environment after downsizing strategies implemented by organizations. For example, Virick et al. (2007) reported that, layoffs' survivors may confront difficult situations including the work overload that causes fatigue that ultimately leads to dissatisfaction.

More particularly, on January 2007 Libyan authorities in their preparations for this year's national budget have declared to lay off more than one third of the country's civil servants (Otman and Karlberg, 2007). Consequently, the education sector, as a main sector in the country, presented by the Ministry of Higher Education has performed downsizing strategy to large number of employees working in the ministry (Elmabruk, 2008). However, official sources in the Ministry of Higher Education were not informed how the dramatic layoff of the employer will be carried out in practical terms such as who would be asked to leave and on which criteria and when they would be ordered out of office (Aldabbus, 2008). By large, the implemented downsizing strategy performed by the ministry had affected a large number of employees within this organization.

However, in Libyan education sector the experience of being a survivor of the downsizing process is little understood; not enough attention is given to address the impact of downsizing upon those who survive job cuts and continue to work in such downsized sector. Many studies have been conducted to explore the effects of downsizing on people leaving organizations while very little information is known about how it affects those who remain behind (survivors). This research, therefore, aimed at determining the impact of forced downsizing strategies on employees' job satisfaction in Libyan education sector.

2. Impact of Downsizing on Survivors' Job Satisfaction

From a theoretical point of view, transformation in Organization (Organizational change) one of such downsizing may perhaps increase workloads, work stress, job insecurity and dissatisfaction from work (Goesaerty and Heinzz, 2012). In an effort to address this issue, the article titled "Impact of Downsizing on Employee Commitment: A Case Study of Surface and Mashwede Refinery" by Nyasha et al. (2014) highlighted that survivor syndrome refers to the various kind of behaviours and emotions exhibited by employees following organisational down layoff.

In the same vein, McDevitt et al. (2013) also classified these kinds of behaviours from low productivity, low morale, increased absenteeism, dissatisfaction, tardiness to turnover. Additionally, Chipunza & Samuel, (2011) also claimed that survivors might lose interest in their jobs after undertaken downsizing process in which can results in high job dissatisfaction within organizations. In another study, Worrall & Cooper, (2012) carried out a research over 700 UK managers aimed to find out the relationship between employees' trust and productivity after implementing downsizing strategy. Finding revealed that, 60% felt employee loyalty had decreased due to redundancy, 76% felt morale had decreased and 59% perceived a decrease in motivation.

Apart from that, Travagione and Cross (2006) revealed that survivors from downsizing experience a decrease in commitment, performance and job satisfaction and in contrast increase moral issues.

3. Central Theme of the Paper

Survivors' perception of the fairness of the termination decisions and the fairness of the downsizing process will have an effect on their levels of productivity and the quality of their job performance. For instance, Gerber (2010) stated that survivors are more committed to the organisation if they perceive that the victims were satisfactorily compensated and fairly treated. In other words, when the organization could not manage the downsizing strategy accurately, as a result, survivors experience a wide variety of negative emotions and attitudinal responses such as exhaustion, depression. To overcome a lack of research in this area and fill this gap, the aim of this paper was to determine the impact of forced downsizing strategies on employees' job satisfaction in Libyan education sector.

4. Research Design and Methodology

Several researchers find a reciprocal relation between downsizing and employees' job satisfaction (Goesaerty and Heinzz, 2012; Worrall & Cooper, 2012; McDevitt et al., 2013 & Nyasha et al., 2014). Such relation has been also found to be strong. Similarly, this paper put forwards the assumption that downsizing strategies plays a decisive role in determining employees' job satisfaction in Libyan context. Therefore, this study is cross-sectional, in that the authors measured the phenomenon at a particular moment in time with quantitative and descriptive focus towards establishing the associations between downsizing strategies and employees' job satisfaction within a single population. A quantitative technique design was used as it appeared to be more appropriate in exploring the impact of forced downsizing strategies on employees' job satisfaction in Libyan education sector. The implementation of the drop-and-collect approach was also conducted by selecting several divisions from Libyan education ministry located in different parts in Tripoli. Respondents were selected using a stratified sampling method as recommended by Ibeh et al. (2004). In the end, 258 completed questionnaires were returned, yielding a response rate (73.7%).

4.1 Reliability of the Questionnaire

The Cronbach's Alpha has been used to measure the internal consistency of the Likert's Scale for the estimation of the consistency of the individual respond to items extracted from the respondent's perception towards the impact of forced downsizing strategies on employees' job satisfaction in Libyan education sector within the scale. Sekaran (2006) states that the closer the alpha value to 1 means the data is more reliable. In general, reliabilities less than 0.60 are considered to be poor or not good, those in the range of 0.60 to 0.70 are acceptable, and those over 0.80 are considered good (Nunnally, 1978). Initially, the overall internal consistency of items was tested and the finding showed good Alpha value ($\alpha = 0.79$). Thus, it concluded that the items were reliable and internally consistent.

4.2 Statistical Analysis

Descriptive statistics in the form of frequencies, percentages, means and standard deviations was used to analyses demographic variables in the study. Pearson correlation coefficient was also utilized to measure the impact of forced downsizing strategies on employees' job satisfaction in Libyan education sector.

5. Results

The following section described the characteristics of the respondents that participated in this survey based on their demographic profiles.

5.1 Job Position

Staffs according to their job titles were classified to nine categories such as program analyst, review officer, chief executive, officer, general manager, operational leader, senior manager, director and general manager as they have a practical experience in educational field. Their sufficient experiences are a suitable indication to find out the influence of downsizing strategies on survivors' job satisfaction in Libyan education sector. Their experiences included many educational fields. The following (Table 1) shows the summary for frequency of job title of the respondents for each category.

Table 1: Frequency of job title of the respondents

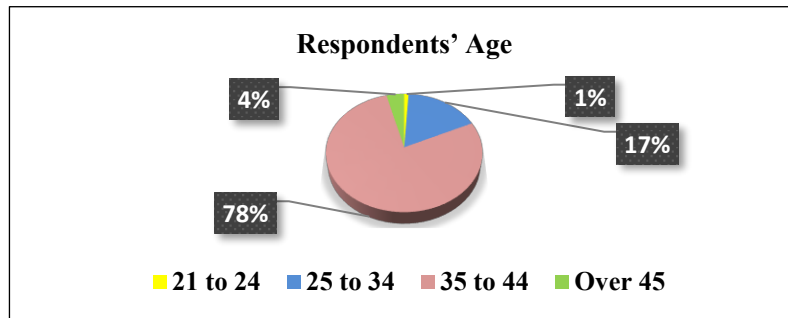
| No | Job Title of the Respondent | Frequency | Percentages |
|----------------------------|-----------------------------|------------|-------------|
| 1 | Program Analyst | 40 | 15.50% |
| 2 | Review Officer | 13 | 5% |
| 3 | Chief Executive | 31 | 9.55% |
| 4 | Officer | 15 | 4.35% |
| 5 | General Manager | 34 | 17.10% |
| 6 | Operational Leader | 33 | 12.80% |
| 7 | Senior Manager | 44 | 17.10% |
| 8 | Director | 37 | 14.30% |
| 9 | Educational Advisor | 11 | 4.30% |
| Total of Respondent | | 258 | 100% |

5.2 Respondents' Age

Respondents were asked to choose from the most appropriate range that included their current age. The categories options were "21 to 24" years old, "25 to 34" years old and "35 to 44" years old and above "45". However, the largest number of respondents

which was 202 indicated their age between 35 to 44 years old with 78%. The second largest number which was 44 indicated their age between 25 to 34 years age, with 17% of the respondents indicating their age in this group. As for the third number which was 10 reported that their age above 45 years with 4%. While only 2 subjects with 1% reported their age as 21 to 24 years old.

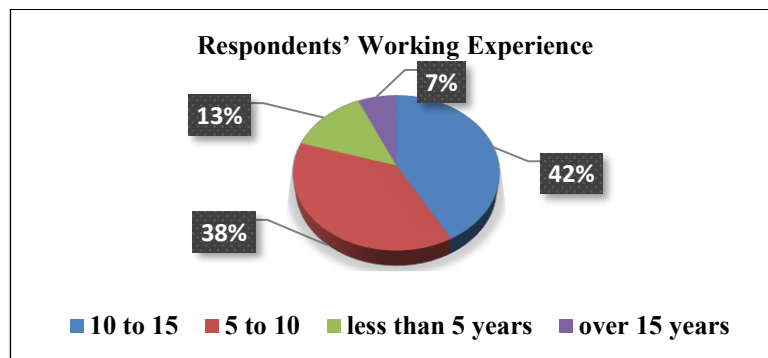
Figure 1: Characteristics of the respondents according to their age



5.3 Respondents' Working Experience

From the demographic variables it can be seen that many respondents have the length of the services from 10 to 15 year (n = 108, 42%). While, ninety eight of the respondents were classified with 5 to 10 years working experience (n = 98, 38%). another group of respondents described the length of their working experience as less than 5 years (n =35, 13%). The smallest group of respondents regarding working experience were like (n =17, 7%) over 15 years.

Figure 2: Characteristics of the respondents based on their working experience



5.4 Characteristics of the Respondents According to their Gender

From the table below (2), the total number of respondents is 258 consisting of male and female. The results show that more than half of the respondents consist of males and the rest are females. The results indicate that 67.05% of the male respondents provided answer to the questionnaire and the percentage of female who responded was below half (32.09%). This indicates that the population of male was more than female. The next section illustrates the level of education of these respondents.

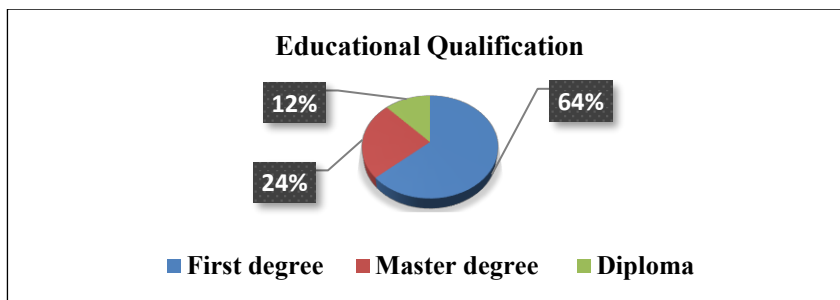
Table 2: Characteristics of the students According to their Gender

| | Gender | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|--------|-----------|---------|---------------|--------------------|
| Valid | Male | 173 | 67.05 | 67.05 | 67.05 |
| | Female | 85 | 32.09 | 32.09 | 32.09 |
| | Total | 258 | 100.0 | 100.0 | |

5.5 Educational Qualification

A cursory look at (Figure 3) reveals that the largest group (n = 164, 64%) reported holding a first degree. The second group (n = 63, 24%) reported themselves as master degree holders. While, the smallest group among respondents reported themselves as Diploma holders (n = 31, 12%). The deduction from the above statistics is that most of the respondents have proper degrees; hence their involvement in decision is most likely.

Figure 3: Characteristics of the respondents according to their education



6. Correlation Analysis

The correlations between the indicators of job satisfaction are presented in table 4.9. Job satisfaction is negatively correlated with role stress ($r=-.496$) and Top management ($r=-.218$), and positively correlated with Work Itself ($r=.42$), Job satisfaction with Immediate Supervision ($r=.229$), and Working Conditions ($r=.396$).

Table 3:Correlations among Indicators for Job Satisfaction

| Indicators of Job Satisfaction | SR | WI | IS | TM | WC | |
|--------------------------------|---------|--------|---------|---------|--------|---|
| 1 Stress Role | 1 | | | | | |
| 2 Work Itself | -.239** | 1 | | | | |
| 3 Immediate Supervision | -.161** | .113** | 1 | | | |
| 4 Top management | .281** | -.07** | -.108** | 1 | | |
| 5 Working Conditions | -.236** | .411** | .145** | -.086** | 1 | |
| Job Satisfaction | -.496** | .42** | .229** | -.218** | .396** | 1 |

***. Correlation is significant at the 0.01 level (2-tailed).*

Another correlation analysis was also undertaken to examine the obtained results from the rates of response of items extracted from job satisfaction parameters and response rate of downsizing parameters. The value of the coefficient ranges from negative (-1) to positive (+1) and 0 coefficient indicates no correlation at all between the variables. According to Cohen *et al.* (2000), correlation of 0.14 to 0.29 (+ or-) indicates a weak relationship; 0.3 to 0.49 (+or-) is fair and 0.5 to 1.0 (+or-) indicates a strong positive or negative relationship.

Table 4: Correlation of job satisfaction parameters and response rate of downsizing parameters

| RATES OF RESPONSE OF JOB SATISFACTION PARAMETERS | Correlation | |
|--|---|-------------|
| | LEVEL OF RESPONSE RATE OF DOWNSIZING PARAMETERS | |
| Pearson correlation | 1 | -0.582**(S) |
| Sig. (2-tailed) | - | 0.000 |
| N | 258 | 258 |
| Pearson correlation | -0.582**(S) | 1 |
| Sig. (2-tailed) | 0.000 | - |
| N | 258 | 258 |

NS=Not Significant; S= Significant / $\alpha= 0.05$ (Level of Significant)

***. Correlation is significant at the 0.01 level (2-tailed).*

Based on table 4, it was found that there was significant correlation among the rates of response of job satisfaction parameters and the level of response rate of downsizing parameters. Finding suggests that, the employee’s job satisfaction goes side by side with downsizing implementation in the Libyan situation. As a matter of fact, the correlation found here in this study is indicating that, authentic downsizing implementation is demonstrating high level of employee’s job satisfaction. Such case should be recognized in the determination of successful downsizing implementation in Libyan education sector.

7. Discussion of Results in Relation to the Finding

Very little effort has been done to discover the influence of downsizing strategy on job satisfaction of survivors’ employees in in Libyan education sector. This study tried to dearth the earlier investigates gaps. In this study, it could thus be inferred from the findings that, there is a direct influence of downsizing on survivors’ job satisfaction in Libyan education sector. Findings from the responses strongly show that top administration in Libyan education sector has not clarified staffs what is probable expected from them later after downsizing procedure and perhaps there were no open and truthful networks of communication and the facts that downsizing strategy is prearranged to employees only related to (Survivors). Therefore, this investigation make known that the implementation of downsizing strategy by Libyan education sector directly influences the job satisfaction and job security of survivors. The findings in this research therefore agreed with the findings of Kulkarni (2013) who proved in their work that before implementing downsizing organizations need conduct a firm analysis of condition and assess cost saving and be careful to approve such strategy that might influences negatively on staffs. It becomes crystal clear that delegation of analysis plays a vital role in implementing successful downsizing strategy. Furthermore, job satisfaction in this study was defined as the

factor that drives or boosts the action and behaviour of an individual towards effective accomplishment. Chipunza & Samuel (2011) argue that job satisfaction must be the basis for concern with effective accomplishment, and that without job satisfaction, effective accomplishment has no purpose or meaning. This study put forward new contribution that is; the achievements of survivors in Libyan education sector and organizational goals in term of better educational program implementation in Libyan education sector are independent process linked by survivors' job satisfaction.

8. Conclusions and Recommendations

The aim of this paper was to determine the impact of forced downsizing strategies on employees' job satisfaction in Libyan education sector. In this study, it could thus be inferred from the findings that, there is a direct impact of downsizing on survivors' job satisfaction in Libyan education sector. Therefore, Policymakers in Libyan education sector must support survivors more dynamically with respect to their upcoming prospects since downsizing was found to have an influence on their job satisfaction. If Libyan organizations miss out from providing survivors with new challenges, or do not support them in exploring new career opportunities, their dissatisfaction with the job is most likely to increase and they may doubt if it was the right decision to stay. Considering that a significant number of participating survivors complained that their work content had changed, it is also suggested that managers should provide the survivors with retraining so that they are more able to deal with their new tasks successfully and perceive pleasure and not frustration by doing them.

References

- Chipunza, C., & Samuel, M. O. (2011). The Influence of Downsizing Organisational Strategies on Survivor Qualities in an Economically Volatile Environment. *Journal of Social Science*, 28(2), 87-98.
- Gerber, N. (2010). Towards a social construction of retrenchment survivor experiences. South Africa: University of Pretoria.
- Ibeh, K., Brock, J. K. U., and Zhou, Y. J. (2004). The drop and collect survey among industrial populations: theory and empirical evidence. *Journal of Industrial Marketing Management*, 33(2), 155-165.
- Kulkarni, P. P. (2013). A Literature Review on Training & Development and Quality of Work Life. *Journal of Researchers World*, 4(2), 136.
- McDevitt, R., Giapponi, C., & Houston, D. M. (2013). Organizational Downsizing During an Economic Crisis: Survivors' and Victims' Perspectives. *Journal of Organization Management*, 10(4), 227-239.
- Nunnally, J. C. (1978). *Psychometric theory* 2nd (Ed). New York, United States of America: McGraw-Hill.
- Nyasha, M., Martin, C., Pride, M., Justice, M., Piason, M., & Edson, V. (2014). Impact of Downsizing on Employee Commitment: A Case Study of Surface and Mashwede Refinery. *International Journal of Innovative Research and Development*, ISSN 2278-0211, 3(7).
- Otman, W., & Karlberg, E. (2007). *The Libyan economy: economic diversification and international repositioning*. Springer Science & Business Media.
- Sekaran, U. (2006). *Research methods for business: A skill building approach*. New Jersey, United States. John Wiley & Sons.
- Travagione A, Cross B (2006). Diminishing the social network in organizations: does there need to be such a phenomenon as 'survivor syndrome' after downsizing? *Journal of Strategic Change*, 15 (1): 1-13.
- Van Dierendonck, D., & Jacobs, G. (2012). Survivors and victims, a meta-analytical review of fairness and organizational commitment after downsizing. *British Journal of Management*, 23(1), 96-109.
- West, G. B. (2000). *The effects of downsizing on survivors: A meta-analysis* (Doctoral dissertation, Virginia Polytechnic Institute and State University).

Mansour Alsharif Al-Hammali⁽¹⁾
Faculty of Leadership and Management,
Universiti Sains Islam Malaysia, USIM, 71800, Nilai-Malaysia
E-mail: mansour.alhmmali@yahoo.com

Mohamed Mihar Abdul Muthaliff⁽²⁾
Faculty of Leadership and Management,
Universiti Sains Islam Malaysia, USIM, 71800, Nilai-Malaysia
E-mail: mihlar@usim.edu.my

Nasser Habtoor⁽³⁾
Faculty of Accounting and Business,
Lincoln University College, Petaling Jaya, Malaysia
E-mail: nasser@lincoln.edu.my