Achieving Downsizing: Managerial Perspectives

Ernesto Noronha
Premilla D'Cruz

The restructuring of organizations through downsizing is a significant phenomenon in the contemporary global business scenario. But academic research on the subject has focused limited attention on important stakeholder group, namely, the managers implementing the programmes. The article reports a qualitative study of managers in an Indian firm. Thematic analyses of narratives pointed out that managers' experiences comprise three core themes which included the objective aspect of the experience (events, processes, tasks, outcomes), the subject component (opinions, perceptions, feelings) and coping. Linkages among these themes and their sub-themes provide a conceptual basis for further research.

Introduction

Starting with factory closures in sunset industries during the recession of the early eighties, downsizing has turned into one of the inevitable outcomes of living in a global world where continual adjustments to products, services and the price of labour are needed to remain competitive (Kets de Vries and Balazs, 1997). Doherty (1997) maintains that today even patriarchal organizations offering lifetime employment and security have not gone unscathed from the repercussions of redundancy. This has led to the rhetoric that change is constant and insecurity is the doctrine of the decade. Downsizing, the planned elimination of positions or jobs, seems to have become a favourite business practice for a large number of corporations. It has become synonymous with other terms used to describe organizational change, such as rightsizing, reorganization, restructuring and rationalization. Further, it is associated with the impetus to improve organizational productivity, earnings, effectiveness and efficiency through an intentional set of activities which result in a reduction of employee numbers, lowering of overheads, decreases in bureaucracy, improvements in decision making and smoothening of communication. The

Ernesto Noronha is Assistant Professor at the Indian Institute of Management, Kozhikode.
Premilla D'Cruz is Assistant Professor at the Indian Institute of Management, Kozhikode.

major raison d'être of downsizing, however, is to make a company more efficient than its competitors (Kets de Vries and Balazs 1997).

Review of Literature and Theoretical Framework

Several studies have been conducted on the phenomenon of downsizing. Downsizing has resulted in feelings of job insecurity, anger, job stress, decreased loyalty and organizational commitment, lowered motivation and productivity, and increased resistance to change (Brockner et al. 1987; Isabella 1989; O'Neill and Lenn 1995). Financial distress and previous attachment to the job seem to have the greatest negative impact (Leana and Feldman 1990). For the victims of downsizing, losing a job often evokes reactions comparable to the experience of the death of someone close (Greenhalgh and Rosenblatt 1984). Feelings of desperation over job loss may even culminate in violence or self-destruction (Kets de Vries and Balazs 1997). Some researchers have explored the defensive reactions aroused by the downsizing process. A common reaction is that of denial (Noer 1993). Studies on displacement or VRS (voluntary retirement schemes) in the Indian context highlight the acute distress that workers and their families experience. Not only are they unprepared to accept involuntary unemployment but they find it difficult to get re-employed, because of lack of skills, oversaturation of the labour market, lack of awareness of opportunities, or age-related factors. Depletion of savings and benefits lead to falling standards of living and vulnerability, besides impeding the well-being (and hence, employability) of offspring. Loss of

self-esteem and meaning in life is also acutely felt (Barse 2001; Noronha and Sharma 1999; Patel 1988; Sharma 1983). Further, the major issue for survivors and victims of downsizing has been the psychological contract. Downsizing breaks the implicit psychological contract between employers and employees, where lifetime employment is exchanged in return for hard work and loyalty. Organizational downsizing is a strong stress-inducing factor that has a profound influence on the work behaviour and attitudes of the remaining workforce (Brockner 1992).

Kets de Vries and Balazs (1997) point to the need to focus on those who execute downsizing programmes. This often unpleasant task can have a considerable emotional impact. For many, it is an activity that contradicts their basic outlook toward business life. Thus, they have to cope with the double burden of their own emotional reactions and those of other survivors. They have to deal with major change while experiencing it. Knowdell et al. (1994) state that the firing manager is the most uncomfortable player in the termination arena. Managers report guilt, discomfort and depression. Many supervisors avoid conducting the termination and often delegate this task to the human resources (HR) department. Downsizing is difficult for executives, because they often have to discard the values and belief systems that furthered their own advancement up the organizational career ladder in the first place. Many executives become quite detached and resort to focusing on projected organizational outcomes. They distance themselves from their employees to avoid criticism and antagonism. Besides, very often, senior executives make survivors feel guilty and work harder by telling them to be grateful for being able to keep their

jobs. This stand creates resentment and may result in oppositional behaviour.

The Process

Knowdell et al. (1994) highlight that in the old days of supervisory training and management development programmes, managers were taught interviewing and hiring skills, but in this new age of frequent downsizing, it is important for them to learn how to lay off staff humanely and compassionately and to handle the emotions that are expressed. In this regard, Applebaum and Donia (2001) state that the reasons underlying the decision are critical for gaining employees' confidence and understanding of the need for the process. Further, the duration of the downsizing process and how frequently such restructurings take place may have a fundamental effect on surviving employees, given that lay-offs are traumatic experiences. The assistance provided to terminated employees is also of considerable relevance. Treating terminated employees with care, dignity and respect indicates to surviving employees what they could expect if they faced the same predicament.

Hopkins and Hopkins (1999) indicate that there is an inherent conflict in the concerns that top management have to act in the best interest of the firm and at the same time not violate the rights of employees. Often, decisions made by the top management to adopt and implement the downsizing alternative, with the objective of ensuring the financial health of the firm, are in the interest of the firm's owners, and the ethics of downsizing are not likely to be a conscious consideration as the top management formulates downsizing decisions. This ethical dimension of downsizing considers whether employees

are provided with a reason for the downsizing, are given adequate advance notice, and are intimated through formal/informal/extra-organizational channels. The accuracy of the information provided by managers is another significant factor, and should be accompanied by empathy and a sincere desire to address concerns of employees (Applebaum and Donia 2001).

Knowdell et al. (1994) advise that the termination process should be conducted in a business-like manner with only the two concerned people (that is, the manager and the employee) present in a neutral room. If the manager conducts the session in his/her own office, it is very difficult to end the session and get on with his own business if the employee is in a very emotional state. Every effort to ensure privacy should be taken. Even when large groups are affected, the attempt to give the initial notification in private must be made. Moreover, it is important for the chief executive officer (CEO) to talk to individual or groups of employees at all, or most, company locations, about business imperatives, steps for remediation and desired end result, while the human reource manager must talk about the severance pay, benefits and the search assistance available for affected employees. Middle managers have to explain business and economic problems that precipitated the situation, other cost-reduction measures instituted or considered and why, the impact on other departments, groups which are specifically affected and changes in functions and responsibilities. Besides this, a written press release, not only highlighting the economic viability of the company, but also embodying a spirit of concern for employees and for the community, must be given to local newspapers. Finally, debriefing can allow managers

implementing the programme to ventilate and dissipate their feelings in a safe and appropriate setting.

The article draws on a larger study which examined the process of downsizing from the perspective of managers implementing the programme in two organizations in India—Companies A and B. For the purpose of the present discussion, findings from only one organization (Company B) are included, though references to Company A are made as required, since the two organizations were linked in the supply chain, besides being sister concerns.

Background of Company B

The organization under study, henceforth referred to as Company B, came into existence in December 1922. The company produced tinplate through hot pack rolling and hot dip pinning. The company had six hot dip plants (HDPs) in 1951, to which it added one more plant in 1957, raising the capacity from 60,000 tonnes to 70,000 tonnes per annum.

To keep pace with technological developments, Company B set up an electrolytic tin-plating combination line in 1978, capable of producing electrolytic tinplate and tin free steel. The delay in commissioning the electrolytic tinplate plant (ETP), envisaged in the early seventies, and its marginal utilization, led to the first financial crisis that the company faced. In 1980, the company's losses were Rs 60 mn and the debt stood at Rs 285 mn. The company overcame the crisis only when the government eased the import duties on tin mill black plates (TMBPs) between 1979–83 and the financial institutions wrote off Rs 30 mn and converted Rs 20 mn to equity shares.

Nonetheless, the HDPs continued to perform beyond its existing capacity. In 1985-86, the HDP produced at 118 per cent of its capacity, and in 1987–88, it recorded a production of 84,757 tonnes which was 121 per cent of the normal production. By 1989, the mills had converted to sheet production. They produced electrical stampings, galvanized sheets (plain and corrugated), and black sheets for packaging. The manually operated rolling mills were also converted to semi-mechanized mills. The ETP, on the other hand, only functioned at 54 per cent of its capacity. The re-imposition of high import duty on TMBPs continued to plague the ETP. This compelled the company to increase the selling price of tinplates considerably, resulting in many consumers shifting to other cheaper packaging mediums, since the cost of imported tinplates was considerably cheaper than those indigenously produced.

To overcome these problems faced by the ETP, Company B decided to set up a state-of-the-art cold rolling mill (CRM) in 1996. The capital expenditure on the cold rolling mill project was substantial, and therefore the company had a heavy debt servicing burden to pay in the coming years. Besides this, there was again a delay in its commissioning. The total capitalized cost for the CRM complex worked out to over Rs 3 bn. Depreciation and interest charges on account of the delay of the commissioning of the cold rolling mill project totalled Rs 231.7 mn in 1996–97. Company B reported a loss of Rs 270.2 mn for 1996–97, against a profit of Rs 43.3 mn the previous year. By the end of the 1996–97 fiscal year, the company had a term loan burden of nearly Rs 1.2 bn. The losses in 1997–98 went up to Rs 610 mn. The company notified the Board of Industrial and Financial Restructuring (BIFR) in the financial year 1998 of the erosion in its net

worth by more than 50 per cent, with accumulated losses of Rs 751.4 mn as on 31 March 1998. The HDP also began to suffer on account of shortage of raw material. Company A, which supplied the raw material, had decided to stop its production. Moreover, it was not possible to upgrade the plant any further. Financial institutions insisted on shutting down the 80-year-old HDP in favour of more advanced technologies. The company thus decided to go in for a voluntary retirement scheme (VRS), as closure permissions under the Industrial Disputes (ID) Act, 1947 had not been obtained.

Thus, the company had two plants which were at the centre of the VRS issue. The HDP was a profit-making unit whose functionality was curbed due to the lack of availability of raw material and due to obsolescence. The ETP was the second plant, which together with the CRM, was a modern unit, whose setting up had created huge debts for the company and was its main source of loss. Despite this difference between the two plants, the management of the company believed that saving the ETP was a better long-term option, as it was a modernized plant that would gain competitive advantage. The HDP, on the other hand, being outdated and its raw material being unavailable, was selected for closure. It was believed that dismantling the HDP would help to bail out the ETP in the long run.

Methodology

Broadly, the study aimed at understanding managers' experiences implementing VRS programmes in their organizations. The focus on subjective interpretations and meanings made a qualitative approach the most appropriate for the purpose of the study. This strategy would help to explore and understand experiences of respondents, bringing into focus the processes by which they create, sustain and discuss their own personal realities, and by which they interpret and respond to their social world (Daly 1992). The study used 'experience' as a developing concept as it sought to examine what experience meant to the respondents (Patton 1990). The individual, in-depth interview was selected as the method of data collection and an interview guide was developed.

Data collection and data analysis proceeded concomitantly. During data collection, the researchers would read field notes and transcripts carefully and repeatedly. This process of immersion in the data allowed researchers to identify emergent themes, categories and patterns (Crabtree and Miller 1992; Marshall and Rossman 1999). This process was facilitated through the use of various tools, such as charts, matrices, event lists, causal networks and memos (Miles and Huberman 1994). These tools were also used to examine the linkages between themes, patterns and categories, and thereby initiate interpretation (Patton 1990). Proceeding in this manner, the researchers developed various understandings (such as concepts, causal linkages, processes, and so on) of the phenomena under study. These understandings were used to inform further data collection, through which they were tested and challenged. Based on newer data, they were further developed, thereby feeding back into the analysis (Marshall and Rossman 1999). Iteration thus formed an integral part of the research process.

When all the data were collected, the researchers immersed themselves further in the transcripts and the preliminary findings.

Through the use of Miles and Huberman's (1994) tools and memoing, they not only identified more patterns, themes and categories in the data and looked for interpretations at this level, but also subsumed under major themes, sub-themes, patterns and categories and their linkages within and across respondents, that were held together in a meaningful yet distinct way. Interpretations based on this level of analysis were made.

Wherever major themes coexisted, while simultaneously retaining their singularity (Guba 1978), they were organized around core themes, which allowed for greater interpretation and deeper understanding. The two core themes emerging from the study were the components of the respondents' experiences and the factors impinging on their experiences. Figure 1 provides a conceptual map indicating the relationship between these two. The components of respondents' experiences included major themes such as the objective aspect (including processes, tasks, events and outcomes), the subjective aspect (opinions, perceptions and feelings) and coping. The factors impinging on their experience included company context, the nature of scheme offered, individual differences, worker responses and external factors. The findings not only elucidate the core themes and their related major and sub-themes, but also capture the linkages highlighted in Figure 1.

Sampling

The study was located in an industrial town in India. Sampling for the study was done at two levels: the first was the level of the organization, and the second, that of the

Figure 1
Conceptual Framework Emerging from the Study
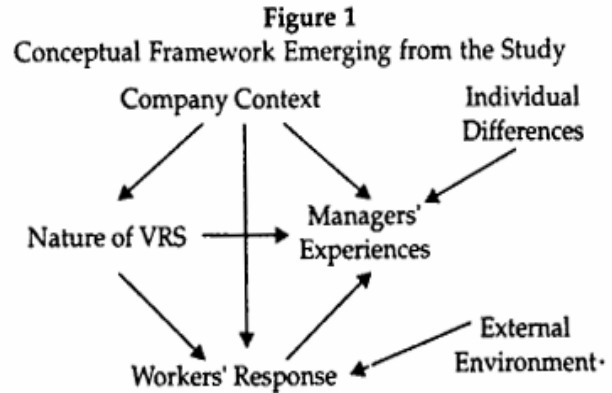
managers in the organization. Organizations were selected on the basis of the nature of their VRS schemes, such that one organization's scheme offered excellent benefits (Company A) and the other organization's scheme was less attractive (Company B).

Within the organization, participants were selected through two stages. Initially, the personnel department of each organization identified a group of people from different functional areas and at different levels of the organizations who had participated in implementation of the VRS scheme. These people were approached by the personnel department of the organizations and briefed about the study. Their willingness to participate was voluntary. The final sample could therefore be described as nominated but voluntary (see Table 1 for the profile of respondents).

The article presents the experiences of managers from Company B. As can be observed in Table 1, 12 managers from Company B (alternatively referred to as the respondents) at different levels and functions, whose ages ranged from 38 to 59 years and all of whom held post-graduate and professional education diplomas or degrees, were included in the study.

Table 1
Profile of Respondents

Age	Gender	Designation	Educational Qualification	Years of Service with Company B
38	Male	Manager (Human Resources)	Post-graduate Diploma in Personnel Management and Industrial Relations	4
58	Male	Director (Personnel and Industrial Relations)	Post-graduate Diploma in Business Management	6
49	Male	Senior Manager (Personnel)	Post-graduate Diploma in Business Management	17
34	Male	Senior Personnel Officer	Master of Business Administration, Post-graduate Diploma in Human Resource Management	9
46	Male	Senior Personnel Officer	Bachelor of Law, Post-graduate Diploma in Labour and Social Welfare	25
53	Male	Deputy Manager	Master of Arts, Bachelor of Law	28
52	Male	Chief Divisional Manager (Human Resources Development)	Bachelor of Science, Post-graduate Diploma in Business Management	27
Not known	Male	Deputy General Manager (Administration and Commercial Services)	Bachelor of Engineering	29
59	Male	Senior General Manager (Finance)	Chartered Accountant, Master of Business Administration	11
38	Male	Assistant Manager (Administration)	Bachelor of Science, Bachelor of Education, Diploma in Management	15
41	Male	Deputy Manager (Personnel)	Master of Arts, Post-graduate Diploma in Labour and Social Welfare	18
54	Male	Deputy Manager (Administration)	Master of Business Administration	17

Findings

Objective Aspect of Experience

While respondents saw the adoption of a VRS programme in Company B as inevitable, the general consensus was that while the scheme was not as attractive as that being offered by Company A, it was better than what workers would have received as compensation, had they been separated under the ID Act, 1947. They further acknowledged that though offering VRS was an unfortunate but unavoidable situation for the management, HDP had to close down if the company had to survive. Lacking the training called for in the performance of such a task, respondents reported feeling unprepared for the role enactment expected of them. An important consolation was that the company had ensured that all actions were within the purview of existing labour laws and that in designing

the scheme, they had attempted to maximize the benefits for the workers.

Events When closure of the HDP was inevitable, Company B's management made a presentation to the union, explaining to them the position of the company and the need for closure and VRS. This was seen as an important strategy to gain the support of the union. The management also worked towards a VRS scheme. To do this, they checked past records to see if there had been any such schemes in the past. A scheme from 1982 was found and modified. Further modifications were made based on workers' aspirations. The initial schemes gave a lumpsum payment. But workers indicated a preference for monthly payments, as well as some concessions for housing, electricity and training for themselves and/or their children, so these were looked into and accommodated. Sometimes, when increments were asked

for, these were also conceded (see Box 1 for details of the schemes). Overall, 2,500 employees had to be laid off. This was to be achieved in a phased manner, coinciding with the closure of each of the HDP plants.

Initially, records such as absenteeism, performance on the job, ill health, and so on, were used to identify potential VRS candidates. Targeting was perceived by some respondents as painful, since it involved singling out and intimating people that they would have to leave. During the first round of VRS, about 700–800 workers came forward and availed of the VRS under scheme 1 (see Box 1). However, the others resisted since the government had not given permission for closure. In order to attract more takers, the management of Company B redesigned the VRS package (see Box 1, scheme 2). This prompted another 700–800 workers to take VRS. However, more than 1,000 surplus men still remained on the rolls

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Box 1

Benefits under the Voluntary Retirement Scheme Offered by Company B

1. **Under Scheme 1**
   Employee of 50+ years: 75 per cent of last drawn monthly salary payable per month up to 60 years.
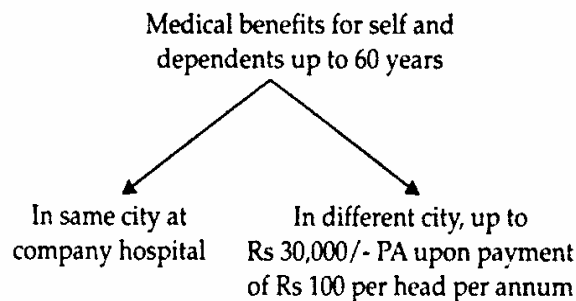   Employee less than 50 years: 75 per cent of last drawn monthly salary payable per month for 72 months.
2. **Under Scheme 2**
   Employee of 50+ years: 100 per cent of last drawn monthly salary payable per month up to 60 years.
   Employee less than 50 years: 100 per cent of last drawn monthly salary payable per month for 72 months.
3. **Medical benefits common to Schemes 1 and 2**

Medical benefits for self and
dependents up to 60 years

In same city at   In different city, up to
company hospital   Rs 30,000/- PA upon payment
                                 of Rs 100 per head per annum

Medical benefits after 60 years—for self and spouse, as per rules for retiring employees.

of the company, hoping that the government would not grant permission for closure.

The government's permission to close the plant, granted in September 1999, played an important role in management–worker relationships, since workers then realized that the management had not lied to them. The closure of the plant helped to restore the credibility of the management. By October 1999, another 700–800 workers took VRS, either through force or as a result of being convinced to do so. As a goodwill gesture, Company B then extended its voluntary retirement scheme till 27 April 2000 in order to allow the unwilling 352 employees at the HDP to take advantage of the benefits. However, it simultaneously served them with retrenchment notices. The employees on their part approached the high court, challenging the government's permission to close down the HDP, and demanded an upgradation of the present VRS offered by the company. Managers were of the opinion that if the case lingered on for a long period, about 220 of those remaining would take VRS, since their financial positions were not strong. The remaining few who had strong financial positions were expected to continue their wait. Over time, 70–80 people from this group relented and the company allowed them to take VRS.

Processes and Tasks   Following the announcement of the implementation of VRS in Company B, managers had to employ various strategies to convince workers who were unwilling to take part in the scheme, to opt for separation from the organization. Besides counselling them individually, group meetings were held to warn the workers that legal and administrative action would be taken against them, should they decide against taking VRS. Usually, union leaders would be present for the individual and group counselling. 'We would warn them that retrenchment would take place and then they would get less than what they were being currently offered', the leaders said. But from within their ranks, there was a lot of group pressure not to relent. 'If we called 10 people, a crowd would gather and dissuade these 10 from meeting us. They would tell them that there was no point of meeting us as nothing new was going to be said.'

Managers adopted the strategy of maintaining polite relations with them, regardless of their behaviour. 'Sometimes, they were very vocal. At other times, they would come, listen quietly without asking any questions and go. But we always spoke to them politely.' Respondents opined that a sympathetic, understanding approach was helpful in dealing with the workers. 'When you share their distress and are sympathetic, it helps.' The attitude adopted depended to some extent on the relationship that the manager had with the workers prior to the scheme. Those with good relationships found it easier to approach the workers, but the response of the workers remained resistant over time, and that as well as the fact that the closure of the plant left the management with no choice, often resulted in the use of force, pressure and so on by some respondents. Some managers admitted to the use of these tactics, putting them down to a lack of choice:

Our approach was very frank and undiplomatic. We left behind all professional ethics. We accepted it as a professional hazard. _____ and I were the focus of the VRS. We managed the role by dominating the workers. We would go to the plant

everyday from 7 a.m. to 8 p.m., with ready reckoners to answer their questions, and we would force them to take VRS.

Various alternatives were used. Those who refused to cooperate were threatened with transfers to lower-level jobs, in order to humiliate and force them into taking VRS: 'We used to work together, so we decided that one of us would be cool and the other tough. So I was the tough guy. It was my idea. Transfers (to demeaning jobs) were also my brainchild.' These threats worked in some cases: 'In the case of clerical staff, we forced them by threatening to transfer them to the canteen. They got convinced in two sittings.' For others, when the verbal threats did not work, they were translated into action.

We told the time office that certain workers should not be accepted from the next day—they should be marked absent in the plant register and they should be told to go to the canteen. So when the workers came to punch their card, it was not accepted. When they reached the canteen, the foremen told them to pick up all the *jhoothas* (leftover food) that were lying on the tables. After 4–5 days, they came to us to take VRS.

Another strategy was to threaten them with dismissal: 'They were told to come and take VRS. When they refused, we told them they would be discharged and dismissed, and they would get less money than (what they would get) if they took VRS.' A respondent evaluated his role by saying, 'There was nothing voluntary about it. Voluntary cases were rare. In 90 per cent of the cases, we forced them. But we never thought that we

were doing anything wrong, because we had to save the company.'

As a part of their strategy, it was common for managers to call in family members of resistant employees for counselling. It was believed that by explaining the position of the company to the family members, a decision in favour of accepting VRS would be made. Assistance and advice about investments were also given during the process of separation. People from banks and other financial institutions like IDBI (Industrial Development Bank of India) and UTI (Unit Trust of India) were called to show the separating workers how best they could invest their money.

Respondent narratives indicate three categories of responses from the workers. Those who were able-bodied and had skills that could be used outside came and took VRS on their own, since they could rely on their employability. A second category of people were unsure which direction they should choose, and counselling helped them in deciding. A third group comprised people who had liabilities and were unsure about their future employability. Workers' responses, in the second, and more particularly, in the third instances, stemmed from a variety of reasons. Social status and identity that accrue as a result of being employed, emotional attachment to the company in the case of workers who had had a long association, liabilities and responsibilities such as children's education, daughters' marriage and so on, were some of them.

In addition, these workers did not believe that the HDP would actually close down, since it was a profit-making unit. On account of this idea, workers had not transferred themselves from the HDP to the ETP when they had been given a choice of doing so

some years ago. Further, external and internal equities of the VRS package became a contentious issue. Workers expected a package similar to that being offered by Company A especially because the companies were sister concerns and the director (personnel) of the company had earlier been working with Company A. 'We had a tough time convincing them it was not possible to provide a similar package as Company A. Though we belong to the same group, our board is different, our accounts are different. So our package also has to be different.'

Internal equity became a point of controversy, because the company, in its desire to induce workers to take VRS upgraded the benefits of the scheme sometime after its introduction. As a result, workers who opted for the first scheme lost out. Being extremely upset, they held *dharna*s and agitations to mark their displeasure. The managers accepted that this was a mistake.

> VRS benefits should decrease with time because people who take it first should get some benefit out of it—after all, those who take it later are anyway getting their salary for a longer period of time. But in the company, those who took VRS first got lower benefits than those who took it later. They were very upset and we were speechless. It was a mistake to increase it.

This development spoilt the relationship between the managers and the workers. Moreover, it also sent out the message to those left behind in the company that if they deferred taking the VRS, the scheme would get even more attractive over time.

Outcomes Behaviourally, workers' responses to the managers' adoption of harsh tactics were manifested in the form of threats and abuses towards the management. It was apparent from respondent narratives that receiving threats and abuses had become a way of life for them:

> There was bitterness and abuse, but no assault. I received some phone calls. Some were anonymous—they would abuse you and put it down. I also got calls from the police telling me not to pressurize workers, but I told them that the workers would have to go sooner or later.
>
> They would gather in groups outside the gate and when I would pass in my car, they would make comments, 'He is management's chamcha'. They even followed my car once for some distance.

Some of the managers reported being attacked. Night soil was thrown into one officer's cabin and his car was stopped. 'One guy tried to stop my car. Two guys hid in a bush in my compound and threw stones at me.' Well-wishers among the workers, even though they too had had to take VRS, would often be the ones to give the tip-off about likely attacks. Death threats were also received: 'I received death threats. When that happened, I felt that if it is what God has in store for me, it will happen. You will die on the appointed day. So there was nothing to be afraid of.' In some cases, the family members also received threats. One manager reported: 'My wife got threatening calls with very abusive language. I told her to answer in the same manner.' Another said:

> My wife walks to work and during the time of VRS, she felt that workers passing her on the road were making comments. The MD (Managing Director) got to know

about this and told me that she could use the company car to go to work. I refused because I felt that the workers would feel that we were scared—it would give them the wrong signals.

Since the situation was very volatile and sensitive, threats were taken seriously. Various steps were initiated to ensure the safety of the managers. For instance, managers kept high-level police officials informed about developments. 'I had good contact with the superintendent of police and this helped me.' Some managers had to go into hiding or leave the city to ensure their safety. They had to stay away from their homes for a while as cases were registered against them and warrants for their arrests had been issued. Movements of the respondents were curtailed: 'Even driving about was difficult because people would stare in a hostile manner, and sometimes pass remarks. Because of the threats, I had been warned not to move around alone or I would be assaulted.' By and large, the strategy used was to keep the news of receiving threats a closely guarded datum. It was generally shared only with the top management. Support was forthcoming from this quarter. The management would offer the managers security cover, transport, alternative accommodation for temporary periods, and was even willing to extend this support to their families, if the latter were receiving threats. But maintaining secrecy was seen as important because there was a feeling that if word got around, then it would give the impression that the recipient was afraid, or would result in more threats. This was also one of the reasons that managers refused the security cover that the management offered them. 'We did not want the word to spread around that any of us was

getting threats because we felt that this would only increase the number of calls, or give the impression that we were afraid.'

Follow-up The personnel department of Company B did not have any system of follow-up to keep track of the displaced workers and their welfare. Moreover, due to the negative feelings with which many workers left and the threats that managers faced, the latter did not find it feasible to follow up on the workers even informally, though they were concerned about the workers' welfare. The attitude, therefore, was to let workers take the initiative to keep in touch. So follow-up took place if workers approached for help, if managers met workers at public places, or if workers of their own volition came and reported their present predicament to the managers. At the same time, managers sometimes got news about laid-off workers from those currently with the company.

Respondents observed that the state of the workers in the post-VRS phase varied between good and bad. Those who had been able to manage their money properly were doing well. But there were those who had squandered it and were in trouble. Some people had got alternative employment, at times in the Middle East. Others had returned to their native villages where they were involved in farming. It was also believed that negative feelings had, in many cases, subsided with time.

Subjective Aspect of Experience

Opinions and Perceptions Respondents underscored that their participation in the VRS programme posed a grave dilemma especially for the personnel managers. They had been

trained to see their role as one of giving employment and developing people, but the VRS programme demanded actions to the contrary. 'My role was to give employment and here I was telling people to go.' A senior manager contrasted his involvement in VRS with his earlier task of recruitment. 'In _____ (the previous job), I was in charge of employment and I gave employment to 6,000–7,000 people. Here, I am removing people.' That respondents felt a sense of discomfort with their task came through clearly from their stories. 'We would wonder what kind of a profession we were in which causes so much of distress. It was very frustrating.' Moreover, managers, especially junior ones, stated that nothing in their training had prepared them for such a role. For senior managers, the role was balancing management and union. 'I had to see both sides and represent both interests.'

At the same time, respondents were fully aware that regardless of their opinions and feelings, they had no choice but to do this task. Refusals to do so would put their own positions at risk. Therefore, they preferred not to think too much about it, because if they did so, they would not be able to proceed with the task at hand, and such a development would cost them their livelihood, career, and so on.

Neither the emotional distress nor the receipt of threats led the respondents to contemplate quitting their jobs, despite such requests from their families. 'My family was urging me to leave the job as things were quite dangerous. But I did not want to leave the company when it was going through this phase. I wanted to prove that we could manage the situation.' One respondent reported an instance when sarcastic and reproachful comments from the top management made

him feel unappreciated despite his hard work, and hence he decided to quit.

Among the workers, there was a person suffering from kidney ailment. _____ (a senior manager) told me that this person was a white elephant whose treatment was costing the company too much, so he should go. So I gave him VRS. Recently, he came back to _____ (the same senior manager) and asked for more medical facilities. _____ asked him, why did you take VRS? He said that I had given it to him. So I was called and questioned. I had been told to give it to him and now I was being chided for doing so. At that time, I felt I was utilized by management and workers were also blaming me—so I handed in my papers.

Feelings Mixed feelings were reported by all the respondents. All the respondents believed that their participation in the implementation of the VRS programme was saving the company and this made them feel that it was worth the pain. There was a feeling that at least some good came of such a disconcerting task. 'That we were saving the company, saving 1,800 people's jobs made us feel better about what we were doing.' One manager admitted that the feeling of power that came with the performance of such a role was an enjoyable one, at least initially. 'In the initial days of the programme, I enjoyed it. I used to say that I had played 50 runs today, 40 runs today. I was enjoying it as if I had won a battle.' But negative feelings stemming from a distaste for one's role, empathy with the workers, and a sense of helplessness, were strong:

To tell someone not to come from tomorrow is very awkward—this had never

happened in the company before. I never liked the role. People had left their homes, their villages to come here and work and they were now being told to go. Where would they go? It was a situation where one did not know how to swim but was pushed in the pool. But we had to tell them to go because if these 2,500 did not go, the rest of the 1,800 would also have to follow. Even the MD felt sad that it had to be done in his time. But there was no choice. If the market was not ready to accept the materials, we would have to close down the plant.

Personally, I was feeling very bad. I knew that they were good workers, disciplined people ... but because the mill closed down, they had to go for no fault of their own. Their family would suffer. People who were young, what would they do? I felt a lot of pity. It was very painful but we had to do our duty.

The fact that the managers had earlier shared good relations with the workers, contributed to the stress. This was particularly acutely felt by managers who were native to the city and had a wide and long-standing social network:

One felt like an island surrounded by hawks. People who had so much respect for one earlier and would want to share tea with one, now lost faith. Earlier, people would be offended if one did not attend a family function, but now one had to avoid going for these, because of the hostility, the threats. Sometimes, they would show respect on the face, but one knew the feelings beneath. One was an outcaste in society.

The perception that the task at hand was difficult was true for all the managers. Various factors contributed to this perception:

When people joined the company, they believed that they had security till the age of 60. This scheme destroyed their feeling of security. Moreover, the company had always promoted the concept that it was a family, so telling a family member to go is no easy task. Moreover, this is a small town and it is difficult for them to find alternative employment. One could only sympathize with them but implementing the scheme was difficult. One could imagine what they were going through, what must be happening in their families. My role was to give employment and now I was taking it away. But we could only empathize with them. We could do nothing about it.

The managers' personal and family backgrounds and values also influenced the reaction.

I come from a family where my parents were freedom fighters—they gave up service to be freedom fighters. They are doing social work now. They believe in value-based politics. I do not have even 1 per cent of their character. I wanted to be the guide of the workers. I wanted to understand them. I wanted to be a welfare officer and not a bad personnel officer. I wanted to give employment and not snatch it away. But I did not want to desert the company at this point of time either. So the work brought maximum challenge and maximum pain.

Empathizing with the workers was what made the task of executing the scheme difficult, yet at the same time facilitated a human touch.

> We always had good relations with the workers, but it is only natural that they should respond like this. When something as severe as losing one's job happens, the negative will shadow the good things. He will be obsessed with the thought that this person is taking my job—he is blinded out. Even children of the employees will have negative feelings about us.

The receipt of threats and abuses did evoke a sense of fear in some respondents, but the strategy of all those receiving threats and abuses was never to show that they were afraid. A few managers maintained that they had no fears for themselves, but were concerned about their families: 'I was scared only for my wife and what she would do (if anything would happen to me). She would be helpless.' Some managers felt that protecting their families from what was happening meant sharing only limited information with them: 'We told our families only to the extent that they needed to know. Beyond that we did not tell them as it would only create panic. Like I never told my family about the death threat.' But others believed that maintaining secrecy was not feasible, as this city had a high density of social networks. Moreover, living in the company township, and given the media coverage, it was not possible to fully shield the family from what was going on. Hence they preferred to inform them about everything: 'I told my wife everything that was happening as I wanted her to know it from me and not from others.'

Coping

Through their narratives, it was obvious that respondents were relying on a variety of strategies to cope with their experiences. Rationalizing that they had no choice in the matter and compartmentalizing their work and their feelings were frequently cited defence mechanisms. 'I had no choice but to do it. Otherwise my own job would be at stake. This kept me at it.' 'I used to feel very bad about what I had to do, but I would try not to think about it—that was the only way.' Hobbies and spiritual leaning were referred to: 'Listening to music, reading, watching TV would get my mind off it. I would pray also. I believed that what had to happen would happen.' Support from the company as well as from the family was significant in facilitating coping. Respondents were unanimous that the MD of the company provided the greatest support.

> He was thoroughly involved in it. He would meet us daily and discuss the various issues facing the company, the problems that we faced in implementing the scheme. He would help in finding solutions to the problems. He was solicitous of our personal safety and that of our families. Once we had his support, we required nothing else.

The Director (Personnel and Industrial Relations) personally supervised the operation. He controlled and coordinated the effort, dealt with the hard core people, and joined the teams interacting directly with the workers. There was a lot of support from colleagues too, especially with regard to the threats, abuses and assaults. Overall, the

coping strategies adopted by the respondents largely facilitated emotion-focused coping. Being unable to alter the situation, managers coped through their perception of their circumstances, regulation of their feelings, and to some extent, through trying to give a laid-off employee the maximum benefit.

Discussion

Kets de Vries and Balazs (1997) state that communication is probably one of the most significant aspects of the downsizing process. By being accessible and interacting frequently with employees, the management is in the position to provide reassurance to those in need of it by clarifying the situation and being honest and open about its consequences. In this regard, the MD of Company B talked to individuals or groups of employees about the business imperatives, steps for remediation and the desired end result. He also addressed family members who had *gheraoed* him. The human resource managers spoke about severance pay and benefits that employees would continue to receive. They also set up counters where bankers were invited to advise workers on their investments. Besides this, press releases were given to local newspapers about the impending closure and the need for it. However, one should note that even communication becomes ineffective if the reality (or the way reality is perceived) is contradictory. In this case, that the HDP was profitable as compared to the ETP which was struggling, made it difficult for the workers to believe the management's stand that the HDP would be closed down.

Managers in Company B were ill-prepared for their role, as none of them had implemented a redundancy programme earlier. For example, dealing with the issue of equity was a challenge for them. Appelbaum and Donia (2001) state that the key to this is the role of perceived fairness in the amount and allocation of rewards among individuals. Initially, at Company B, issues like external equity were raised, since a sister concern was giving the workers a better deal than what Company B was providing. When the management improved upon its own scheme, those who had accepted the first scheme protested that they had been treated unfairly. These developments complicated the tasks of the managers. Given that the compensation was not competitive, the managers used force to make workers accept VRS. Workers were asked to do humiliating jobs and coerced into accepting VRS. Redundancy allowances at market rate would therefore ease the tension or reduce the unethical practices that managers resort to.

Having to resort to such tactics validates Kets de Vries and Balazs' (1997) stand that the people dimension is often left by the wayside in implementing downsizing programmes. It also gives credence to the long-standing view held by workers that there is nothing voluntary about VRS in India, especially in the private sector. Yet, managers who formulate or implement downsizing decisions may not perceive these dimensions of downsizing as being unethical (Hopkins and Hopkins 1999). For the managers implementing the VRS programme at Company B, for instance, this was the only way in which the company could be saved. That participating in the implementation of the VRS programme

unleashed affective reactions in the managers, further complicates the situation. Respondents reported feelings of satisfaction that they were helping to save the organization and secure the interest of part of the workforce. But at the same time, they were distressed at having to bring bad news to people, to irrevocably change their lives and adversely affect their families. Respondent narratives underscore the challenge they faced in terms of executing the programmes, while simultaneously managing their feelings. Yet, they had no choice if they had to retain their own jobs and survive economically. In this context, Doherty (1997) states that downsizing is often legitimized as a 'necessary evil'. Kets de Vries and Balazs (1997) hold that one of the most crucial factors determining the outcome of the downsizing process is the executives' behaviour toward the victims. By providing the victims with tangible caretaking services (such as outplacement consulting and psychological and career counselling), actively trying to help them find new jobs, and assisting them in bridging the transition period, the management can make the best of a precarious situation. Except for providing financial advice, none of this happened at Company B.

Managers often recounted instances where they or their family members had been abused or had received threatening calls, their cars had been stoned, and so on. This is contrary to Collinson's (1994) stand that despite the ever-present shopfloor opposition and resistance to authority, when management announced large-scale redundancies, no

actual resistance emerged. Workers in Company B resisted and demanded changes in the benefits that were being provided. Besides this, social status and identity that accrued as a result of their job, emotional attachment to the company in the case of workers who had had a long association, liabilities and responsibilities, such as children's education, daughters' marriage, and so on, were some of the other reasons for putting up resistance. In Doherty's (1997) view, work is a social activity which not only provides a means of existence, but is a source of social identity and status. Because of the various functions of work, redundancy may lead to loss of confidence and dignity, anxiety and despair, especially where there are poor social security provisions.

Finally, the study also examined the coping strategies used by the managers. Defence mechanisms, such as rationalization and compartmentalization, as also spiritual leaning, cognitive restructuring, affective blunting, reliance on social support systems and mental relaxation through hobbies, were commonly resorted to. Essentially, these strategies served as emotion-focused coping mechanisms, helping respondents to deal with their feelings and cognitions, rather than actually changing the situation (problem-focused strategies), since the latter would involve dissociating from the job. As a result, coping had limited efficacy and allowed for only a low level of mastery over the situation. Respondents continued to grapple with the feelings even after the VRS programmes had ended.