



EMPLOYEES EXPERIENCE WITH DOWNSIZING: AN EMPIRICAL STUDY OF PRIVATE BANKS OF UDAIPUR CITY

Damini Shrimali

Janardan Rai Nagar Rajasthan Vidyapeeth, Deemed to be University

Dr. Hina Khan

Janardan Rai Nagar Rajasthan Vidyapeeth, Deemed to be University, Year -2022

ABSTRACT Downsizing is always treated as negative as it makes the employees future uncertain, still by adopting the right way, an organization can make the downsizing process positive for the employees who have survived after downsizing. This paper focuses on the experience of the employees with downsizing. The objective of this paper is to study the Private Bank Employees' experience with Downsizing. The data has been collected from 407 private bank employees with the help of structured questionnaire and it has been concluded that majority of private bank employees of Udaipur City had positive experience with downsizing. The downsizing experience of bank employees was significantly different with respect to their designation and job experience.

KEYWORDS : Employee Experience, Downsizing, Private Banks

INTRODUCTION:

Practical knowledge is far better than classroom teaching. In this highly competitive world, success of any organization depends on its human resource i.e. its employees. Banks are no exception to this. A satisfied, happy and hard working employee is the biggest asset of any organization, including banks. Workforce of any bank is responsible to a large extent for its productivity and profitability. Efficient human resource management practices and maintaining higher job satisfaction level in banks determine not only the performance of the bank but also affect the growth and performance of the entire economy.

Employee experience is the way in which employees internalise and interpret the interactions they have with their organization as well as the context that underlies those interactions.

It also refers to the journey of an employee throughout their time at a company, from the interview process onwards. It summarises what people encounter and discover while at work. It can also affect productivity, motivation, and overall employee morale.

In banking sector it is the responsibility of the management to ensure that the employee experience is a good one. Encouraging employees to learn new skills and enhancing their knowledge can give them greater job satisfaction. It can also help them refine their job processes and work more efficiently. So by giving employees the chance to develop within their job role, one not only fulfils their needs but also help in improving their performance.

Due to continuous changes occurring in the world economy, the companies are rigorously using the downsizing strategy. This trend is set to continue with more companies planning to retrench in coming years. Previously companies were using downsizing to cope up with the economic pressure, but currently organizations are using downsizing as a means of increasing profitability. There are many anticipated benefits of downsizing, in terms of the economic level and increased operational efficiency of the organization but downsizing results in detrimental effects on the work force quality if not implemented appropriately. Successful downsizing requires managers to evaluate the overall impact of downsizing especially on the signal they send to the employees as this might reduce their morale.

The exercise of downsizing over the past two decades is on the increase and causes both internal and external problems. The internal problems consist of conflict amongst organizational mechanisms and strategic restructuring of organizations, whilst the external problems comprise of economic changes, high-tech developments, and competition, etc.

The apparent results may not be realised in all organizations that make effort to reduce their staff strength and it has an effect on all and sundry in the organization, irrespective of positions they are holding and experiences they have had. Due to this, employees could be suspicious about the future direction of the organization and their role in it. Similarly, employees are often skeptical about change, as new work roles assigned may cause them anxiety and previous interpersonal relationships may be lost. However, organizations regard downsizing as a positive measure. In all it can be said that if companies are using

downsizing, they need to ensure that it is not creating any kind of negativity in the mind of employees. Or in other words the employees should have a positive experience of downsizing. The objective of this paper is to study the employees' experience with downsizing in private banks of Udaipur City. This paper focuses on finding out the impact of downsizing with respect to the employees' designation and job experience.

Literature Review:

Organizational downsizing once done creates a permanent notion of job insecurity among the survivor employees. Keeping this in view **Adekunle, O. A., & Adegoroye, A. A. (2022)** conducted study to identify the impact of job insecurity on the employees' performance in banking industry of Lagos State, Nigeria. By using multi stage sampling 623 bank employees of 22 banks was selected. Data was collected by using questionnaire and the same was analyzed by using descriptive and inferential statistics. The results of logistic regression indicated that job insecurity has negative impact on the bank employees' performance.

Van Aaken, D., Rost, K., & Seidl, D. (2021) accessed the relationship in managers' social class and their opinion about downsizing. The social class of managers was defined by using their social, cultural and economic profile. The sample of 2500 managers was selected and it was found that managers of high social class were open for employees' termination and vice-versa.

The objective of the study conducted by **Dlouhy, K., & Casper, A. (2021)** was to study the role of job resources and job demands in the downsizing and employee engagement. The data was collected from German employees and it was observed that job resources are having the moderating effect in the negative relationship between employee engagement and downsizing. It was also concluded that downsizing adversely affect the employees' health.

Harney, B., Fu, N., & Nyfoudi, M. (2021) discussed that how downsizing and restructuring affects the employee commitment and resilience. The sample of 2131 employees was selected from the companies who have experienced downsizing recently. The results revealed that communication plays significant role in the whole downsizing process. The effective communication strategy can neutralize the negative impact of downsizing.

Mujtaba, B. G., & Senathip, T. (2020) discussed the concept of layoff and also discussed the impact of layoff on employees. The paper analysed the role of human resource managers during the layoff process so that the overall effectiveness could be increased. The authors recommended using ethical, legal and socially responsible implementation of downsizing process. It was also advised that managers should work on the technologies where the work can be done by robots or by using minimum number of employees work could be done. Another strategy could be changing the location of the business which is nearest to the material resources required to serve the customers' needs.

The study of **Frone, M. R., & Blais, A. R. (2020)** evaluated the

negative impact of downsizing on the employees of U.S. who have been survived. It was observed that organizations perform downsizing to achieve the profitability but the work conditions and workplace interventions act as hurdles in achieving the anticipated financial and performance benefits. The hypothesis results revealed that few work conditions act as moderator in the negative relationship of downsizing and employee performance.

(C. Eze, Uchenna and Chinedu- Eze 2021): conducted the study for exploring the psychological impact of downsizing on survivor managers in Nigeria using a qualitative research approach. Total 20 interviews were taken from different stages through the unstructured and semi structured interview. The result showed that a feeling of insecurity, uncertainty, reduction in employee motivation and poor communication negatively influenced the survivor.

(Antonijević and Ljumović,2020): the aim of the study is to determine the impact of the introduction of innovation on the level of operational risk, especially focusing on the human factor and employment. The result for the period 2011-2019, including 26 banks show that there was an increase in the capital requirements for operational risk and a downsize in the number of employees. The researcher also said that they could not find a strong evidence that this happened due to the introduction of innovative product and service in the banking sector of Serbia.

(Lee and Shinwoo Lee,2020): the study revealed that outsourcing practices generally have negative consequences for employee job satisfaction. As employee job satisfaction is a precursor of employee withdrawal which is an expensive loss to organizations it is important to design appropriate policies and environmental to reduce such threats. The researcher develops an tests a model that estimates the effect of government outsourcing on employee job satisfaction at the organizational level while exploring the possibility that encouraging knowledge sharing among employees in an organization can result in alleviating the anti outsourcing sentiment among employees. The finding of the study relying on U.S. federal agency data from 2010-2017 which suggest that government outsourcing can improve employee job satisfaction through internal management practices such as promoting knowledge sharing among employees.

(Al-Hammali, Habtoor and Huat Heng,2021): the study was done in Libyan education sector and this investigate that impact of forced downsizing techniques on job satisfaction. A sample was collected from few divisions from the ministry of education located in different parts in Tripoli, Libya. The researcher collected data from 258 respondents. The researcher concluded the study by saying that downsizing has a detrimental impact on survivors work satisfaction and morale.

Dr. R.K. Uppal,2020): the study aims to identify the perception of bankers for internet based e- banking services related with important issues like collaborative culture, training and development, knowledge management. The data collected from 60 employees of e- banks located in selected district of Punjab during the first half of July, 2020. The researcher concluded the study by saying that there exists collaborative culture and employees are satisfied with the working of e- channels and training programmes organized by e- banks, but not much satisfied with the knowledge management and behavioral aspects of e- banking. The employees experienced some frustration and a major problem of lack of knowledge of e channels and their operating ways while dealing with these channels, are the most prevalent ones.

Objective:

The purpose of this research paper is

1. To study the employees' experience with downsizing in private banks of Udaipur City.
2. To identify the difference in the bank employees' experience of downsizing with respect to their designation.
3. To check the difference in the bank employees' experience of downsizing with respect to job experience.

Hypotheses:

H₀₁: There is no significant difference in the bank employees' experience of downsizing with respect to their designation.

H_{a1}: There is a significant difference in the bank employees' experience of downsizing with respect to their designation.

H₀₂: There is no significant difference in the bank employees' experience of downsizing with respect to job experience.

H_{a2}: There is a significant difference in the bank employees' experience of downsizing with respect to job experience.

Research Methodology

(a) Research Design: -

To have a better understanding about the issue descriptive research design was used. To get the primary data close ended questionnaire was administrated.

(b) Sample Design: -

407 private bank employees were selected through stratified purposive sampling. In the sample respondents were selected from all four categories of job hierarchy i.e. top management, senior management, middle management and junior management.

(c) Analysis: -

The data collected was analyzed with the help of Arithmetic mean and chi-square test.

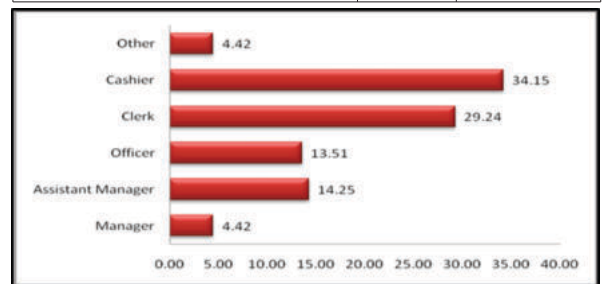
Analysis & Interpretations

Designation of Respondents:

Below given table i.e. Table 1 is presenting the designation of bank employees. It was analysed that 4.42% employees (N=18) were managers, 14.25% employees (N=58) were assistant managers, 13.51% employees (N=55) were officers, 29.24% employees (N=119) were clerks and 34.15% employees (N=139) were cashiers. The rest of the respondents (N=18, percentage=4.42) indicated some other designations like regional manager, recovery officer, business development executive, training and development associate etc.

Table 1: Designation of Respondents

Designation	N	Percentage
Manager	18	4.42
Assistant Manager	58	14.25
Officer	55	13.51
Clerk	119	29.24
Cashier	139	34.15
Other	18	4.42
Total	407	100



Job Experience of Respondents:

Respondents were asked since how long they were serving the bank and responses received are presented in table 2. It was found that majority of bank employees (N=284, Percentage=69.78) were having the job experience of 1 to 5 years followed by 18.92% respondents (N=77) who were having the experience of 5 to 10 years. It was observed that 5.41% employees (N=22) were serving the bank from last 10 to 15 years, 4.42% respondents (N=18) were having the job experience of 15 to 20 years and rest of the respondents (N=6, Percentage=1.47) indicated the work experience of more than 20 years.

Table 2: Job Experience of Respondents

No. of Years of Service	N	Percentage
1 to 5 years	284	69.78
5 to 10 Years	77	18.92
10 to 15 Years	22	5.41
15 to 20 Years	18	4.42
More than 20 Years	6	1.47
Total	407	100

Employees Experience with Downsizing in Banks

To study the employees experience with the downsizing process followed by the private banks of Udaipur City they were asked to

indicate their level of agreement towards various statements on 5 point scale ranging from 5 (Strongly Agree) to 1 (Strongly Disagree). The final opinion of respondents were ascertained with the help of mean score. It is clear from the results depicted in table 3 that bank employees were intimated about the downsizing, they were involved in the process of downsizing and the downsizing process was not biased. Respondents also said that sufficient time was given to the employees who were downsized. With rest of the statements, respondents neither agreed nor disagreed. They have not shown their disagreement with any of the statements. All the coefficients of variance were less than 0.33 which indicates the similarity of opinion of respondents.

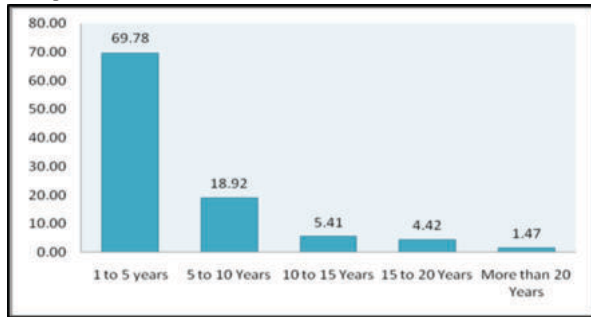


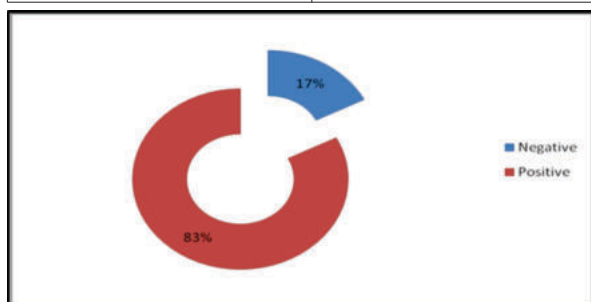
Table 3: Employees' Experience with Downsizing in Banks

Experience of Downsizing at Bank	Mean	S.D.	C.V.	Level of Agreement
Employees were intimated about the downsizing	3.41	0.989	0.29	Agree
Employees were explained the reasons of downsizing	3.29	1.023	0.31	Neutral
Employees were informed about the process of downsizing	3.26	1.034	0.32	Neutral
Employees were involved in the process of downsizing	3.45	0.979	0.28	Agree
Sufficient time was given to the employees who were downsized	3.42	1.021	0.30	Agree
A fair amount of compensation was paid to the downsized employees	3.24	1.053	0.33	Neutral
There was no biasness in the downsizing process	3.41	1.018	0.30	Agree
The downsized employees were helped in getting new jobs	3.24	1.014	0.31	Neutral
The survived employees were given training to be the long lasting part of this bank	3.37	0.961	0.29	Neutral

The table 4 is presenting the overall experience of private bank employees with downsizing. According to results 82.56% employees (N=336) had the positive experience with downsizing whereas 17.44% respondents (N=71) indicated negative experience of downsizing. The mean score (29.96) indicates that private bank employees had positive experience of downsizing.

Table 4: Employees' Overall Experience with Downsizing in Banks

Overall experience of Downsizing	N	Percentage
Negative	71	17.44
Positive	336	82.56
Total	407	100
Mean Score	29.96	
Result	Positive	



According to the above analysis it can be concluded that the overall downsizing experience of the employees was positive. Still to measure the difference in the employees' experience with respect to their designation following hypothesis has been taken:-

- H₀₁: There is no significant difference in the bank employees' experience of downsizing with respect to their designation.**
- H_{a1}: There is a significant difference in the bank employees' experience of downsizing with respect to their designation.**

To test this hypothesis the data of overall experience of employees was cross-tabulated with respect to their designation and then chi-square test was applied as presented in table 5. It can be observed that at 5% level of significance the chi-square statistic is significant for designation. It means the employees experience of downsizing significantly differs with respect to the designation of respondents

Table 5: Chi-Square Test results to measure difference in Employees' experience of Downsizing with respect to their Designation

Designation of Bank Employees	Overall experience of Downsizing			Chi-Square Value	p-Value	Significance
	Negative	Positive	Total			
Manager	12	6	18	43.727	0.000	Significant
Assistant Manager	6	52	58			
Officer	14	41	55			
Clerk	11	108	119			
Cashier	22	117	139			
Other	6	12	18			
Total	71	336	407			

Level of significance = 5%

As the chi-square results indicated that designation of bank employees have significant impact on their experience of Downsizing. The table 6 is showing the mean scores of downsizing experience with respect to designation of respondents. It was seen that managers had negative experience (22.83) with downsizing but rest all employees had positive experience.

Table 6: Mean Scores of Downsizing Experience according to Job Hierarchy

Job Hierarchy	Mean
Manager	22.83
Assistant Manager	30.72
Officer	29.16
Clerk	30.90
Cashier	30.10
Other	29.83

To measure the difference in the employees' experience with respect to their job experience following hypothesis has been taken:

- H₀₂: There is no significant difference in the bank employees' experience of downsizing with respect to their job experience.**
- H_{a2}: There is a significant difference in the bank employees' experience of downsizing with respect to their job experience.**

To test this hypothesis the data of overall experience of employees was cross-tabulated with respect to their job experience and then chi-square test was applied as presented in table 7. It can be observed that at 5% level of significance the chi-square statistic is significant for job experience. It means the employees experience of downsizing significantly differs with respect to the job experience of respondents

Table 7: Chi-Square Test results to measure difference in Employees' experience of Downsizing with respect to their job experience

Job Experience of Bank Employees	Overall experience of Downsizing			Chi-Square Value	p-Value	Significance
	Negative	Positive	Total			
1 to 5 years	38	246	284	72.238	0.000	Significant
5 to 10 Years	21	56	77			
10 to 15 Years	7	15	22			
15 to 20 Years	4	14	18			

More than 20 Years	1	5	6			
Total	71	336	407			

Level of significance = 5%

As the chi-square results indicated that job experience of bank employees have significant impact on their experience of Downsizing. The table 8 is showing the mean scores of downsizing experience with respect to job experience of respondents. It was seen that the employees who had the job experience of 15 to 20 years were most satisfied with the downsizing process.

Table 8: Mean Scores of Downsizing Experience according to Job Experience

Job Hierarchy	Mean
1 to 5 years	29.57
5 to 10 Years	24.08
10 to 15 Years	28.50
15 to 20 Years	31.25
More than 20 Years	31.01

CONCLUSION:

From the analysis done following conclusions have been drawn:-

1. Private bank employees of Udaipur City had the positive experience with the downsizing process.
2. 4/5th of the employees had positive experience with downsizing but the employees of top management had extreme negative experience.
3. It was observed that there is a significant difference in the downsizing experience of private bank employees with respect to their job hierarchy. The managers had negative experience whereas rest of the employees had positive experience.
4. It was also seen that there is a significant difference in the downsizing experience of private bank employees with respect to their job experience.
5. The study concluded that employees who had the job experience of 15 to 20 years were most satisfied with the downsizing process.

Recommendation

In the light of the findings and conclusion of the study the following general & specific recommendation are made

- It was observed that maximum amount of downsizing was done in the top management category that is because employees in this category are highly paid. But banks should understand the fact that top management employees are the leaders of bank who show the right path to bank. So instead of laying them off they can be retained at lower packages or on part time basis their services can be availed.
- 4/5th of the employees had positive experience with downsizing but the employees of top management had extreme negative experience, so the private banks should analyze the reasons behind negative experience and those reasons should be addressed positively.
- Before going for downsizing the employees should be given fair chance to prove their significance in the job. Even after this if the employees gets downsized, they will not be having any complaints against management.

In all it can be said that if companies are using downsizing, they need to ensure that it is not creating any kind of negativity in the mind of employees.

REFERENCES:

1. Adekunle, O. A., & Adegrooye, A. A. (2022). Effect of Job Insecurity on Employee Performance in the Nigerian Deposit Money Banks. *KIU Journal of Humanities*, 6(2), 121-128.
2. Van Aaken, D., Rost, K., & Seidl, D. (2021). The impact of social class on top managers' attitudes towards employee downsizing. *Long Range Planning*, 102-129.
3. Dlouhy, K., & Casper, A. (2021). Downsizing and surviving employees' engagement and strain: The role of job resources and job demands. *Human Resource Management*, 60(3), 435-454.
4. Harney, B., Fu, N., & Nyfoudi, M. (2021). Small Firms in Crisis: Understanding Employee Experiences of Downsizing and Restructuring. In *Academy of Management Proceedings* (Vol. 2021, No. 1, p. 13453). Briarcliff Manor, NY 10510: Academy of Management.
5. Mujtaba, B. G., & Senathip, T. (2020). Layoffs and downsizing implications for the leadership role of human resources. *Journal of Service Science and Management*, 13(02), 209.
6. Frone, M. R., & Blais, A. R. (2020). Organizational downsizing, work conditions, and employee outcomes: identifying targets for workplace intervention among survivors. *International journal of environmental research and public health*, 17(3), 719.
7. Eze, S. C., Uchenna, C., & Chinedu- Eze, V. (2021). Psychological Impact of Downsizing on Survivor-Managers in a Developing Economy.- *European Journal of Business and Innovation Research*, 9, 53-70.
8. Uppal, D. R. (2020). Internet Based Banking Services_ An Empirical Study, Palarch's

9. Journal Of Archaeology Of Egypt/Egyptology, 17(6).
Lee and Shinwoo Lee, (2020): How Outsourcing May Enhance Job Satisfaction in the U.S. Federal Bureaucracy: Exploring the Role of Knowledge Sharing.. 50(4-5), pp. 387-400.
10. Al-Hammal, M. A., Habtoo, N., & Heng, W. H. (2021). Effect of Forced Downsizing Strategies on Employees' Job Satisfaction. *International Journal of Management and Human Science* (, 5(4), 1-10.
11. Antonijević, M., & Ljumović, I. (2020). Innovation and New Roles of Employees in Operational Risk Management.