

Labour Force Reduction's Influence on Financial Performance of Manufacturing Companies: A Case Study of Playtime Manufacturers (2011 – 2016)

Newman - Wadesango¹ Gwangwadza D.C.,² Charity Mhaka³, Ongayi Wadesango⁴

Abstract: The objective of the study was to determine the influence of employing labour force reduction initiatives on financial performance of manufacturing companies. The researchers adopted a quantitative methodology. Primary data was collected from the total target population through questionnaires. A census was used to ensure that there was no bias and that findings could be generalised to the entire organisation with accuracy. The first major finding was that manufacturing companies in this developing country use layoffs, furloughs, outsourcing and delayering as labour force reduction methods. The second finding was that employees had adverse emotional reactions after labour force reduction initiatives, however, the emotions did not manifest to physical reactions such as strikes and employee turnover. The final finding was that labour force reduction is positively related to financial performance as measured by Return on Total Assets (ROTA). This research will enable organisation seeking to implement labour force reduction measures to critically assess method, effects and factors to consider before selecting a method best suited for their organisation. The study will add to literature on labour force reduction and performance of an organisation. The research will assist future students researching on labour force reduction as well as academics.

Keywords: labour force; financial performance; manufacturing company; reduction

JEL Classification: E4; Q55

1. Introduction

This study attempts to corroborate the influence of labour force reduction on financial performance of manufacturing companies in a developing country. Despite

¹ University of Limpopo, Centre for Academic Excellence, Turflop Campus, Republic of South Africa; Address: University Rd, Mankweng-B, Mankweng, 0727, South Africa, Tel.: 0027152683161, Corresponding author: newman.wadesango@ul.ac.za.

² Student, Midlands State University, Department of Accounting, Zimbabwe, Address: Gweru, Zimbabwe, E-mail: gwangwadzac@msu.ac.za.

³ Lecturer, Midlands State University, Department of Accounting, Zimbabwe, Address: Gweru, Zimbabwe, E-mail: mhakac@msu.ac.zw

⁴ Lecturer, School of Education, University of Limpopo, Turflop Campus, Republic of South Africa; Address: University Rd, Mankweng-B, Mankweng, 0727, South Africa, E-mail: ongayi.wadesango@ul.ac.za.

the on-going use of labour force reduction, literature and research on this approach continue to yield mixed results. Advocates of labour force reduction (Segers, 2016; De Meuse & Dai, 2013; Papps, 2014; Deckert, 2013; Wadesango et al., 2016; institute of management accounting, 2013; Yu, Chern & Hsiao, 2012) highlighted how labour force reduction improves the performance of an organisation by making it leaner, aiding efficient productivity, efficient communication and lowering labour costs. On the other hand, scholars against downsizing (Sundry, Latreille & Ashman, 2016; Wadesango & Wadesango, 2016; Goesaert, Heinz & Vanormelingen, 2015; Anderson & Lewis, 2014; Modreck & Cullen, 2013; Rehman & Naeem, 2012; Holtom & Burch, 2016) assert that the practise yields undesired results which include low morale, job insecurity on surviving employees and disruption to organisational routines. Literature against labour force reduction has had a human resources point of view focusing on the well-being of surviving employees while the main objective of labour force reduction is to improve the performance of an organisation. This research aims to analyse the influences of labour force reduction on the financial performance of manufacturing companies operating in a developing country.

1.2. Background

Playtime Manufacturer is a private limited clothing manufacturing company established in 1974 as a manufacturing entity for knitwear. After incurring an operating loss of \$99,099.00 in 2011, the organisation decided to scale down its operations by reducing the labour force and restructuring the organisation to make it leaner, competitive and improve performance (Board meeting minutes, 2012). By 2014, Playtime Manufacturers had reduced its labour force by 115 employees (52.27%) from 220 in 2011 (Human resource management reports 2011 – 2014)

The downsizing exercise reduced the payroll costs by 38% from \$810,525.00 in 2011 to \$499,244.00 in 2014 (Playtime Manufacturers management accounts). The production manager stated (production reports for 2013 and 2014) that although the payroll cost was reduced, the cost saving exercise was countered by an inefficient use of raw materials and adverse labour efficiency variance. The Production manager highlighted that the adverse raw material usage variance and manufacturing costs were attributable to abnormal wastages and 50% of production lines failing to meet production targets due to diminished workers' morale and reduction of skilled personnel on the production floor.

After the downsizing exercise, Playtime Manufacturer experienced a revenue decline of 45%. The Sales and merchandising manager highlighted in the sales report (2014) that the decline in revenue in 2013 and 2014 was attributable to failure to meet demand, lower products being available for sale and few sales and marketing personnel to secure customers.

2. Labour Force Reduction Methods Implemented

Saundry (2016) defines the term labour force reduction as the process of eliminating jobs within an organisation that are often but not necessarily accompanied with the dismissal of the job incumbents with the goal of improving firm performance. Labour force reduction is often used interchangeably with terms such as retrenchment or redundancy but, while it frequently works hand in hand with those processes, it is not limited to those processes but can be achieved through alternative restructuring activities such as outsourcing, recruitment freeze, furloughs, short time working and pay cuts (Bragger et al., 2015; Wadesango et al., 2017; Wadesango et al., 2017). The following section will explore the methods of labour force reduction implemented by organisations.

2.1. Layoffs

Ivancevich and Konopaske (2013) and Pearce and Robinson (2015) point out that reducing the number of employees in an organisations is the focal point of layoff strategy aimed at reducing the number of employees in order to stem survival in predicaments threatening the survival of an organisation. Vapnek (2017) asserts that laying off employees is a quick way of cutting labour related costs when an entity is failing to be competitive. This notion is supported by organisational turnaround literature such as the work by Brauer and Tomi Laamanen (2014); Tangpong, Abebe and Li (2015) which suggest that downsizing exercises such as layoffs indeed assist an entity to successfully restore its financial performance. Vapnek (2017) stresses that timely manpower adjustment strategies such as layoffs are optimal for improving output performance for an organisation facing communication difficulties. This is supported by Anderson and Lewis (2014) who emphasized the surfacing of efficient communication and diminished bureaucracy after implementing layoffs as labour force reduction strategies which disrupt the normal pattern of behaviour. De Muese and Dai (2013) aver that layoffs assist organisation to improve their financial performance in the long term.

2.2. Furloughs (Unpaid Leave)

Vapnek (2017) and Saundry (2016) bring to light the effectiveness of furloughs as a labour reduction strategy as it reduces expenditure by placing employees in a non-work and non-pay position, when faced with discontinuous events such as natural disasters or economic calamity. Zvonicek (2012) emphasizes that having employees take unpaid leave is an effective cost cutting measure as payroll costs constitute the bulk of operating expenditure incurred by organisations. Vapnek (2017) concur pointing out how reducing the number of hours worked assist an organisation to ensure that hours worked are productive and to reduce labour related cost thereby enhancing profitability and competitiveness of an organisation.

2.3. Outsourcing

Antonioli et al. (2015) and Agrawl and Hall (2014) concur that outsourcing is a labour force reduction strategy that assists an organisation to reduce costs and improve production efficiency in production and the quality of products. There is a significant positive relationship between outsourcing and industrial productivity and innovation process performance. The positive relationship is accompanied with cost savings and cost efficiency (Oke & Kach, 2012; Arvanitis & Loukis, 2012; Wadesango et al., 2017). This is supported by Antonioli et al. (2015) who emphasized that externalisation of high value added activities such as research, development and HRM results in productivity growth. Zvonicek (2012) accentuates that an organisation can save on labour force costs and unit costs of production when it takes on the outsourcing route. Oke and Onwuegbuzie (2013) emphasized that outsourcing is ameliorates an organisations product innovativeness as externally contracted service provide seek to advance and differentiate their services to maintain their service contract.

3. Research Methodology

The study adopted a quantitative research methodology. Nueman (2014) asserts that quantitative methods tackle the challenges of biasness associated with qualitative research by maximising objectivity and replicability of findings. The target population in this research included the production department, sales and accounting departments of Playtime Manufacturers which has a total of sixty-one (61) employees. The researchers used questionnaires to collect first-hand information from the employees at Playtime Manufacturers. The researchers made use of bivariate correlation analysis functions available in IBM's statistical software package for sciences which are Pearson's co efficient correlation and simple regression to uncover the relationship between labour force reduction and the performance of playtime manufacturers.

4. Data Presentation and Analysis

In this section the researchers presented information gathered by the use of questionnaires. For each question results were firstly presented in a 5 point likert scale Table accompanied with brief descriptions of responses, secondly results were presented in a 3-point scale table and graph accompanied with an explanation of the meaning of the responses given by respondents when restricted to a 3-point scale. Finally, the mode responses were provided for each question with explanations of the results meaning and additional scholarly support was provided.

4.1. Labour Force Reduction Methods Used by Playtime Manufacturers

4.1.1. Layoffs

Question number 4.1 intended to determine whether layoffs were used as a labour force reduction method by Playtime Manufacturers. Table 1.1, Table 1.2 and Figure 1.1 below provide a comprehensive presentation of responses to question number 1.1 on the use of layoffs at Playtime Manufacturers as a labour force reduction method.

Table 1. Response to Layoffs question

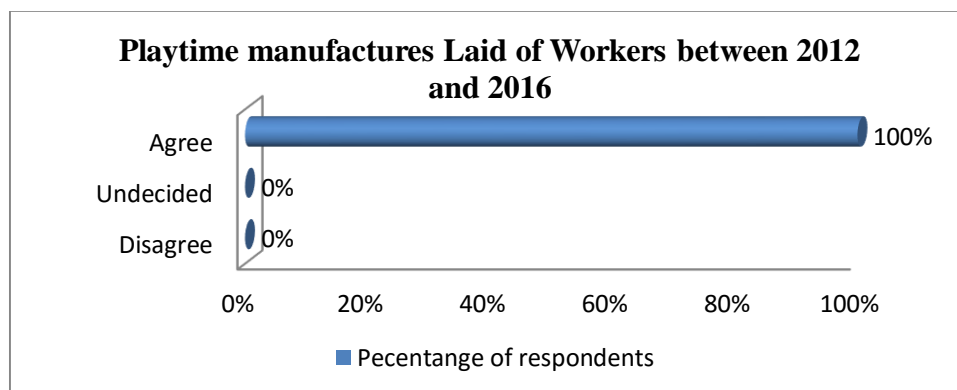
Question 4.1: Playtime Manufacturers Laid off workers between 2012 and 2016		
Available Responses	Respondents	Percentage
Strongly Agree	23	37.70%
Agree	38	62.30%
Undecided	-	-
Disagree	-	-
Strongly Disagree	-	-
	61	100%

Results in Table 1 above illustrate how 23 out of 61 respondents (37.70%) of the respondents strongly agreed that Playtime Manufactures adopted layoffs as a labour force reduction method between 2012 and 2016 which means that employees were certain of Playtime Manufacturers layoff habits. 38 out of 61 respondents (62.30%) agreed that Playtime Manufacturers laid off employees between 2012 and 2016 which is indicative of Playtime Manufacturers' use of Layoffs as a labour force reduction method. None of the employees felt that Playtime Manufacturers did not use layoffs as a labour force reduction strategy as illustrated in table 1 above, seeing as there are 0 out of 61 respondents that disagreed with the statement meaning that none of the employees refused layoffs as a labour force reduction method implemented by Playtime Manufacturers. 0 out 61 (0%) of the employees strongly disagreed with the statement that layoffs were used as a labour force reduction method by Playtime Manufacturers. 0 out of 61 (0%) of the employees were undecided showing how all employees were certain about Playtime Manufacturers use of implementation of layoffs without a shadow of doubt.

The results were further narrowed down to a three-point scale and critically interpreted and analysed to establish the meaning of the results and carefully linking the findings to literature as presented in table 2, figure 1 and the section below:

Table 2. Response to Layoffs question (Limited to 3-point scale)

Response	Agree	Undecided	Disagree
Respondents	61	0	0

**Figure 1. Graphical presentation of responses to Layoff question**

When limited to the three points scale an overall 100% (61 out of 61) agree with the statement that Playtime Manufacturers laid off employees between 2012 and 2016. This suggests that Playtime Manufactures used layoffs to reduce its labour force. The finding reinforces statements by Maodzwa (2016) and Mugabe (2017) who mentioned that organisations in Zimbabwe have been vigorously laying off employees in a bid to reduce labour costs and improve financial performance. Scholars which include De Muese and Dai (2013) and Vapnek (2017) support Playtime Manufacturers' practise of laying off employees suggesting that employers that lay off employees to reduce labour related costs enjoy improved financial performance due to reduced payroll costs and higher returns on reduced human capital. Yu, Chern and Hsiao (2013) also mention how employers' propensity to lay off employees has increased in recent years as they seek to reap benefits such as improved communication and production efficiency which is associated with leaner organisational structures that surface after cutting off superfluous employees.

0% (0 out of 61) employees were undecided as illustrated in table 3 showing how all employees were certain of Playtime Manufacturers' initiatives to layoff employees. This suggest that employers are not scared away from exercising layoffs as indicated by scholars such as Zorn et al. (2017) that pointed out the risks of bankruptcy and the practise potential to prevent the likely hood of turnaround success due to an organisation wrong sizing itself and retrenchment costs associated with the practising. 0% (0 out of 61) employees disagreed reinforcing the fact that Playtime Manufacturers did in fact lay off employees and all employees in the census were aware of that fact. Employees' awareness of organisations habit of laying off

employees was found to be true by Gansler (2016); George (2014) and Wadesango et al. (2017) who stated that news of layoffs has dominated the papers such that any knowledgeable and willing party is aware of current employer retrenchment trends.

The modal response was an Agree with the response occurring 61 times out of a possible 61 times. This means that irrefutably layoffs are common practise done by manufacturing companies in this developing country. The mode reinforces the statement that Playtime Manufacturers and manufacturing companies lay off employees which is in line with the notions by Ivancevich and Konopaske (2013) and Vapnek (2017) who stated that organisations that find themselves in financial distress tend to resort to laying off employees to cut back on labour force costs, and inherently labour related costs. The Mode means that Layoffs are used regardless of establishments by some scholars (Ndofor, Vanevehoeven & Barker, 2013; Zorn et al., 2017; Wadesango & Mhaka, 2017) which emphasize that organisations in financial distress cannot layoff their way back to financial prosperity, companies continue to reduce the number of employees in attempts resuscitate financial performance (Tangpong, Abebe & Li, 2015).

4.1.2. Furloughs

This sub section aimed to establish whether Playtime Manufacturers utilized furloughs as a temporary labour force reduction method. Table 3, table 4 and Figure 2 illustrate employee's responses to the question.

Table 3. Responses to Furlough Question

Question 4.2. Playtime Manufacturers furloughed employees between 2012 and 2016		
Available Responses	Respondents	Percentage
Strongly Agree	49	80.32%
Agree	12	19.67%
Undecided	-	-
Disagree	-	-
Strongly Disagree	-	-
	61	100%

Results from the questionnaires reveal how 49 out of 61 (80.32%) of the respondents strongly agreed that Playtime Manufacturers utilized furloughs as a temporary labour force reduction method, which means that employees have been furloughed on a number of occasions between 2012 and 2016. 12 out of 61 of 19 (19.67%) of the respondents agreed that Playtime manufacturers furloughed employees between 2012 and 2016 suggesting supporting the 80.32% that strongly agrees. None (0%) of the respondents under census disagreed with the statement that Playtime Manufacturer Laid off employees which is indicative of the fact that Playtime Manufactures undeniably laid off employees between 2012 and 2016. 0 out of 61 (0%) employees strongly disagreed indicating that all employees were aware of Playtime Manufacturers' implementation of furloughs as a labour force reduction strategy between 2012 and 2016. None of the employees (0 out of 61) were uncertain

about the accuracy of the statement that Playtime Manufacturers furloughed employees between 2012 and 2016 meaning that all employees knew about Playtime Manufacturers' implementation of furloughs to reduce its labour force to match sales and demand.

Results from the question on furloughs were further scrutinized. The respondents' responses were tapered to three alternatives that is agree, undecided and disagree as illustrated in table 4 and figure 2 below to provide for comprehensive interpretation, analysis and linkage to literature.

Table 4. Response to furlough question (Limited to 3-point scale)

Response	Agree	Undecided	Disagree
Respondents	61	0	0

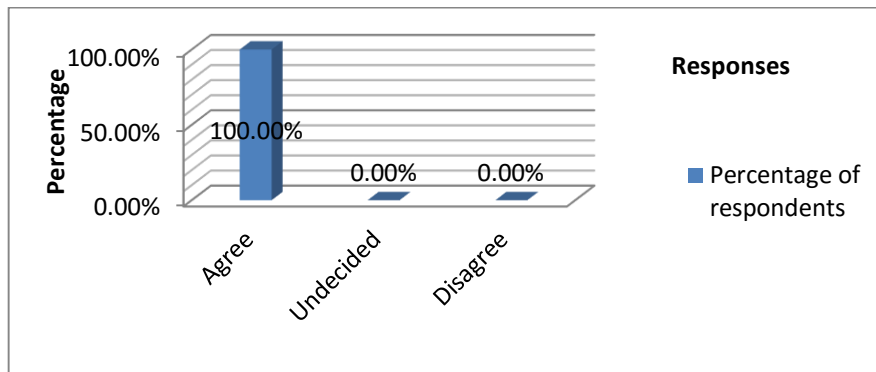


Figure 2. Graphical presentation of responses to furlough question

An overall 100% (61 out of 61) of the employees agreed that Playtime manufacturers employed furloughs as a labour force reduction method which means that Playtime sought reduced payroll cost by reducing its labour force temporarily by furloughing employees. The 100% agreement suggests that all employees felt that Playtime Manufacturers furloughed employees between 2012 and 2016 to reduce payroll cost. The finding is supported by Zvoniecek (2012) who found that when confronted with financial difficulties employers furlough employees as a temporary labour force reduction method to avoid retrenchment costs associated with layoffs but enjoy the benefits of reducing an organisation payroll.

0% (0 out of 61) of the employees were undecided which indicates that employees did not take a neutral stance. The absence of neutral responses means that employees were certain of Playtimes adoption of furloughs as a labour force reduction method. 0% (0 out of 61) of the employees disagreed with the statement that Playtime manufacturers furloughed employees between 2012 and 2016 which means that all employees noted Playtime manufactures' use of furloughs without the exception of

any employee, although the practise deteriorates job satisfaction and employees' commitment as mentioned by Shepherd (2017) and Ko and Yeh (2013). Playtime manufacturers laid off employees without the exception of any employee.

The mode response was agree which was identified with resounding 100% frequency meaning that all employee were aware of Playtime Manufacturers furloughing habits without any disagreement which is reflective of the establishments made by Shepherd (2017) and Vapnek (2017) that employers are inclined to adopt furloughs as a temporary labour force reduction measure when confronted with economic downward spiral and employees are likely to comprehend and maintain relationships with the employer as the separation is temporary.

The mode response which is agree means that manufacturing companies in this developing country indubitably furloughed employees in attempts to reduce their labour force and avoid losing their valuable employees. The mode also hints towards the fact that employers are hesitant to hastily dispose of their valued human capital when faced with discontinuous events or catastrophes to maintain relations and avoid severing ties with them.

4.1.3. Outsourcing

The following section on outsourcing intended to establish from the population whether Playtime Manufacturers outsourced some of the jobs to external service providers. Results from primary data collection are laid out in table 5, Table 6 and figure 3 below:

Table 5. Responses to outsourcing question

Question 4.3. Playtime Manufacturers outsourced employees between 2012 and 2016		
Available Responses	Respondents	Percentage
Strongly Agree	25	40.98%
Agree	36	59.02%
Undecided	-	-
Disagree	-	-
Strongly Disagree	-	-
	61	100%

The population was in general agreement with 40.98% of the population (25 out of 61) and 59.02% of the population (36 out of 61) strongly agreeing and agreeing respectively that Playtime Manufacturers outsourced employees between 2012 and 2016. 0% (0 out of 61) of the individuals in the census disagreed. 0% (0 out of 61) of the employees strongly disagreed with the statement that playtime manufacturers outsourced employees. The Lack of disagreements is reflective of the fact that without a doubt Playtime Manufacturers outsourced employees between 2012 and 2016. 0% (0 out of 61) of the employees from the census were undecided when it came to Playtime Manufacturers' use of outsourcing as a labour force reduction method suggesting that none of the employees were in doubt with regards to

Playtime Manufacturers' use of outsourcing as a labour force reduction method. Further analysis was conducted to establish the dominant response when responses were limited to three options in a three-point scale as illustrated below:

Table 6. Response to Outsourcing question (Limited to 3-point scale)

Response	Agree	Undecided	Disagree
Respondents	61	0	0

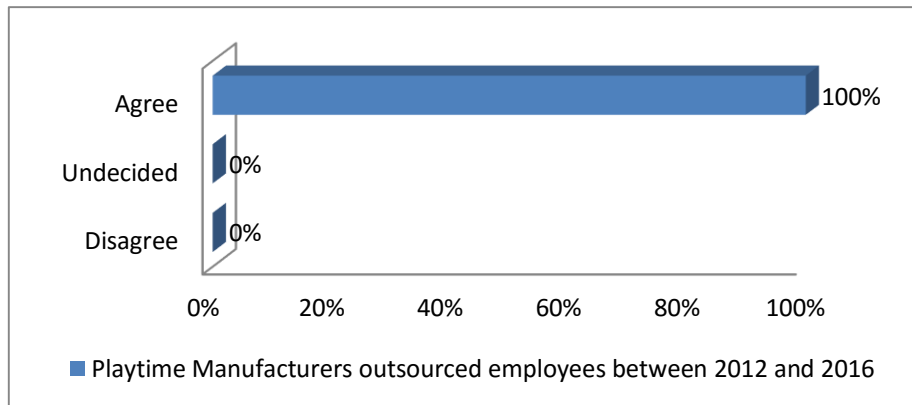


Figure 3. Graphical presentation of responses to Outsourcing question

An overall 100% (61 out of 61) of the employees agreed that Playtime manufacturers employed outsourcing as a labour force reduction method which indicates that outsourcing production processes and certain tasks was one of main labour force reduction exercises in Playtime Manufacturers. Playtime Manufacturers' adoption of outsourcing as a labour force is reinforced by scholars such as Oke and Kach (2012) and Arvanitis and Loukis (2012) who agreed with organisations' adoption of outsourcing emphasizing that the practise is positively related to productivity growth and profitability due to removal of inefficient processes and removal of expensive in house production processing lowering the cost of goods sold and ultimately profit.

0% (0 out of 61) of the employees was undecided which indicates that employees were certain about Playtime Manufacturers' stance on outsourcing as a labour force reduction method. 0% (0 out of 61) of the employees disagreed with the statement that Playtime manufacturers outsourced employees between 2012 and 2016 which points out that none of the employees thought Playtime Manufacturers refrained from using outsourcing as a labour force reduction method providing further evidence that organisations in Zimbabwe's manufacturing industry resort to outsourcing as a labour force reduction method.

The modal response was Agree with 100% frequency indicating that Playtime Manufacturers reduced its labour force via outsourcing employees and production

processes which support notions by Antonioli et al. (2015), Agrawl and Hall (2014) who concurred that outsourcing employees is a practise adopted by numerous entities in hopes of reducing production costs. This is seen in the case of Playtime Manufacturers where they adopted outsourcing employees and production process as a labour force reduction method. Employers adopt the method stand in attempts to enjoy the benefits of improved production efficiency and reduced cost per unit due to cheaper external service providers (Antonioni et al., 2015; Rampton, 2012).

4.1.4. Delayering

Under this sub heading the researchers presented Playtime Manufacturers' employees' responses when asked whether the organisation delayed the organisational structure. The findings are presented in table 7, table 8 and figure 4 below:

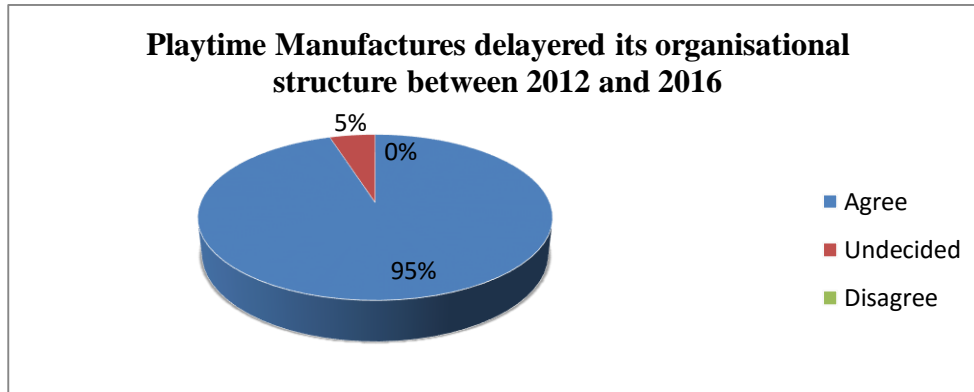
Table 7. Reponses to delayering question

Question 4.4. Playtime Manufacturers combined departments as a delayering strategy between 2012 and 2016		
Available Responses	Respondents	Percentage
Strongly Agree	11	18.03%
Agree	46	75.41%
Undecided	3	4.92%
Disagree	-	-
Strongly Disagree	-	-
	61	100%

From the data collection conducted the researchers established that Playtime Manufacturers adopted delayering as a labour force reduction technique given the fact that 75.41% (45 out of 61) of the census population agreed with this statement. 18.03% (11 out of 61) employees of the target population strongly agreed with the statement that Playtime Manufacturers delayed between 2012 and 2016. 4.92% (3 out of 61) of the employees were undecided when it came to Playtime Manufacturer's use of delayering as a labour force reduction strategy which indicates that a small portion of the employees were in doubt with regards to Playtime Manufactures' implementation of delayering as a labour force reduction strategy. 0% (0 out of 61) of the employees disagreed with the statement that Playtime Manufacturers delayed between 2012 and 2016 which indicates that indeed the organisation delayed between 2012 and 2016. 0% (0 out of 61) of the employees disagreed with the statement that Playtime Manufacturers laid off employees delayed between 2012 and 2016 which reinforces the fact that Playtime Manufacturers delayed between 2012 and 2016. The results were further narrowed down to a three-point scale as presented in table 8 and figure 4 below:

Table 8. Response to delayering question (Limited to 3-point scale)

Response	Agree	Undecided	Disagree
Respondents	59	3	0

**Figure 4. Responses to Delayering Question Pie chart**

A majority of 95.08% (59 out of 61) of the employees agreed with the statement that Playtime Manufactures delayed the organisation between 2012 and 2016 which means that Playtime Manufacturers reduced its labour force by removing certain job units from the organisational structure as a form of labour force reduction method through delayering. Scholars support the act of employers reducing an organisations labour force through delayering suggesting that removal of redundant middle managers and job units without the cost of capacity cutting or wrong sizing an organisation is the major benefits of delayering over outsourcing or layoffs (Kavadis & Castaner, 2015).

An inconclusive 4.92% (3 out of 61) of the employees were undecided hinting towards the shadow of doubt with regards to Playtime Manufacturers' position on the use of delayering as a labour force reduction strategy, which reflects how a select few could not notice the exercise within the organisation. This was also found to be the case by Datta and Basuil (2015) who mentioned how employees might interpret the configuration of an organisation differently based on cultural and contextual matters and experiences. 0% (0 out of 61) of the employees disagreed with the statement which is indicative of Playtime Manufacturers' use of delayering since none of the employees objected to this statement pointing towards the fact that Playtime Manufacturers delayed between 2012 and 2016 as the statement was uncontested.

The mode response was agree which indicated employers' propensity to downsize through delayering by reducing the job units within the organisational structure so as to reduce bottlenecks within the organisation. Braure and Laamen (2014) and

Schenkel and Teigland (2016) found the same to be true establishing that employers reduced job units within organisational structures to reduce bottlenecks within the organisation in order to improve communication (Chern & Hsiao, 2013) and production efficiency (Kavadis & Castamer, 2015).

4.2. Employee Involvement

To successfully implement change initiatives such as delaying, employees involved must be consulted and involved in labour force reduction exercises (Datta & Basuil, 2015). This statement was examined by the two following questions to see if it holds fast in a Zimbabwean context:

Table 9. Responses to the effect of employee involvement

Question 4.5: Successful implementation of labour force reduction initiatives was affected by the non-involvement of employees		
Available Responses	Respondents	Percentage
Strongly Agree	5	8.20%
Agree	43	70.49%
Undecided	12	19.67%
Disagree	1	1.64%
Strongly Disagree	0	0%
	61	100%

43 out of 61 (70.49%) of the employees agreed with the statement that non-involvement of employees in labour force reduction meetings and discussions affected the successful implementation of the methods, hinting towards the fact that possible gains from labour force reduction were lost due to employee non-involvement. 5 out of 61 employees strongly agreed (8%) with the statement that successful implementation of labour force reduction methods was adversely affected by non-involvement of employees. 12 out of 61 employees (19.67%) were undecided which is indicative of employees' doubts on the significance of employee involvement on the success of labour force reduction. 1 out of 61 employees (1.64%) of the employees disagreed with the statement that labour force reduction was affected by non-involvement of employees. 0 out of 61 employees (0%) strongly disagreed with the statement.

Further explanations and meanings behind employees' responses were provided for 3-point scale responses below with the analysis being concluded by a measure of central tendency (mode) was used to evaluate responses.

Table 10. Response to employee involvement question (Limited to 3-point scale)

Response	Agree	Undecided	Disagree
Respondents	48	12	1

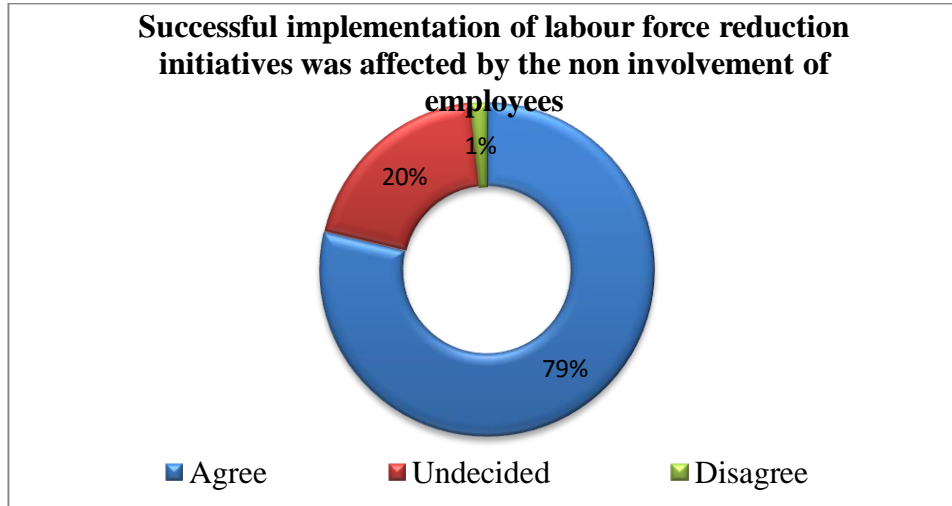


Figure 5. Doughnut presentation of employees' response to the effectiveness of employee involvement

As illustrated in table 10 and figure 5 above 78.69% (48 out of 61) employees agreed with the fact that successful implementation of labour force reduction initiatives was affected by the non-involvement of employees. This meant that initial failures of labour force reduction such as falls in production efficiency were attributable to the non-involvement of employees who preferred to be involved before accepting the labour force reduction initiative. The evidence suggests that employees preferred to be involved in processes leading to change (Zvonicek, 2012). These employees perceive labour force reduction exercises to be more fair when involved (Bragger et al., 2015). The involvement of these employees diminishes their resistance to change (Sahoo, 2014) and persuades the employees to be cooperative and assist management during the downsizing exercise because they acknowledge that they assisted in the decision making process (Zvonicek, 2012).

Although the bulk (78.69%) of the respondents are of the opinion that for successful implementation of labour force reduction the involvement of employees is critical. Results from the questionnaires revealed that there is a significant number of employees in the manufacturing industry which was indifferent about employee involvement in pre labour force reduction discussions and its bearing on the successful implementation of labour force reduction methods, seeing as 12 out of 61 (19.67%) employees from the target population were undecided as to whether employee non-involvement or involvement affected the successful implementation of labour force reduction exercises. The evidence is in line with Gracia-Cabrera and Hernandez (2014) and Greenbaum et al. (2012) who accentuated that although employee involvement is a positive step towards motivating employees, the practise

does not guarantee employees' coordination and enthusiastic participation in labour force reduction exercises. Arshad (2016) concurred pointing out that unpredictability prevails even with sound employee involvement.

A negligible 1 out of 61 of the employees (1.64%) disagreed with the notion that successful implementation of labour force reduction methods was affected by none involvement of employees which means that an inconsequential yet notably 1 employee was of the opinion that non-involvement of employees did not adversely affect the success of labour force initiatives. These types of employees are further explained by Lam (2015) who was of the view that employees who were aware of forthcoming labour force reduction had high levels of stress related to job insecurity compared to employees that did not know meaning that employee involvement is detrimental to employees' mental orientation and agreement.

The mode response was Agree with a 78.69% frequency, which indicated that the majority of employees believed that the organisation involving them in decision making improves the likelihood of labour force reduction success. This is supported by literature by Sahoo (2014) and Himme (2012) who suggested that employee involvement calms down employees' fears which adversely affect successful implementation of labour force reduction. The mode response is also found to be true by Shah et al. (2016) who noted that successful implementation of labour force reduction ultimately rests with employees and early involvement of employees ensures they get on board quick enough to avoid initial drops in productivity. The mode responses to the question tally with Zvonicek (2012) assertions that early and belligerent employee involvement leads to improved results from labour force reduction.

Table 11. Responses to the adequacy of employee engagement programs

Question 4.6: Workers did not get adequate counselling prior to and post implementation		
Available Responses	Respondents	Percentage
Strongly Agree	4	6.56%
Agree	30	49.18%
Undecided	19	31.15%
Disagree	8	13.11%
Strongly Disagree	0	0%
	61	100%

7% (4 out of 61) of the respondents strongly agreed to the statement that employees did not get adequate counselling as shown in table 11 above. The responses indicate how employees feel that they should be actively engaged during labour force reduction exercises. 49.18% (30 out of 61) of the respondents agreed with the statement suggesting that Playtime Manufacturers did not conduct adequate and sufficient counselling which was expected by the employees. 31.15% (19 out of 61) of the respondents were undecided taking a neutral stance which points out that a good portion of the employees were uncertain with regards to the sufficiency of

counselling conducted by Playtime Manufacturers. 13.11% (8 out of 61) of the respondents disagreed with the statement that workers did not get adequate counselling prior and post implementation of labour force reduction, which suggests that a significant amount of employees were content with Playtime Manufacturers employee involvement efforts. 0% (0 out of 61) of the respondents strongly disagreed with the statement meaning that none of the employees were extremely satisfied with Playtime Manufacturers employee involvement efforts.

Further analysis of responses to employee involvement and a comprehensive link to literature is provided below with results trimmed down to three responses agree, undecided and disagree.

Table 12. Response to adequacy of employee engagement programs question (Limited to 3-point scale)

Response	Agree	Undecided	Disagree
Respondents	48	12	1

Figure 3

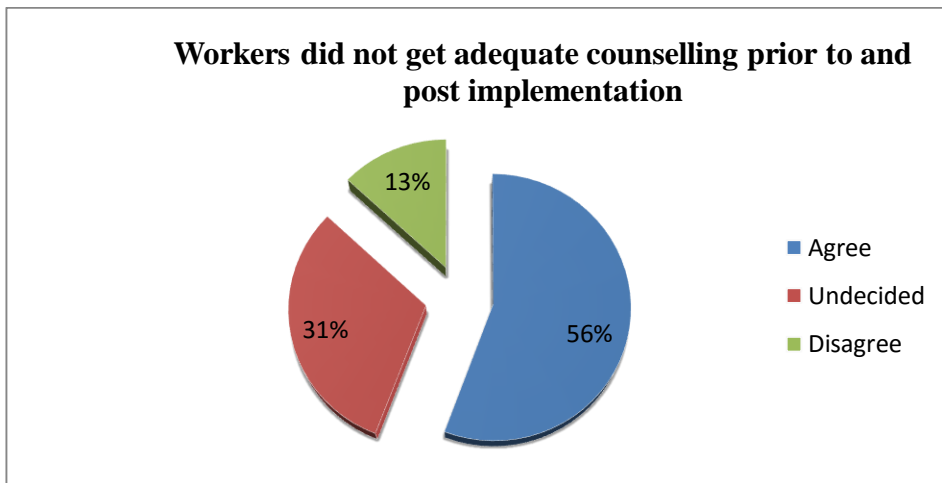


Figure 6. Pie Chart presentation of responses to the question on adequacy of employee engagement programs

From the questionnaires collected, there was a resounding 56.54% (34 out of 61 respondents) agreement to the statement that employees did not get adequate counselling prior to and post implementation. This means that employee involvement attempts by Playtime Manufacturers were not deemed to be sufficient by employees. The Agreement adds to the previous question on employee involvement and successful labour force reduction initiatives. The results suggest that indeed employers are not devoted to committing resources to fund counselling and employee engagement programs (Zvonicek, 2012). Inadequate employee

involvement noted could have been motivated by employers' desire not to disrupt production processes prior to and after the labour force reduction exercise by exerting stress on employees through sensitive counselling and discussion and diverting production time to discussions (Lam, 2015).

Although there was general agreement to the inadequacy of counselling programs and employee involvement, a considerable amount of respondents constituting 31.15% (19 out of 61) of the census population were neutral when it came to the adequacy of Playtime Manufacturer's employee engagement programs. This meant that some employees are not keen on negotiating or participating in pre and post labour force reduction consultations. The 31.15% finding is supported by Gracia-Cabrera and Hernandez (2014) and Greenbaum et al. (2012) who emphasized that employees' perceptions of the adequacy of employee involvement activities and their subsequent response to organisational change depends on their core self-valuation and not solely on the organisations efforts to involve employees.

While notable a 13% (8 out of 61) of the census population believed that Playtime Manufacturers conducted adequate counselling workshops, 75% of the respondents that selected this option were either managers or middle managers meaning that manager and middle managers felt that they were adequately involved and in turn they adequately involved others. The driving force to the difference in responses is attributable to the difference in level of education (Norman, Butler & Ranft, 2015). Individuals of different levels of education interpret situations differently and empathise with management differently (Norman, Butler & Ranft, 2015). This is evident as 97% of the respondents that agreed that Playtime Manufacturers did not conduct adequate counselling are the line workers while 100% of the respondents that disagreed are Middle and top management.

The most frequent response was agree which is the mode, The mode points out that the initial shortfalls and failure of labour force reduction is attributable to lack of employee involvement. This finding was also established by Frey et al. (2016) and Bragger et al. (2015) who emphasized that employers are not eager to divulge information about poor financial performance to employees by having discussion hence the lack of employee involvement which results in diminishing the returns from labour force reduction initiatives. Hoover and Harder (2015) provides additional support stating that employee involvement is paramount in ensuring successful implementation of labour force reduction initiatives.

4.3. Communication

Theory (Applebaum et al., 2017; Kerelis, Hanaff & McLaughlin, 2017) suggests that adequate communication heightens the probability of successful labour force reduction. The following two questions examined the appropriateness of this statement in Zimbabwe's manufacturing industry. Table 13, table 14, table 15, 16 figure 7 and figure 8 below illustrate the findings from the target population.

Table 13. Responses to the question on adequacy of communication

Question 4.7. Playtime Manufacturers adequately communicated its labour force reduction strategy		
Available Responses	Respondents	Percentage
Strongly Agree	0	0.00%
Agree	4	6.56%
Undecided	11	18.03%
Disagree	42	68.82%
Strongly Disagree	4	6.56%
	61	100%

None 0% (0 out of 61) of the respondents strongly agreed to the notion that playtime manufacturers adequately communicated its labour force reduction strategy which hints towards lack of proper communication as an avenue for unsuccessful labour force reduction. While a percentage of 6.56% (4 out of 61) agreed to the proclamation pointing to the fact that employees did not deem Playtime Manufacturers management's communication efforts to be sufficient. 68.82% (42 out of 61) of the employees disagreed with the statement that adequately communicated its labour force reduction strategy. The resounding disagreement reflects how employees feel the need to be notified of change initiatives. 6.56% (4 out of 61) of the employees strongly disagreed with the statement that Playtime Manufactures adequately communicated it labour force reduction strategy. Notably 18% (11 out of 61) of the respondents took a neutral stance as to the adequacy of management communication attempts.

The meaning and scholarly support for responses to question on the adequacy of communication is given in the section below where results were trimmed down to a 3-point scale.

Table 14. Response adequacy of communication question (Limited to 3-point scale)

Response	Agree	Undecided	Disagree
Respondents	48	12	1

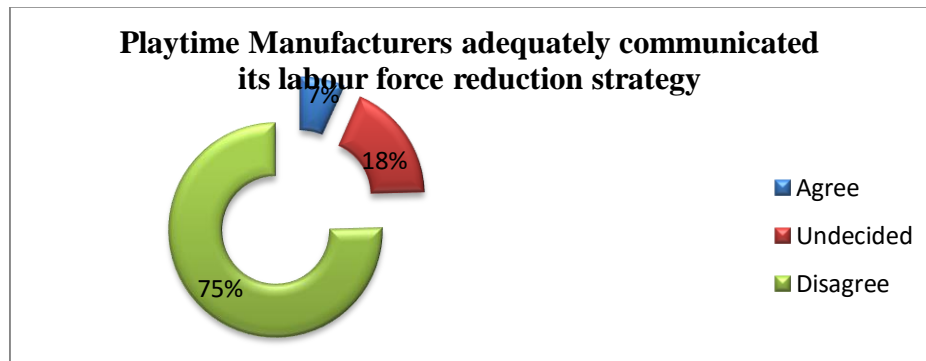


Figure 7. Doughnut presentation of responses to the question on adequacy of communication

As demonstrated in table 15 and figure 7 above, 75% (46 out of 61) of the respondents disagreed with the statement that Playtime Manufacturers adequately communicated its labour force reduction strategy. This signals that poor communication might have warranted the initial deficiencies of labour force reduction. Drensky and Heinz (2014) and Invernizzi (2012) support this mentioning how inadequate communication worsens the results from change initiatives such as labour force reduction. Grebe (2013) concurs indicating how inadequate poorly managed communication can actually worsen employees' resistance to change as employees will be acting on negative exaggerated rumours instead of precise information from management.

18% (11 out of 61) of the respondents took a neutral stance choosing to be undecided when it came to the adequacy of Playtime Manufacturers' communication efforts. This reflects how a portion of the employees were not particular about the adequacy of communication. This result is supported by Rupicic (2017) and Norman, Butler and Ranft (2015) who accentuate that those individuals in the same organisation can perceive the adequacy and sufficiency of communication differently, they further added that some employees' reaction remains unchanged regardless of managements communication attempts.

4.7% (4 out of 61) of the respondents were of the opinion that Playtime manufacturers adequately communicate its labour force reduction method. The response indicates that only an inconsequential number of people were satisfied with Playtime Manufacturers' communication during the implementation of labour force reduction strategy. This indicates that Playtime Manufacturers secured a negligible 4.7% of employee's commitment to the organisation through its communication attempts (Applebaum et al., 2017).

The mode response was disagreeing meaning that the most common response was disagreeing with the statement that Playtime Manufacturers adequately communicated its labour force reduction strategy. The mode response emphasizes that Playtime Manufacturers did not adequately communicate its labour force reduction strategy. The mode is in line with findings by Grebe (2013) which indicated that management try to conceal their mistakes by providing employees with inadequate information and in some cases providing employees with no information at all. Invernizzi (2012) agreed with the mode suggesting that employers are reluctant to reveal sensitive information about labour force reduction to employees.

In light of the previous question's findings with regards to the inadequacy of communication by Playtime Manufacturers management, the next question sort to reveal whether the inadequacy affected the successful implementation of labour force reduction methods.

Table 15. Responses to the role of communication

Question 4.8. Successful implementation of labour force reduction initiatives was affected inadequate communication.		
Available Responses	Respondents	Percentage
Strongly Agree	9	14.75%
Agree	41	67.21%
Undecided	7	11.48%
Disagree	4	6.56%
Strongly Disagree	0	0.0%
	61	100%

A total of 41 out of 61 (67.21%) employees in the target population agreed that communication is a factor critical to the successful implementation of labour force reduction methods. 9 out of 61 (14.75%) respondents strongly agreed and 41 out of 61 employees agreed to the fact that communication has an immense bearing on the success of labour force reduction exercises. 7 out of 61 (11.48%) of the employees were undecided about the role of communication in successful implementation of labour force reduction methods. 4 out of 61 (6.56%) of the employees disagreed indicating that communication played no role in the implementation of labour force reduction strategies. 0 out of 61 (0%) of the employees selected the strongly disagree option.

Table 16. Response to the role of communication question (Limited to 3-point scale)

Response	Agree	Undecided	Disagree
Respondents	48	12	1

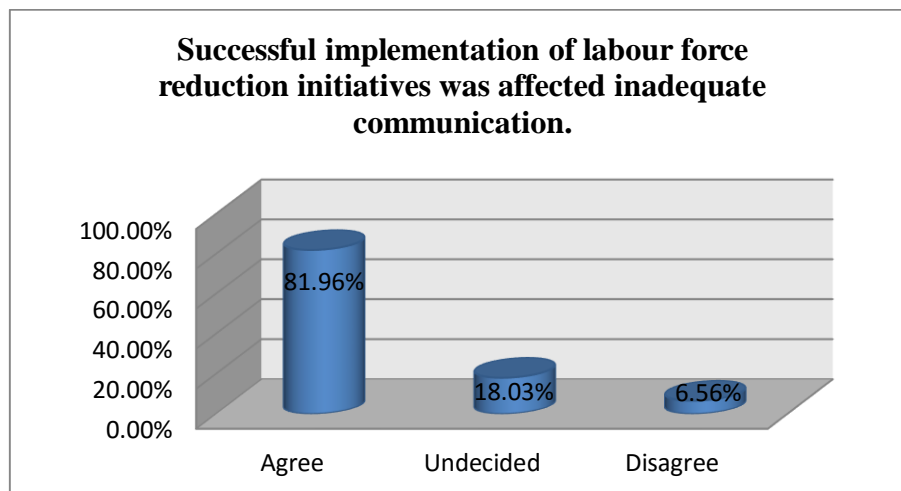


Figure 8. Graphical presentation to the role played by communication

A total of 50 out of 61 (81.96%) employees in the target population affirmed that communication is a factor critical to the successful implementation of labour force reduction methods which meant that communication was a critical factor to success which Playtime Manufacturers management overlooked. The evidence reverberates accentuations by Zvonicek (2012) who emphasized that a sturdy flow of precise information to the workforce is critical to diminish resistance to change, improve employees' willingness to cooperate and improving employees trust in management and the organisation, all of which are critical to the successful implementation of labour force reduction initiatives (Sahoo, 2014).

A noteworthy amount of employees 12 out of 61 (18.03%) were indifferent when it came to the effect of communication on the successful implementation of labour force reduction initiatives, echoing the fact that although communication helps employees understand, employee cooperation and successful implementation varies contextually dependent on the type of employees being dealt with (Gracia-Cabrera & Hernandez, 2014). An inconsequential amount of employees (4 out of 61, 6.56%) disagreed with the fact that communication is a factor critical to the successful implementation of labour force reduction methods. The difference in responses is evidence of the fact that individuals in the same organisation can perceive communication differently (Rupicic, 2017), hence the exercises can yield mixed results within the same industry (Norman, Butler & Ranft, 2015).

The mode of the responses was agree is represented by 98.56% of the responses which means that inadequate communication in playtime manufacturers affected the successful implementation of labour force reduction. Ivernizzi (2012) found the same accentuating that poor and insufficient communication with employees during labour force reduction initiatives deters the chances of success. Grebe (2013) also

supports the modal responses emphasizing how management try to conceal their failure by limiting the information it communicates to the employees aggravates the initial failures associated with labour force reduction.

5. Conclusion

Reducing innovative employees responsible for the production of new break through products is detrimental to the production efficiency of producing new products. However, reducing human capital responsible for the production of homogenous products results in improved production efficiency. Labour force reduction results in diminished employee morale, employee commitment and job security which heighten employee's inefficiency and ineffectiveness within the immediate and short run (1-3 years). Although labour force reduction puts employees under mental strain and they distance themselves from the organisation mentally, the issue remains mental and does not manifest into visible physical responses such as increased labour turnover. Labour force reduction is a positive step in improving financial performance. An entity should not expect to immediately yield the benefits of labour force reduction in the short term as financial performance and production efficiency drop in the immediate (1 year) and short term (1 – 3years) before they raise to exceed pre labour force reduction figures in the long run (> 4 years) due to employee inefficiency and effectiveness in the initial years. Adequate communication and active employee involvement are critical to avoid the loss of production efficiency experienced in the short term after labour force reduction. The exercises are not recommended to organisation facing the possibility of bankruptcy as their state is likely to worsen before it improves.

6. Recommendations

The study recommends the following:

Organisations facing inefficiency should consider laying off employees with their hands of the deck and delayring their organisational structure to reduce excess deadweight.

Organisations seeking to improve ROTA and production efficiency should employ furloughs as a labour force reduction method, since the method ensures that time spent at work is efficient and effectively used.

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