



Job Satisfaction of Employees after Downsizing: An Empirical Study of Private Banks of Udaipur City

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ARTICLE INFO

Key Words: *Job Satisfaction, Downsizing, Private Banks*

ABSTRACT

No organization willingly adopts the downsizing but the market situations force them to go for downsizing of employees, and banking sector is not an exception to it. The downsizing not only affects the life of employees who have been downsized, but it also has a significant impact on the job satisfaction of survivors. So after downsizing it becomes important for the banks to keep the employees satisfied who are still associated with the bank. Keeping this in view the objective of this paper is to study the job satisfaction of Private Bank Employees after Downsizing. The data has been collected from 407 private bank employees with the help of semi structured questionnaire and it has been concluded that private bank employees of Udaipur city are satisfied with their job except with job security and variety of jobs.

Introduction

In the whole world the organizational downsizing is becoming the burning issue as the organizations are using it too frequently and this has put up a question mark on the fair human resource practices. Many scholars define it as a purposeful reduction-in size of an

organization work force. During the last decade, downsizing has become the strategy favored by many companies with a view to cope with fundamental and structural changes in the world economy. The organizations round the globe are using downsizing for organizational effectiveness, efficiency, employee competitiveness, profitability and to reduce the average size of workforce. The

Received 14.10.2022; Accepted 14.11.2022

DOI: [10.48165/gmj.2022.16.2.8](https://doi.org/10.48165/gmj.2022.16.2.8)

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changed technology shortened product life cycle and increased consumer sensitivity to product quality are all placing a premium on HR policies that can achieve high levels of employee motivation, commitment and flexibility. On the contrary, enhanced cost competition, changing skill requirements and the maturity of market that had been expanding rapidly all lead to pressures to cut staffing level. Many researchers concluded that serious problems arise in those organizations where downsizing practices are followed. This is because of negative outcomes of downsizing like loss of morale, trust and decreased communication in organization. However, a few studies pointed out the positive outcomes such as expeditious decision making, more employee involvement and an opportunity for their personal growth.

According to Niehoff, Moorman, Blakely, & Fuller (2008) the dimensions of downsizing in the organization on employees' performance are Employee commitment, job morale, job security and career advancement plans. And all these variables have joint impact on the employee satisfaction with the Job. So if after downsizing it is found that existing employees are satisfied with their job, it projects that after downsizing companies are capable of keeping employees happy and attached.

The banking sector of India has seen several downsizing since its inspection but the private banking sector is using it too frequently. In Udaipur branches of more than 20 private banks are situated and all the branches have faced the downsizing in last few years. So the objective of this paper is to study the job satisfaction of private bank employees of Udaipur city after the downsizing and it will also check the impact of job hierarchy on downsizing.

Literature Review

Organizational downsizing builds sense of job insecurity among employees so with this note **Addai, P., Mottey, R., Afrifah, M., & Boakye, A. O. (2022)** conducted study to identify the relationship among job insecurity and turnover intentions of banking employees. The data was collected from 160 banking employees out of which 68 were males and 92 were females. The questionnaire method was used for data

collection and collected data was analyzed with the help of regression method. The results indicated that there exists significant positive correlation in perceived job insecurity and turnover intentions; however the impact can be reduced with the help of ethical leadership. So the authors suggested that the perceived job insecurity among employees after downsizing can be minimized by the ethical leaders of banks.

Smith, K. D. (2022) identified a problem that during downsizing it becomes difficult for HR managers to retain the talented employees. So the author conducted this study to identify the strategies which HR managers can use to retain the talented employees. The data was collected from 6 global leaders working in the 500 fortune companies through face to face interview. The results suggested that talented employees can be retained during downsizing by including them in the strategies of succession planning and by minimizing their anxiety about future.

Adeoye, A., & Lawrence, E. M. (2021) conducted study to identify the relationship in organizational downsizing and survivors' performance. The research used two models i.e. two factor theory and equity theory. The sample included 159 employees of First bank, Nigeria. The data was collected through questionnaire method and three hypotheses were tested with the help of collected data. It was observed that there is no relationship between survivor performance and technological advancement, but economic cost and career progression opportunities have significant impact on survivor performance. At the end study recommended that managers involved in downsizing process should project high level of trustworthiness.

Eze, S. C., Uchenna, C. O., & Chinedu-Eze, V. C. (2021) studied the psychological effect of downsizing on survivor-managers. The qualitative research design was adopted and data was collected from 20 survivor-managers by using interview method. The data was analyzed with the help of thematic analysis and it was found that job insecurity, less motivation, perceiver uncertainty has affected survivor-managers negatively. It was also observed that this negative impact is also caused due to lack of job opportunities, high rate of unemployment and lack of social security.

Tsai, C. F., & Yen, Y. F. (2020) investigated the relationship between perceived downsizing and job satisfaction of employees. In the sample 277 non-supervisory employees were included. It was found that higher the fear of downsizing lower down the job satisfaction of employees and it ultimately also put negative impact on their work performance.

The downsizing is one of the biggest organizational change which affect the job satisfaction of employees. The study done by **Thuy, B., Thi, N., Van, Y., & Ngoc, P. D. (2020)** identified the role of job satisfaction towards the employee commitment to organizational change. The data was collected from 381 employees and it was analyzed by using regression. The results revealed that by keeping the employees satisfied the companies can perform any kind of organizational change easily and effectively.

(Hlanganipai, Ruvimbo and Paul, 2014) : This paper identify the impact of downsizing on employee survivor's job satisfaction and to determine whether a relationship exists between employee job satisfaction and organizational commitment. A questionnaire was collected 123 randomly selected respondents. For the analysis part SPSS software version 20.0 and Pearson Product Moment correlation was used. The study revealed that survivors more satisfied and committed to the organization after the downsizing process and this study also further indicated that there is relationship between employee job satisfaction and organizational commitment among the survivors of the downsizing process.

(Mellen Chitere1 & Dr. Joyce Nzulwa, 2018):The aim of the researcher was to explore the influence that the organizational restructuring has on employee job satisfaction in selected commercial banks in Kenya. In this study the researcher objective was to establish the influence of downsizing, centralization, downscoping and business process reengineering on employee job satisfaction in selected commercial banks in Kenya. The researcher used stratified random sampling method to collect the data he used sample of 230 employees at Kenya commercial banks and national bank headquarters. For the study primary data was collected by using questionnaire, furthur the data has been

analyses suing SPSS. To identified the relationship between dependent and independent variable correlation analysis was used by the researcher and multiple regression analysis was used to show the weight of the relationship. The researcher concluded the study by saying that 1. Downsizing had a significant negative relationship with employee job satisfaction in selected commercial bank in Kenya ,2. Centralization had a significant positive relationship with employee job satisfaction ,3. down scoping had significant positive relationship , lastly Business process reengineering had a significant positive relationship with employee job satisfaction in selected commercial banks in Kenya.

Objective

The purpose of this research paper is to analyze the job satisfaction of private bank employees of Udaipur city after downsizing.

Hypothesis:

H_0 : There is no significant difference in the job satisfaction of private bank employees with respect to their job hierarchy

H_a : There is a significant difference in the job satisfaction of private bank employees with respect to their job hierarchy.

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 ANOVA.

Analysis & Interpretations

Job Hierarchy of Respondents

Respondents were asked to indicate their job hierarchy and responses received are presented in table 1. It was found that maximum number of respondents (N=218, Percentage=53.56) were from junior management level followed by 30.71% respondents (N=125) who were from middle management. It was observed that 14.25% employees (N=58) were from senior management and very few employees (N=6, Percentage=1.47) were from top management.

Table 1: Job Hierarchy of Respondents

Job Hierarchy	N	Percentage
Top Management	6	1.47
Senior Management	58	14.25
Middle Management	125	30.71
Junior Management	218	53.56
Total	407	100.0

Job Satisfaction of Private Bank Employees after Downsizing

To serve this objective survivor-employees were asked to specify their satisfaction with various attributes of Job on 5 point scale ranging from highly satisfied (5) to highly dissatisfied (1). The final level of satisfaction was ascertained with the help of mean score as presented in table 2. It can be seen that employees were satisfied with Work Conditions, Colleagues, Supervisors, Amount of Responsibility, Nature of Work, Compensation, Chances of Promotion, Working hours and Training and Development facilities. Employees were not satisfied with Job Security and Variety of Job.

To identify the overall job satisfaction of the employees the individual scores of all parameters were added for the each respondent and the results received are presented in table 3. Results indicated that 85.01% employees (N=346) were satisfied whereas 14.99% respondents (N=61) indicated dissatisfaction with their job. From the mean score (41.51) it can be inferred that in an all employees were satisfied with their job.

Table 2: Job Satisfaction of Private Bank Employees

Job Factor	Mean	S.D.	C.V.	Satisfaction Level
Work Conditions	3.48	0.936	0.27	Satisfied
Freedom of Work	3.25	1.033	0.32	Neutral
Colleagues	3.49	1.031	0.30	Satisfied
Supervisors	3.48	0.936	0.27	Satisfied
Amount of Responsibility	3.44	1	0.29	Satisfied
Nature of Work	3.46	1.009	0.29	Satisfied
Compensation	3.48	0.964	0.28	Satisfied
Chances of Promotion	3.51	0.946	0.27	Satisfied
Working hours	3.47	1.038	0.30	Satisfied
Job Security	3.38	0.909	0.27	Neutral
Variety of Job	3.23	1.088	0.34	Neutral
Training and Development facilities	3.63	1.061	0.29	Satisfied

Table 3: Overall Satisfaction of Employees

Overall Job Satisfaction after Downsizing	N	Percentage
Dissatisfied	61	14.99
Satisfied	346	85.01
Total	407	100
Mean Score	41.51	
Result	Satisfied	

It has been proven that after downsizing the employees were satisfied with their job but to check the difference in job satisfaction with respect to job hierarchy of employees following hypothesis has been taken:-

H₀: There is no significant difference in the job satisfaction of private bank employees with respect to their job hierarchy.

H_a: There is a significant difference in the job satisfaction of private bank employees with respect to their job hierarchy.

To test the hypothesis ANOVA test was applied as presented in table 4. It can be seen that F-statistic is significant at 5% level of significance which shows that job satisfaction of private bank employees differ with respect to their job hierarchy level.

The table 5 is showing the mean scores of Job Satisfaction level of bank employees with respect to their job hierarchy. It can be observed that bank employees of junior management have the highest level of Job satisfaction followed by middle management and senior management. But it was found that employees of top management were dissatisfied with their Job.

Table 5: Overall Job Satisfaction level of Bank Employees according to Job Hierarchy

Job Hierarchy	Mean
Top Management	29.00
Senior Management	40.64
Middle Management	41.70
Junior Management	41.99

Conclusion

From this research following conclusions have been drawn:-

1. After downsizing the private bank employees of Udaipur city are satisfied with Work Conditions, Colleagues, Supervisors, Amount of Responsibility, Nature of Work, Compensation, Chances of Promotion, Working hours and Training and Development facilities. In an all 85% employees were found satisfied.
2. It was observed that there is a significant difference in the job satisfaction of private bank employees with respect to their job hierarchy. The employees of top management were dissatisfied but the employees of senior management, middle management and junior management were satisfied with their job.

Recommendation

1. 4/5th of the employees had the positive experience with downsizing but the employees of top management had the extreme negative experience,

Table 4: ANOVA results to Measure Difference in Job Satisfaction of Bank Employees according to Job Hierarchy

Source of Variation	Sum of Squares	Degree of Freedom	Mean Sum of Squares	F-Ratio	p-value	Result
Between Samples	1036.87	3	345.624			
Within Samples	13358.8	403	33.148	10.427	0.000	Significant
Total	14395.7	406				

Level of significance = 5%

so the private banks should analyze the reasons behind negative experience and those reasons should be addressed positively:

2. 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 lay off them they can be retained at lower packages or on part time basis their services can be availed.

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