

The Study of Survival Syndrome & Impact of Downsizing on Survived Employees: A Review of Literature**Prof. Rutuja D. Jadhav**

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ABSTRACT

Downsizing literature suggests that layoffs are implemented for several reasons. Some organizations probably use the announcements of layoffs to obtain legitimacy. Some take up the strategy of employee reductions because they believe that it will increase organizational performance and profitability. However, the results from past studies reviewed have indicated that downsizing and layoffs may not necessarily bring about the productivity gains they are projected to achieve. Rather, they generate several negative impacts for the employees who leave organizations as well as those who remain.

The term "survivor syndrome" was coined by the psychiatrist W.G. Nderland in 1968 (Peters, 1989). The disorders observed in individuals who have survived after downsizing is collectively referred as post traumatic Stress Disorder, under the category of mental illness (Bourque, 1995). Symptoms ranging from fear of harassment, inner tension, diminished self-esteem, and lack of initiative and general lethargy leads to depression and contradictory sense of guilt at having survived (Peters, 1998) are directly observable in survivors.

The study attempts to critically examine the negative effects of downsizing on surviving employees with the help of literature published in this area. A survey instrument will be designed with the help of factors identified in the literature review.

KEY WORDS

Downsizing, Organizations, Employee Reductions, Layoffs, Survivor Syndrome, Depression, Guilt of Surviving.

INTRODUCTION

Downsizing:

Freeman and Cameron (1993) advise that downsizing and decline are diverse constructs. Organizations can downsize without declining, as when downsizing is used proactively to enhance competitiveness (Sutton & D'Aunno, 1989; Tomasko, 1987), and they can decline without downsizing. Downsizing may be a response to decline, but one should be careful not to confuse cause with effect (Levine, Rubin, & Wolohojian, 1981). Most of the research on downsizing's effects does not specifically examine innovation except by inference. Rather, these studies either find or suggest that downsizing has a variety of negative effects on the organization and the remaining employees which might also negatively affect the skills and capabilities desirable for innovation. For organizations, an unhealthy environment in the firm, the negative effects can be loss of trust among employees, loss of goodwill, depleted rating of the firm, loss of productivity, failing to hold on to talented personnel, and failing to attract good candidates in near future. (Kulkarni, 2008).

Lack of clarity on the effects of downsizing on adaptability in the literature arises from varying definitions of downsizing, so it is significant to distinguish how the intentional decrease in personnel differs from other ideas. For instance, some scholars advise downsizing differs from non-adaptations (reverse of adaptation) (Gilmore & Hirschhorn, 1983; Greenhalgh, 1983; McKinley, 1987; Weitzel & Jonsson, 1989), growth-in-reverse (opposite dynamics of organizational expansion, such as less specialization, and more centralization) (Behn, 1980; Gilmore & Hirschhorn, 1983; Krantz, 1985), layoffs (operational mechanisms used to execute a downsizing strategy) (Brockner, 1988; Gilmore & Hirschhorn, 1983) and decline, where decline does not necessarily produce a reduction in the workforce as firms have experienced decline in market share or revenues with no decline in personnel (Hall, 1976).

There are varying definitions of downsizing, but researcher will use Freeman and Cameron's (1993) widely accepted definition: Downsizing is the intentional reduction in personnel. Downsizing is a deliberate choice taken, and involves reductions in the workforce with the objective to enhance organizational performance in the face of environmental pressures to adapt. Therefore, like product innovation, downsizing is a strategy for maintaining organizational viability in response to such changes as new competition, economic pressures, a changing marketplace, and/or new technologies for

products as well as for operations (e.g., new IT systems or robots that replace workers). Downsizing has been linked to executive turnover, layoffs, the elimination of functions, jobs, hierarchical levels, or even entire units and departments (Bergh & Lawless, 1998; Cameron, Freeman, & Mishra, 1991; W. Cascio, 2002; W. F. Cascio, 2002; Wayne F. Cascio, 2005; Ghoshal & Bartlett, 1996; Hoskisson & Hitt, 1994; Pinsonneault & Kraemer, 2002).

These downsizing impacts include, the decline of physical and mental health (e.g., Knudsen et al., 2003; Sahdev, 2003; Weakland, 2001), collapse of social networks (Shah, 2000), increases in job insecurity as well as job related stress (e.g., Ashford, 1988; Brockner et al., 1992; Greenglass & Burke, 2001; Kinnunen, Mauno, Natti, & Happonen, 2000), and lower job satisfaction and organizational commitment (Brockner, 1994; Knudsen et al., 2003) The harmful effects of layoffs and downsizing also extend to individual employees who experience it through media channels or by hearing someone they know is being laid-off. They wonder whether they may be the next ones who will be retrenched from the organization.

The downsizing literature deals with the specific type of change strategy, that suggests varying approaches such as the popular practitioner's approaches of 1) not to worry or prolong the process, and do it quickly, 2) not to implement downsizing at all, or at least leave the change process as a last resort, 3) implementation should be done slowly and methodically, and 4) ensuring that there is a set of strategic organizational capabilities that are in position before downsizing can be beneficial.

Cascio (1994) argues that firms should support remaining employees effectively so that they do not become hesitant to take risks (W. F. Cascio, 1993), or develop greater levels of stress and burnout. Organizations should support remaining employees so that they do not develop greater levels of stress and burnout (Appelbaum, Everard, & Hung, 1999). It has been continuously argued that for the success of any downsizing, the approach of the downsizing, perceived fairness of the process, and treatment of 'survivors' is extremely necessary as employees may find it pretty challenging to complete their work activities and remain innovative since workload is often increased. Some scholars argue that downsizing should be used as the final option rather than the first choice (Lavelle, 2001), and there should be selective downsizing (Wayne F. Cascio, 2005; Martin & Bartol, 1985), such that leading performers and those who have special skills and talents are preserved because these individuals may be more difficult to replace (Wayne F. Cascio, 2005; Martin & Bartol, 1985).

Finally, if downsizing is often managed badly, then one can guess that the strategic commitment may also fall apart and strategic managers cope with all the subsequent complexities of downsizing. However, when it comes to actually understanding the effects of downsizing it has two major limitations. The first is that the research or conceptual arguments are based on very broad, generic ideas, inputs, or outcomes. The fact that managers repetitively downsize despite the negative effects on survivors indicates that they do not believe that the two are associated, or feel that they have no choice but to downsize anyway.

Survivor Syndrome

The term "survivor syndrome" was coined by the psychiatrist W.G. Nderland in 1968 (Peters, 1989). The disorders observed in individuals who have survived after downsizing is collectively referred as post traumatic Stress Disorder, under the category of mental illness (Bourque, 1995). Symptoms ranging from fear of persecution, inner tension, diminished self-esteem, and lack of initiative and general apathy right up to depression and paradoxical sense of guilt at having survived (Peters, 1998) are directly observable in survivors. The psychological impacts are called the survivor syndrome (French, 1995). As these feelings affect their physical and mental health, their attitude to work, job satisfaction and work performance declines. Work effort is influenced by surviving employees' reaction and their perception of job insecurity. Recent research shows that at high levels of job insecurity associated with survivor syndrome, the work effort of the survivor is very low (Sadri, 1996).

These survivors are suffering from what (Noer 1993) describes as "layoff survivor sickness", a generic term that describes a set of attitudes, feelings and perceptions that occur in employees who remain in organizational systems following voluntary employee deductions. Words commonly used to describe the symptoms of layoff survivor sickness are anger, depression, fear and guilt (Noer, 1993). Noer (1993, 1997) in his work on survivor sickness explains how employers have changed their attitudes towards employees. This altered approach reflects a change in worldview or a paradigm shift between the organization and the individual as a direct result of social, political and economic forces. The old organizational paradigm or world-view sees employees as assets and investments to develop to their potential.

In addition to the symptoms that are similar to the survivors of tragic events Noer, (1993) cites symptoms derived from a 1987 field research project on organizational survivor syndrome. Those additional symptoms are more specific to the organizational setting; reduced risk taking and motivation, distrust of the organization, perception of lack of reciprocal commitment to the employee from the employer, a dissatisfaction with the communication strategies, anger over layoff/terminations process, a lack of confidence in management performance and survivor blaming of others usually the level above. It has been suggested that this blaming activity is a defense mechanism to avoid dealing with one's own survival guilt (Noer, 1993).

The central theme in managing the layoff or downsizing activity is communication. Brockner (1992) and Noer, (1993) emphasize the necessity to communicate in advance what the plans are and why the retrenchment decision has been made. If the changes fit with the overall needs and culture of the organization, the change will be easier to accept. (Brockner, 1992). Prior notice allows employees to give suggestions and this participation makes people feel they have been part of the process (Noer, 1993). Noer, (1993) and Croton (1996) suggest honest, consistent and empathetic communication repeated on various occasions.

The communication may result in half truths that come back to trouble the holder. Fairness in handling those being laid off sends a powerful message to those left behind that the organization treats people with respect and dignity (Brockner, 1992). Publicizing caretaking service such as outplacement, counseling also gives the perception of fairness and helps survivors accept the process (Brockner, 1992, Noer, 1993). Disappointment can possibly be avoided, as everyone who participates becomes a stakeholder in developing the new unit culture. Insight into organizational issues is gained and experience in consensus decision-making is achieved (Bridges, 1991). Much understanding is that sharing in the responsibilities of the transition to new beginnings eliminates the "them and us" and creates the "we" scenario and reduces blaming.

The studies carried out by Brockner, (1992) on American firm have led him to believe that downsizing impacts on survivors. It can be diminished by positively influencing the determining factors, namely: the perception of fairness and changes in working conditions. This approach focuses on the organization as a unit where the human aspect is dealt with from a functional perception. Survivors tend to react more

favorably if they believe downsizing exercise is being handled fairly. Here are some of the concerns employees may raise regarding the process sit is up to management to ensure that outcome is positive.

- Reasons and justifications for the job cut.
- Employee involvement in the decision making process.
- Knowledge of the process used for cutting positions.
- Services available to those leaving the organization.
- Strategy consistent with the corporate culture.
- Sufficient information and frank communication.
- Cut extends to the upper level of the organization.

Noer, (1993) sees the survivor syndromes as a severe complex "disease", based on a conflict of values between reliance on the organization and self-actualization. Breaking free of this disease state requires considerable attempts on the part of the individual and courage. The first intervention level has to do with the downsizing process from the vantage point of survivors. The action taken at this level is not intended to cure the syndrome but rather to keep the survivors from sinking any deeper.

The second level consists of producing a catharsis; i.e. facilitating the expression of repressed feelings and emotions. The energy thus freed up can be reinvested in a positive way. The third level of intervention is aimed at breaking individual dependence on the organization and enabling them to regain ownership of their feelings of control and self- worth. The final level involves the formation of systems and organization structures reflecting the new "contract" and redesigning the customs & Culture of organization.

Table 1 shows the work done by various researchers:

Table 1: List of Authors, Relevance for Study & Factors Analyzed

Sr. No.	Authors/Year	Concept	Relevance for Study	Factors for Analysis
1.	Margulis, 1994 Woodward & Hucholtz, 1987	Changes in the workplace may result in Survivor Syndrome	Downsizing is a major change in the workplace	Do these survivors exhibit survivor syndrome?
2.	Kissler. 1991	The myth of survivor gratitude affects downsizing outcomes	Downsizing has different effects on employees.	How do these survivors feel about surviving?
3.	Warren, 1998	Survivors experience high levels of stress from downsizing.	Middle-managers may have different stress levels.	How do these survivors react to stress from downsizing?
4.	Iklascn et nl., 1996 lewis, 1996 Cappelli et al., 1997	Emotional trauma, vulnerability, powerless, and coping are involved in surviving	The emotional state of survivors impacts their ability to learn.	What level of emotional stress is experienced by middle managers?
5.	Cameron, Mishra, Tree man, 1992 Cameron, 1994	Integrating changes in work processes reduces the trauma and cost of downsizing	Productivity issues are a key concern after downsizing.	How do survivors approach productivity issues and leant to get the work done?
6.	Ikckett, 1999	Organic learning Integration of thinking, feeling, and doing	Downsizing impacts one's work and life	Do survivors learn to manage thinking, feeling, and doing work after downsizing?

7.	Spiegel & Arthur 1990	Work and life balance crucial to productivity and motivation	The stress of downsizing upsets work and life balance	Does downsizing affect productivity and motivation?
8.	Grossman, 1996	Downsizing requires constant, clear communication	Communication issues can be a problem in downsizing	How do survivors experience support through company communication?
9.	Hunter, 1999 Powell, 1998 Jarratt & Coates, 1995	Issues for aging workers	Downsizing often affects older workers differently than younger	How do these older survivors react to downsizing?
10.	Knowles, 1970, 1975	Mature learners need others.	Older survivors have unique learning needs	How do these survivors collaborate in their learning?
11.	Drucker, 1999 Nonaka & Takeuchi 1995 Pfeifer, 1985 Prusak, 1997, 1999	Knowledge workers. Intellectual capital of middle managers Organizational memory	Downsizing often eliminates older workers and organizational memory	Do older survivors learn to preserve and value organizational memory How does tenure affect this?

CONCLUSION

In our constantly changing economy researchers find many important and interesting issues to research. Corporate downsizing & Survival Syndrome is one of these issues and researchers have studied this phenomenon to better understand the impact it has on business practices (Kim S Cameron, 1994). Researchers have put emphasis on the victims of downsizing and their experience and personal responses towards corporate downsizing but few studies have focused on the survivors of a workforce reduction (Amundson et al., 2004).

Downsizing it not a new phenomenon and job elimination and employee cutbacks have made its appearance in organizations and companies all over the world. Most empirical evidence derive from the United States (US) e.g. previous researchers from Brockner et.al (1985), Gandolfi (2008) and Noer (2009) who all have studied the survivor syndrome in the U.S.A

If downsizing is managed badly, then one can guess that the strategic commitment may also fall apart and strategic managers cope with all the subsequent complexities of downsizing.

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