Employees' Perceptions of the Effects of Retrenchment on Job Stress and Organisational Commitment in a Mining Company

Landiswa Pilvia Seteni

https://orcid.org/0000-0002-7098-6093 Vaal University of Technology, South Africa setenilandiswa@gmail.com

Manilall Dhurup

https://orcid.org/0000-0002-8845-3527 Vaal University of Technology, South Africa royd@vut.ac.za

Pierre A. Joubert

https://orcid.org/0000-0002-8445-0329 Vaal University of Technology, South Africa pierrej@vut.ac.za

Abstract

Over the past decade, South African organisations have had to cope with an ever-increasing rate of local and global changes. There have been considerable and ongoing socio-political changes, resulting from new government regulations. Most organisations have experienced some type of downturn, whether due to external business factors or poor internal performance. A typical response to organisational decline is retrenchment. This study seeks to outline employees' perceptions of the effects of retrenchment on job stress and organisational commitment in a mining company. The study is located within a quantitative research paradigm. Four research hypotheses are posited and data collected from a sample of 400 surface mining employees, including management, administrators, engineers and artisans, in one region. The results indicated that the effects of retrenchment did not have a negative impact on job stress (time stress and anxiety). This may be owing to the fact that the mining company in question had a planning and consultation process in place for the employees prior to the retrenchment process. The results also indicated that job stress (time stress and anxiety) is negatively associated with organisational commitment. Implications of the findings are discussed, limitations of the study are mentioned, and future research directions are given.

Keywords: retrenchment; time stress; anxiety; organisational commitment



Introduction

Owing to continued economic decline, many organisations have found it difficult to retain a large workforce. The services of some employees have been declared redundant, leading to poor performance and uncertainty among the remaining employees (Kiriago & Nyaberi, 2013). Most organisations have experienced some type of downturn, whether due to external business factors or poor internal performance. This often results in organisations having to cut back on their workforce significantly (Ahmed, 2017). Retrenchment is attributed to cyclical downturns, market losses or other economic factors, which oblige the employer to reduce the labour force (Gribble & Miller, 2009).

When faced with declining performance, some business leaders respond through moves such as aggressive marketing and new product development. Other market leaders respond by focusing on extensive cost-cutting, including laying off employees and selling assets (Barker et al., 2011). Retrenchment connotes a deliberate action by an enterprise or industry to reduce the number, percentage or level of employment of its staff (Adesina, 2015). Retrenchment consists of the cutting of costs and, if essential, the reduction of assets. It is sometimes referred to as downsizing (Mutonga, 2011). In the publication *Labour Relations Act 66 of 1995 and CCMA-Related Material* (Juta, 2015), retrenchment is defined as dismissal based on operational requirements. These requirements are based on economic downturns, technology, unstable political situations, globalisation and structural requirements (Arnold, 2013; Nel & Ngirande, 2012).

Previous studies have been conducted on the psychological effects of retrenchment, such as loss of identity and self-esteem and how those who lose their jobs involuntarily manifest anger (Gribble & Miller, 2009). Freese et al. (2013) have also found that retrenchment has considerable psychological and physical consequences and causes that increase health problems.

Purpose and Objectives of the Research

The purpose of the research was to assess employees' perceptions regarding retrenchment and to shed some light on the influence it had on individuals, more specifically the survivors.

Literature Review

Theoretical Framework

This study used the cognitive dissonance theory as espoused by Festinger (1957) to explain the impact of retrenchment on job stress and organisational commitment. Within this theory, dissonance and consonance are relations among cognitions that relate to opinions, beliefs, knowledge of the environment and knowledge of one's own actions

(Festinger et al., 1956). If these opinions and knowledge of the environment are incongruent with one's belief, psychological discomfort (dissonance) may arise, which results in changing behaviours (Camgoz & Metin, 2011).

According to Cosgrove and Whitaker (2013), the basic principle is that individuals experience cognitive dissonance when their behaviour is inconsistent with their ethical beliefs or when they are trying to consider incompatible thoughts. Individuals experiencing cognitive dissonance have a desire to reduce their feelings of discomfort. In an attempt to fulfil this desire they try to reconcile their conflicting beliefs and behaviours or incompatible thoughts, especially if the dissonance is esteem related (for example, if it is related to how they see themselves professionally). Any form of inconsistency is uncomfortable, and individuals will attempt to reduce dissonance, and hence, the discomfort. They will seek a stable state in which there is a minimum of dissonance (Judge et al., 2009). Ahmed (2017) confirms that an increase in the level of workforce reduction increases the remaining employees' perceptions of fear and anxiety about job security (Ahmed, 2017). The work effort of survivors is influenced by their reactions and primarily by their perceptions of job insecurity (Versfeld, 2009). Retrenchment brings fear and uncertainty to the remaining employees about the continuity of their jobs. This means that job insecurity will affect employees' performance (Kamau, 2015).

Jacobs and Van Dierendonck (2012) affirm that the way in which a company manages its layoff programme has an impact on the survivors' perceptions of fairness. Survivors' perception of the fairness of the termination decisions and the fairness of the retrenchment process will have an effect on their levels of productivity and the quality of their job performance. They will be more committed to the organisation if they perceive that the victims have been satisfactorily compensated and fairly treated (Arnold, 2013).

Retrenchment

The retrenchment process affects various stakeholders, namely the retrenching organisation, the victims, the survivors and the implementers or people responsible for the implementation of retrenchment (Winter, 2007). However, the current study focused only on the survivors, namely those employees who were not retrenched and who remained in the organisation (Versfeld, 2009). Bajracharya and Petro (2012) have found that a retrenchment crisis could improve the surviving employees' attachment to the organisation and could increase their performance. The remaining employees might feel that the process was fair because they kept their jobs, and such a feeling creates a sense of guilt towards the organisation. This in turn drives them to work harder and to have positive feelings about job security (Bajracharya & Petro, 2012). On the other hand, the study by Winter (2007) on survivors after retrenchment has revealed that instead of feeling relieved that their jobs were secure, the survivors were demoralised and felt unsure about their future.

The shareholders of a business may perceive retrenchment positively (Mohamed, 2012) and they may regard reducing the number of workers as the most obvious way to cut costs. However, retrenchment in itself is very costly (Oundo, 2009) and it has enormous hidden costs that are more often than not underestimated. In fact, these costs often eliminate all the anticipated benefits. Unfortunately, massive downsizing very often seems to generate more problems than it solves, and only rarely does it achieve its original financial objectives (Munjuri, 2011). These costs include administrative and legal costs, severance payments, low morale and lower productivity among the remaining workers (Oundo, 2009). Other consequences of downsizing include skills imbalances, increased use of overtime, increased work backlogs, lowered morale and lowered productivity among the remaining workforce (Cook & Mitchell, 2009).

Employees usually fear and feel uncertain about a transformation or restructuring process, whereas management sees it as a way of making the organisation flexible in the era of deregulation and global competition (Chikosi, 2013). Retrenchment has an impact on workers' job security and may be a reminder to the survivors that job security is a thing of the past (Okibo, 2012). Dibua et al. (2018) state that the survivors suffer as much as the employees who are retrenched. The survivors may not be able to perform their duties effectively and their performance may seriously affect the overall performance of the organisation. It is evident that failure to manage retrenchment may have a negative influence on the loyalty and attitudes of the survivors (Munjuri, 2011). It is therefore important for companies to understand that retrenchment can cause a number of serious problems, such as lowered morale and increased anxiety, due to employees' fear of losing their jobs, which inevitably result in decreased productivity and quality of outputs (Oundo, 2009).

Job Stress

Job stress refers to the effect of stressful conditions in the workplace (Kwan et al., 2012). It is an uncomfortable feeling that individuals experience when they are required to change their desired behaviour as a result of opportunities, constraints or demands related to important work objectives (Bagraim et al., 2011).

Work is a very important part of a person's life—in many ways work defines who we are (Willis, 2009). Therefore, changes in the workplace and job insecurity are stressful for employees (Bagraim et al., 2011). Retrenchment not only increases job security concerns but also results in job stress as it often requires the remaining employees to assume additional workloads (Bisschoff et al., 2015). Such trauma affects the morale of these employees, and a dominant negative atmosphere in the workplace further influences employees' morale (Isrealstam, 2012).

Many firms underestimate the emotional damage that the survivors suffer by watching others lose their jobs. In fact, research has demonstrated that the survivors often suffer from heightened levels of stress, burnout, uncertainty about their own roles in the new organisation, and an overall sense of betrayal (Cascio, 2005; Jiang & Klein, 2000; Khan,

2010). Those who are retrenched are usually offered counselling services; those who remain are left to deal with anxiety, distress and a dismantled workplace on their own (Munjuri, 2011). Stress is often evident in negative workplace attitudes, which may reflect the morale and coping levels of employees (Bagraim et al., 2011).

Anxiety

Jensen et al. (2013) define anxiety as an emotional state of perceived apprehension and increased arousal when a person experiences role overload or when the expectations of work exceed the available time, resources, or personal capability of an employee. Anxiety is a sense of imbalance that results from feeling uneasy, tense, worried or apprehensive about what might happen (Bücker et al., 2014). Patel (2014) defines anxiety as a feeling of fear, worry and uneasiness, usually generalised and unfocused, and an overreaction to a situation that is only subjectively seen as threatening. The remaining employees experience feelings of anxiety when their perception is that they could probably be retrenched in the future (Hareli & Tzafrir, 2006). Barth et al. (2013) state that job anxiety may increase when workers are concerned about their ability to perform when work routines change or if changes could lead to job loss and therefore job insecurity. Employee anxiety may reach its highest level once retrenchment becomes a reality (Benin, 2011).

Retrenchment results in depression, anxiety, low self-esteem and strained personal relations (Mariappanadar, 2016). Retrenchment leaves the survivors facing extra work demands and anxiety when they feel that their work is too much. However, Adetula et al. (2013) posit that job demands, such as time pressure, are not negative, but when these demands are beyond employees' capability or adaptive capability, they might feel uncomfortable.

Anxiety also derives from uncertainty, which Brugnach et al. (2012) define as a situation of inadequate information. The anxiety theory explains that anxiety sets in because retrenchment usually involves large-scale organisational changes and substantial uncertainties, which cause employees to foresee possible negative effects on their job situations (Benin, 2011). The emotional states that employees experience are not clear and focused but are rather generalised feelings about the situation (Hareli & Tzafrir, 2006). There is therefore a critical need for human resource professionals to gain a deeper understanding of employees' states of depression and anxiety when staff is retrenched (Corduff, 2009).

Organisational Commitment

Organisational commitment is defined as an individual's psychological attachment to an organisation (Kipkebut, 2010). Hult (2004) defines organisational commitment as individuals' degree of identification with a particular organisation, the effort they put into their work at the organisation, and the acceptance of the organisation's goals and values as their own. In measuring organisational commitment, the intention is to

establish to what extent the employee-organisation relationship is characterised by loyalty, and to what degree the employee is prepared to continue the employment even if faced with attractive alternatives. Organisational commitment is widely described in the literature as a key factor in the relationship between individuals and organisations (Bajpai & Sharma, 2010).

There are three separate dimensions to organisational commitment: affective commitment, continuance commitment, and normative commitment (Allen & Meyer, 1997; Judge et al., 2009). Affective commitment pertains to the employees who are part of the organisation because they want to be; hence, one would expect them to be present at work and motivated to perform to the best of their ability (Candela et al., 2012).

Normative commitment reflects employees' feelings of obligation to continue working for the organisation because they believe it is right to be loyal to and to stay with the organisation (Kamau, 2015). Such commitment develops on the basis of a particular kind of investment that the organisation makes in the employee, specifically an investment that seems difficult for the employee to reciprocate (Basson et al., 2006).

Continuance commitment is also referred to as calculative or instrument commitment (Chinomona et al., 2013). Continuance commitment is based on a sense of economic necessity or the perceived costs associated with leaving the organisation (Coetzee & Ferreira, 2010). These costs could include the loss of close working relationships, career investment and years of service with the organisation, all of which make it too costly for the employee to leave the organisation (Cloete, 2012).

Although all three forms of commitment presumably increase the likelihood that employees will remain with the organisation, the motive for remaining differs (attitude, belief, desire) and can have implications for employees' work-related behaviour (Eslami & Gharakhani, 2012). However, affective commitment is more important to organisational performance than continuance or normative commitment (Choudhary & Lamba, 2013). This notion is supported by Judge et al. (2009) who state that affective commitment seems more strongly related to organisational outcomes, such as performance and turnover, than the other commitment dimensions. Chinomona and Moloi (2014) also state that employees who demonstrate strong affective commitment to their organisations are more effective and productive and less likely to quit.

Proposed Research Model

Based on the review of the literature, the researchers developed the conceptual model shown in Figure 1.

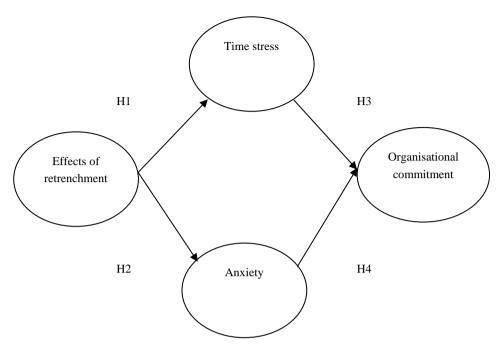


Figure 1: Research model

In Figure 1, H1, H2, H3 and H4 represent the following hypotheses that the researchers formulated for this study:

- H1: There is a negative relationship between the effects of retrenchment and job stress (time stress).
- H2: The effects of retrenchment correlate negatively with job stress (anxiety).
- H3: There is a negative relationship between job stress (time stress) and organisational commitment.
- H4: There is a negative relationship between job stress (anxiety) and organisational commitment.

Study Design and Sampling

This study made use of a quantitative descriptive survey design located within the functionalist paradigm. This paradigm assumes that the social world is composed of familiar empirical facts that exist separately from the research, and it reflects the attempt to apply models and methods of the natural sciences to the study of human behaviour (Asante et al., 2008). According to Muijs (2011), quantitative research is a method of collecting numerical data and analysing the data using mathematically based methods with the aim of explaining a phenomenon. We used simple random sampling to select respondents from a population of male and female employees who had experienced a retrenchment exercise at the mine. A total of 426 questionnaires were distributed to

respondents. Of these questionnaires, 11 were discarded because they were incomplete and 121 questionnaires were not returned; therefore 294 questionnaires could be used to gather data.

Measures

The data were generated through administering existing questionnaires used in past studies. We adapted a seven-item scale that Etuk et al. (2014) developed in their study assessing survivors' perceptions of crises and retrenchments in the Nigerian banking sector to measure employee perception of retrenchment. We determined the effects of retrenchment by means of scale items adapted from Baguma and Matagi's study (2002) investigating the effects of the retrenchment exercise on organisational performance and quality of work life among Ugandan public officers. The scale items were also adapted from Kiriago and Nyaberi's study (2013) investigating the effects of retrenchment on the morale and job security of surviving employees at Telkom Kenya Limited. To measure job stress (time stress and anxiety), we used a scale that Decotiis and Parker (1983) developed in their study exploring the organisational determinants of job stress. To determine organisational commitment, we adapted a scale that Chinomona and Dhurup (2015) developed in their Zimbabwean study exploring the role of organisational commitment in the organisational-citizenship-behaviour and employeeintention-to-stay relationship. The items in our study measured levels of agreement on a 5-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree).

Respondents

Of the 294 respondents, 68 per cent were male and 32 per cent female. Most of the respondents were in the age category of 45 to 54 years (32.7%), followed by those between the ages of 35 and 44 years (30.3%), those between the ages of 25 and 34 years (23.8%), those between the ages of 55 and 64 years (10.9%), and those who were younger than 25 years (2.4%). Most respondents indicated that they had completed Grade 12 (24.8%), whereas 19 per cent of them were in possession of a diploma, and 14.6 per cent had other qualifications. An equal number of respondents held a foreman certificate (5.8%) and a postgraduate degree (5.8%). Of the respondents, 5.4 per cent had obtained a fitter and turner certificate, 5.4 per cent a degree, 4.4 per cent a blasting certificate, 4.4 per cent an electrician certificate, 3.7 per cent a mine overseer certificate, 2.4 per cent a shift boss certificate, 1.7 per cent an N1/N2 certificate, 1.4 per cent a boiler-maker certificate, and 1.2 per cent an instrument technician or mechanical certificate.

The majority of the respondents had more than 20 years' work experience (38.1%), 21.8 per cent had between five and nine years' experience, 18.7 per cent had between 10 and 14 years' experience, 12.6 per cent had between 15 and 19 years' experience, and 8.8. per cent had four years' experience and less.

Results

Correlation Analysis

Table 1 reflects the correlations between the effects of retrenchment, job stress (time stress and anxiety) and organisational commitment.

Table 1: Correlations, means and reliability

Study variables	A	M	SD	Effects	Time stress	Anxiety	Org.
Effects	0.806	2.62	.97	1	020	.031	.123*
Time stress	0.908	3.11	1.16	020	1	.713**	372**
Anxiety	0.845	3.06	1.15	.031	.713**	1	387**
Organisational commitment	0.804	3.29	.88	.123*	372**	387**	1

A = Cronbach's alpha; M = Mean; SD = Standard deviation;

Org. com. = Organisational commitment

Negative correlations were found between the effects of retrenchment and time stress (r=-.020). Anxiety showed weak correlations with the effects of retrenchment (r=.031). Time stress was negatively related to organisational commitment (r=-.372), indicating that the higher the level of time stress, the lower the level of organisational commitment. Anxiety correlated negatively with organisational commitment (r=-.387), indicating that the higher the level of anxiety, the lower the level of organisational commitment.

Reliability and Validity

The Cronbach's alpha test indicated that the level of reliability of all the constructs, namely the effects of retrenchment, time stress, anxiety and organisational commitment, were acceptable (see Table 1). Olagbemi (2011) affirms that an alpha value of between 0.70 and 0.80 is acceptable for Cronbach's alpha.

We examined the following types of validity: content, construct, convergent and discriminant. We determined content validity through pretesting the questionnaire prior to the main survey and checking whether questions were sustainable and measured the relevant constructs in the study. Based on an examination of the wording, phrasing and appropriateness of the scale items, we made a few amendments to these items. Construct validity was ascertained by pilot testing the questionnaire and establishing where changes had to be made relating to the removal of items, the item-total correlations and the negative rephrasing of questions through the computation of the Cronbach's alpha

^{*} Correlation is significant at the 0.005 level (2-tailed)

^{**} Correlation is significant at the 0.01 level (2-tailed)

values. We used the Pearson's correlation coefficient to test convergent validity and to measure the degree of linear association of variables. Discriminant validity was in part accomplished through regression analysis. Both time stress and anxiety showed a negative predictive relationship with organisational commitment, therefore affirming the discriminant validity of the scale items.

Regression Analysis

After having established the strength of correlations between the variables, we carried out a regression analysis because a correlation analysis only measures the strength of a relationship and does not determine predictive relationships between variables. We used hierarchical multiple regression analysis (sequential regression), a variant of the multiple regression procedure. This allows for a fixed order of entry for variables in order to control for the effects of covariances or to test the effects of certain predictors independently of the influence of other predictors (Pallant, 2010) such as age and work experience. Seven regression models were used to test the effects of retrenchment on time stress and anxiety. In the first model (Model 1), a possible confounding variable, namely age, was entered as the independent variable, with time stress as the dependent variable. In the second model (Model 2), age and work experience were entered as independent variables, with time stress as the dependent variable. In the third model (Model 3), age, work experience and the effects of retrenchment were entered as the independent variables, with time stress as the independent variable.

Collinearity diagnostics were also used as part of the multiple regression procedure: this diagnostic tool is essential in analysis as it can pick up problems of multicollinearity that may not be evident in a correlation matrix. Firstly, correlations > 0.80 (Field, 2005) in the correlation matrix were checked (see Tables 2 and 3) to assess the existence of multicollinearity. None of the set of correlations was above 0.80. Secondly, the tolerance and the variance inflation factor (VIF) were examined. Tolerance values of < 0.10 and VIF > 10 would suggest that multiple correlations with other variables are high, indicating the possibility of multicollinearity (Pallant, 2010). Based on these values, multicollinearity did not seem to pose a problem in the study. Table 2 reflects the regression analysis of Models 1, 2 and 3.

Table 2: Regression: age, experience and effects of retrenchment on time stress

Models		Unstandardised coefficients		Std. coefficients	t	Sig.	R ²	$\Delta \mathbf{R}^2$	Collin statist	•
		В	Std. error	Beta					Tol	VIF
1	(Constant)	3.420	.228	-	15.00	.000	.007	.003	_	
	A1 (Age)	095	.067	083	-1.41	.158			1.00	1.00
2	(Constant)	3.416	.228	_	14.98	.000	.009	.003	_	_
	A1 (Age)	020	.108	018	189	.850			.382	2.61
	A5 (Experience)	068	.078	082	87	.383			.382	2.61
3	(Constant)	3.182	.311	_	10.24	.000	.014	.003	_	_
	A1 (Age)	029	.108	025	26	.790			.381	2.62
	A5	070	.078	085	90	.367			.382	2.61
	Effects of retrenchment	.081	.073	.065	1.10	.269			.978	1.02

Std. = Standard deviation; t = The t-value (the size of the difference relative to the variation in your sample data);

The results of the hierarchical regression analysis in respect of age and work experience entered into the regression equation showed no statistical significance on time stress in Models 1, 2 and 3, with all p-values > 0.05. With regard to the beta values, both age and work experience made insignificant contributions to the prediction of time stress. When the effects of retrenchment were entered into the regression equation (Model 3), it seemed that they also did not impact on time stress. Moreover, the highest $\Delta R^2 = 0.014$ indicated that approximately one per cent of the variance in time stress was accounted for by the three independent variables, namely age, work experience and effects of retrenchment.

Table 3 reports on the regression analysis for Models 4, 5 and 6. In Model 4, a possible confounding variable, namely age, was entered as the independent variable, with anxiety as the dependent variable. In Model 5, age and work experience were entered as independent variables, with anxiety as the dependent variable. In Model 6, age, work experience and effects of retrenchment were entered into the regression model as the independent variables, with anxiety as the dependent variable.

The results showed that when age and work experience were controlled for, the effects of retrenchment showed no statistical significance in relation to anxiety. An examination of $\Delta R^2 = .013$ indicated that approximately two per cent of the variance in anxiety was accounted for by the three independent variables, namely age, work experience and effects of retrenchment.

Sig. = significance; R^2 = squared coefficient of determination; ΔR^2 = adjusted squared coefficient of determination;

B = beta; Tol = Tolerance value; VIF = Variance inflation factor; The dependent variable is time stress; A1 = constant predictor; A5 = constant predictor

Table 3: Regression: age, experience and effects of retrenchment on anxiety

Models		Unstandardised coefficients		Std. coefficients	t	Sig.	R ²	$\Delta \mathbf{R}^2$	Collin statist	earity ics
		В	Std. error	Beta					Tol	VIF
4	(Constant)	3.500	.225	-	15.543	.000	.014	.010	_	_
	A1 (Age)	133	.066	117	-1.811	.045			1.00	1.00
5	(Constant)	3.492	.224	_	15.557	.000	.024	.017	_	_
	A1 (Age)	.011	.106	.009	.100	.920			.382	2.615
	A5 (Experience)	132	.077	161	-1.715	.087			.382	2.615
6	(Constant)	3.467	.306	-	11.317	.000	.024	.013	_	_
	A1 (Age)	.010	.107	.009	.091	.927			.381	2.628
	A5 (Experience)	132	.077	161	-1.715	.087			.382	2.617
	Effects of retrenchment	.009	.072	.007	.120	.904			.978	1.023

Std. = Standard deviation; $t = \frac{The\ t\text{-value}}{t\text{-the size}}$ (the size of the difference relative to the variation in your sample data); Sig. = significance; R^2 = squared coefficient of determination; ΔR^2 = adjusted squared coefficient of determination; B = beta; Tol = Tolerance value; VIF = Variance inflation factor; The dependent variable is time stress; A1 = constant predictor; A5 = constant predictor

Finally, Model 7 (see Table 4) examined the effects of time stress and anxiety on organisational commitment after controlling for age and work experience. Time stress (p = 0.011; p < 0.05) and anxiety (p = 0.002; p < 0.05) showed significant predictive relationships with organisational commitment. The relationship was, however, negative, indicating that a high prevalence of time stress and anxiety among survivors had a negative impact on their organisational commitment. The $\Delta R^2 = 0.166$ indicated that approximately 17 per cent of the variance in organisational commitment was accounted for by time stress and anxiety in the workplace.

Table 4: Regressions: age, experience, time stress and anxiety on organisational commitment

Models		Unstandardised coefficients		Std. coefficients	t	Sig.	R ²	$\Delta \mathbf{R}^2$	Collin statist	•
		В	Std. error	Beta					Tol	VIF
7	(Constant)	4.063	.220	-	18.456	.000	.177	.166	_	_
	A1	.046	.075	.053	.619	.537			.382	2.616
	A5	.027	.054	.044	.506	.614			.378	2.644
	Time stress	148	.058	196	-2.568	.011*			.491	2.038
	Anxiety	180	.059	235	-3.062	.002*			.484	2.067

Std. = Standard deviation; t = The t-value (the size of the difference relative to the variation in your sample data);

Sig. = significance; R^2 = squared coefficient of determination; ΔR^2 = adjusted squared coefficient of determination;

Results of the Hypotheses

We used regression analysis to test the hypotheses formulated for this study. The results are presented in Table 5. According to the results, there was no support for negative relationships between the effects of retrenchment on time stress (H1) and anxiety (H2). This may be owing to the company's attempt to reduce the negative effects of retrenchment. This confirms the importance of employers having an understanding of survivors' morale after retrenchment (Berry & Chipunza, 2010). Such understanding will enable human resource (HR) practitioners to design methods to involve survivors in the decision-making process, improve worker conditions and initiate survivor retraining that is focused on the new job demands. Mariappanadar (2014) supports the view that sustainable HR management practices in organisations have the potential to help survivors cope and minimise the harm of retrenchment. However, significant negative relationships were found between time stress (H3) and anxiety (H4) and organisational commitment. Dhar and Garg (2014) affirm that individuals who are more stressed feel less committed to their organisation.

B = beta; Tol = Tolerance value; VIF = Variance inflation factor; The dependent variable is time stress; A1 = constant predictor; A5 = constant predictor

^{*} Correlation is significant at the 0.005 level (2-tailed)

Table 5: Hypothesis tests

Hypothesis	Statement	t	Sig.	Accepted/rejected
H1	There is a negative relationship between effects of retrenchment and job stress (time stress).	1.10	.269	Rejected
Н2	There is a negative relationship between effects of retrenchment and job stress (anxiety).	.120	.904	Rejected
Н3	There is a negative relationship between job stress (time stress) and organisational commitment.	-2.568	.011*	Accepted
H4	There is a negative relationship between job stress (anxiety) and organisational commitment.	-3.062	.002*	Accepted

t = The t-value (the size of the difference relative to the variation in your sample data);

Discussion

Negative correlations were found between the effects of retrenchment and time stress, which means that time stress increases when retrenchment increases. Khan (2010) affirms that excessive change of the work organisation resulting from a retrenchment exercise at times does not achieve the intended purpose; it affects the productivity of employees, therefore leading to increased levels of stress. In our study, anxiety showed weak correlations with the effects of retrenchment. A plausible reason for such weak correlations could be that employees were provided with reassurance, counselling and a commitment that no further retrenchments were planned. Mudzimu (2012) has found that role overload is one of the destructive responses to retrenchment because role overload causes the remaining employees to feel anxious about their future and job security.

Time stress was found to be negatively related to organisational commitment, indicating that the higher the level of time stress, the lower the level of organisational commitment. According to Bonalo et al. (2013), stress can cause employees to be less committed to the organisation and it is also associated with lower productivity.

We found that anxiety correlated negatively with organisational commitment, indicating that the higher the level of anxiety, the lower the level of organisational commitment. High levels of anxiety can result in a negative and emotionally changed environment. Such an environment is not conducive to fostering organisational commitment (Kemp et al., 2013).

Sig. = significance; H = Hypothesis

^{*} Correlation is significant at the 0.005 level (2-tailed)

Contrary to our findings, Wandera's (2012) study on retrenchments in a specific company revealed that the retrenchments led to an overload of work on the remaining employees, and as their remuneration was not increased, they experienced stress and their interest in their work waned. The morale of long-serving employees was low at all times owing to inadequate and unmatched remuneration packages, uncertainty about their jobs and inadequate preparation for and sensitisation about the retrenchments and ways of coping in the aftermath of the retrenchments. This led to a lack of interest and a passive working environment, especially among the lower cadre who made up the bulk of the workers and the employees who had been in the employer's service before the implementation of the retrenchment programme. Mosupyoe (2011) confirms that if employees are not prepared and informed in advance, there tends to be high levels of stress and anxiety.

In our study we found that the effects of retrenchment did not have an impact on job stress (time stress and anxiety), which is very unusual. This may be owing to the company having a Solidarity Social Plan in place. The purpose of the Solidarity Social Plan is to provide employers with guidelines, methods and actions to prevent retrenchments, to reduce the number of employees affected by retrenchment and to minimise the negative effects of retrenchment on employees. The plan also focuses on the legal framework and effective communication measures to foster sound labour relations during a retrenchment consulting process (Du Plessis, 2016). Du Plessis further states that the Solidarity Social Plan provides four actions relating to retrenchment. Each action provides mechanisms to assist the employer, unions, union members and non-unionised employees to deal with retrenchment-related matters. The mining company in question put in place the following mechanisms:

- Action 1: Proactive measures to prevent job losses.
- Action 2: Sound legal process and fair procedure.
- Action 3: Alternatives to retrenchment.
- Action 4: Measures to mitigate the negative effects of retrenchment.

Perhaps because these mechanisms were implemented, retrenchment did not have an impact on job stress (time stress and anxiety). Employees might have felt that the mining company valued them and therefore they perceived the retrenchment process as fair. Ertuk (2007) supports the notion that if employees perceive the outcome allocation to be fair or perceive the procedures on which outcome allocation decisions are based to be fair, they are likely to reciprocate by showing behaviours that go beyond the in-role performance of their jobs. Ertuk adds that fair treatment by management demonstrates respect for the rights and dignity of employees.

Organisational commitment is a predictor outcome variable of stress and it has a significant impact on a company's profitability and productivity (DeTienne et al., 2012). Dhar and Garg (2014) also state that job stress may lead to employees not being clear

about their roles which, according to Buranachaitavee et al. (2012), may in turn reduce their commitment, potentially resulting in the decision to leave the organisation.

Recommendations for Management

In this study we found that retrenchment did not have a negative impact on job stress (time stress and anxiety). This may be owing to the mining company in question having a planning and consultation process in place with the employees prior to the retrenchment process. Planning for retrenchment is critical in order to take into account factors that affect survivors' ability to deliver quality outputs (Berry & Chipunza, 2010). It is recommended that employees (i.e. the survivors) be kept updated on their future in their company. This could be done through regular workshops and counselling of employees. If, as in the case we studied, the basis of retrenchment was brought on by circumstances in the external environment and not by a desire to enrich shareholders or top management, we recommend that communication between employees and management take place regularly to ensure that survivors stay committed to the organisation. If employees believe that they are treated fairly, they will be more likely to have a positive attitude to their work, work outcomes and supervisors (Ertuk, 2007). To reduce stress, supervisor support should be in place. Management's monitoring of workloads and supervisor-subordinate relationships does not only reduce stress but also increases job satisfaction and commitment to the organisation (Firth et al., 2004).

We further recommend that managers adopt a communicative leadership behaviour for the reason that it harnesses commitment (Buil et al., 2013). An aspect that plays a huge role in organisational commitment is job satisfaction (Eslami & Gharakhani, 2012); we therefore recommend that managers actively improve the job satisfaction of their employees in order to achieve a higher level of organisational commitment.

Study Limitations and Implications for Further Research

A number of limitations apply to this study. The study employed a self-reporting method of data collection that involved the use of a standard questionnaire, which could increase the chances of the study being susceptible to sampling and social desirability bias. Caution therefore needs to be exercised when interpreting the study's findings. Future research efforts may employ multiple data collection methods to enhance the external validity of the findings.

Future studies could be extended through qualitative research approaches, such as indepth interviews, in order to gain more valuable information. This study's sample was drawn from surface employees at a mine (which included managers, administrators, safety officers, engineers and supervisors) in one region. A future study could be extended to other regions and operations where the mining company is active. Responses from underground employees could possibly have offered an additional

perspective, but they were not part of the sample in this study as access to them would have been difficult owing to logistical problems (for example, working of shifts and availability of employees). Future studies could include underground employees but then it will not be possible to apply the findings of this study to these studies.

Future studies could embark on investigating the effects of retrenchment on other constructs such as employee morale, job satisfaction, productivity, employee involvement and survivors' attitude.

Concluding Remarks

The literature reveals that retrenchment has negative effects on the employees who stay behind (i.e. who are not retrenched). To be effective, retrenchment needs to be managed strategically. Well-managed retrenchments are potentially less stressful on both employers and employees. The structure and implementation of the retrenchment plan often have a greater impact on the surviving employees than the job losses themselves (Bomela, 2007).

In this study, we provided a general orientation in regard to retrenchment with the aim of gaining an understanding of the effects it has on the remaining employees. We identified that the success of the retrenchment exercise in the relevant mining company could be ascribed to the fact that it closely followed various processes. Important are, for example, following the guidelines provided in the publication titled *Labour Relations Act 66 of 1995 and CCMA-Related Material* (Juta, 2015) relating to retrenchment, communicating with employees, employee involvement, workshops and counselling employees. Organisations that do not implement such guidelines appropriately will probably fail when trying to deal with the aftermaths of retrenchment. This leads to the remaining employees developing negative attitudes to their work and the organisation in general. As long as the change process is managed well and runs smoothly, employees are able to be productive, less stressed and more committed to their organisation during and after the implementation of changes.

References

- Adesina, O. B. (2015). Retrenchment exercise on educational institutions and government parastatals in Ogun-State, Nigeria. *Journal of Applied Humanities*, 4(5), 59–67.
- Adetula, G. A., Balogum, A. G., & Olowodunoye, S. A. (2013). Job conditions, psychological climate and affective commitment as predictors of intention to quit among two groups of bank employees in Nigeria. *Romanian Journal of Applied Psychology*, 15(1), 9–19.
- Ahmed, A. I. (2017). Effects and challenges of commercial banks' staff retrenchment: A critical study of some selected banks located in Adamawa State, North Eastern Nigeria (PhD thesis). Career Point University.

- Allen, N. J., & Meyer, J. P. (1997). Commitment in the workplace. Chicago: Sage.
- Arnold, A. (2013). *Middle managers' perceptions of organisational justice after downsizing in the automotive industry* (Master's thesis). University of the Western Cape.
- Asante, M. K., Mike, Y., & Yin, M. (2008). *The global intercultural communication reader*. New York: Routledge.
- Bagraim, J., Cunningham, P., Landman, E. P., Potgieter, T., & Viedge, C. (2011).

 Organisational behaviour: A contemporary South African perspective (3rd ed.). Pretoria: Van Schaik.
- Baguma, P., & Matagi, L. (2002). Effects of retrenchment exercise on organisational performance and quality of work life among Ugandan public officers. Kampala: NURRU.
- Bajpai, N., & Sharma, J. P. (2010). Organisational commitment and its impact on job satisfaction of employees: A comparative study in public and private sector in India. *African Journal of Business Management*, 5(9), 7–19.
- Bajracharya, A., & Petro, Y. (2012). The effects of job security, features, personal values, and recognition on organisational involvement. *Chinese Business Review Journal*, 11(8), 740–747.
- Barker, V. L., Liang, X., Musteen, M., & Vincent, L. (2011). Personality, perceptions and retrenchment decisions of management in response to decline: Evidence from a decision-making study. https://doi.org/10.1016/j.leaqua.2011.07.012
- Barth, E., Bryson, A., & Olsen, H. D. (2013). The effects of organisational change on worker well-being and the moderating role of trade. *International Labour Relations Review*, 66(4), 986–1011. https://doi.org/10.1177/001979391306600410
- Basson, J., Coetzee, M., & Dockell, A. (2006). The effect of retention factors on organisational commitment: An investigation of high-technology employees. *South African Journal of Human Resource Management*, 4(2), 20–28. https://doi.org/10.4102/sajhrm.v4i2.91
- Benin, P. A. (2011). How is the firm dealing with the merger? A study of employee satisfaction with the change process. *Journal of Management and Strategy*, 2(2), 28–37.
- Berry, D. M., & Chipunza, C. (2010). The relationship among survivor qualities—attitude, commitment and motivation—after downsizing. *African Journal of Business Management*, 4(5), 604–613.
- Bisschoff, C., Botha, C., & Hamid, Z. (2015). Work stress and its influence on the work performance of Swaziland teachers in the Swaziland school education system. *Journal of Psychology*, *6*(2), 142–157. https://doi.org/10.1080/09764224.2015.11885532

- Bomela, M. (2007). *Retaining critical skills and talented employees during and after organisational downsizing* (MBA dissertation). University of Pretoria.
- Bonalo, S., Dewa, C. S., Finney, C., Hensel, J., & Stergiopoulos, E. (2013). Organizational stressors associated with job stress and burnout in correctional officers: A systematic review. *Public Health Journal*, *13*(82), 1–13. https://doi.org/10.1186/1471-2458-13-82
- Brugnach, M., Hoekstra, A. Y., & Van den Hoek, R. E. (2012). Shifting to ecological engineering in flood management: Introducing new uncertainties in the development of a building with nature pilot project. *Environmental Science and Policy*, 22, 85–99. https://doi.org/10.1016/j.envsci.2012.05.003
- Bücker, J. J. L. E., Furrer, O., Poutsma, E., & Buyens, D. (2014). The impact of cultural intelligence on communication effectiveness, job satisfaction and anxiety for Chinese host country managers working for foreign multinationals. *International Journal of Human Resource Management*, 25(14), 2068–2087. https://doi.org/10.1080/09585192.2013.870293
- Buil, I., Chernatomy, L. D., & Wallace, E. (2013). Building bank brands: How leadership behaviour influences employee commitment. *Journal of Business Research*, 66, 165–171. https://doi.org/10.1016/j.jbusres.2012.07.009
- Buranachaitavee, Y., Hannok, W., Jansem, A., Klassen, R., Pibulchol, C., Siu, A. F. Y., . . . Wongsri, N. (2012). Preservice teachers' work stress, self-efficacy, and occupational commitment in four countries. *Journal of Education and Development*, 27(4), 1–21. https://doi.org/10.1007/s10212-012-0166-x
- Camgoz, S. M., & Metin, I. (2011). The advances in the history of cognitive dissonance theory. *International Journal of Humanities and Social Science*, *1*(6), 131–136.
- Candela, L. L., Carver, L., & Gutierrez, A. P. (2012). The structural relationships between organizational commitment, global job satisfaction, developmental experiences, work values, organizational support, and person-organization fit among nursing faculty. *Journal of Advanced Nursing*, 68(7), 1–14. https://doi.org/10.1111/j.1365-2648.2012.05990.x
- Cascio, W. F. (2005). Strategies for responsible restructuring. *Academy of Management Executive Journal*, 19(4), 39–50.
- Chikosi, C. S. (2013). Attitudes and influences of attitudes towards organisational restructuring at Zimasco Kwekwe, Zimbabwe (Honours thesis). Midlands State University.
- Chinomona, R., Chinomona, E., & Joubert, P. (2013). Perceptions of equity and organisational commitment in the Zimbabwean hospitality industry: Implications for HR managers or employers. *South African Journal of Labour Relations*, *37*(2), 1–15. https://doi.org/10.5901/mjss.2014.v5n2p303

- Chinomona, E., & Dhurup, M. (2015). The role of organisational commitment in the organisational citizenship behaviour and employee intention to stay relationship. A case of Zimbabwe. *International Journal for Humanities and Social Science*, 5(7), 47–58.
- Chinomona, E., & Moloi, K. C. (2014). The role played by institutional support in the commitment, job satisfaction and employee performance of teachers in Gauteng Province of South Africa: A social exchange perspective. *Mediterranean Journal of Social Sciences*, 5(2), 303–315.
- Choudhary, N., & Lamba, S. (2013). Impact of HRM practices on organizational commitment of employees. *International Journal of Advancement in Research and Technology*, 2(4), 407–423.
- Cloete, C. (2012). The impact of downsizing on surviving employees' organizational commitment in a retail organization (Master's thesis). University of the Western Cape.
- Coetzee, M., & Ferreira, N. (2010). Psychological career resources and organisational commitment: Exploring socio-demographic differences. *South African Journal of Labour Relations*, 34(2), 25–41.
- Cook, B., & Mitchell, W. (2009). The economic and social impact of staff reductions in the South Australian public sector. Report prepared for the Public Service Association of South Australia, University of Newcastle, Sydney, Australia.
- Corduff, D. (2009). Retrenchment and job loss. *Journal of the Consumers' Health Forum of Australia*, 5, 1–2.
- Cosgrove, L., & Whitaker, R. (2013). Finding solutions to institutional corruption: Lessons from cognitive dissonance theory (Working Paper, 9). Cambridge: Edmond J. Safra Center for Ethics, Harvard University. https://doi.org/10.2139/ssrn.2261375
- Decotiis, T. A., & Parker, D. F. (1983). Organisational determinants of job stress. *Organisational Behaviour and Human Performance*, 32(2), 160–177.
- DeTienne, K. B., Agle, B. R., Phillips, J. C., & Ingerson, M.(2012). The impact of moral stress compared to other stressors on employee fatigue, job satisfaction and turnover: An empirical investigation. *Journal of Business Ethics*, *110*, 377–391. https://doi.org/10.1007/s10551-011-1197-y
- Dhar, R. L., & Garg, S. (2014). Effects of stress, LMX and perceived organisational support on service quality: Mediating effects of organisational commitment. *Journal of Hospitality and Tourism Management*, 21, 64–75. https://doi.org/10.1016/j.jhtm.2014.07.002
- Dibua, E. C., Idemobi, E. I., & Okoli, I. M. (2018). Effect of retrenchment on employees' service delivery: A study of ten districts of Enugu electricity distribution company (EEDC) in Southeast Nigeria. *European Scientific Journal*, 14(13), 121–133. https://doi.org/10.19044/esj.2018.v14n13p121

- Du Plessis, G. (2016). Solidarity: Part of the Solidarity movement. Retrieved from http://www.solidariteit.co.za
- Ertuk, A. (2007). Layoff survivors' perceptions of fairness as determinants of affective commitment following downsizing. *Bogazici Journal*, 21(1–2), 37–58. https://doi.org/10.21773/boun.21.1.3
- Eslami, J., & Gharakhani, D. (2012). Organisational commitment and job satisfaction. *Journal of Science and Technology*, 22(2), 85–91.
- Etuk, G. R., Inyang, E. B., & Williams, W. O. (2014). Assessment of survivors' perceptions of crisis and retrenchments in the Nigeria banking sector. *Journal of Humanities and Social Sciences*, 4(23), 10–20.
- Festinger, L. (1957). A theory of cognitive dissonance. New York: Elsevier.
- Festinger, L., Riecken, H. W., & Schachter, S. (1956). *When prophecy fails*. New York: Minnesota Press. https://doi.org/10.1037/10030-000
- Field, A. (2005). Discovering statistics using SPSS. New York: Sage.
- Firth, L., Loquet, C., Mellor, D. J., & Moore, K. A. (2004). How can managers reduce employee intention to quit? *Journal of Managerial Psychology*, *19*(2), 170–187. https://doi.org/10.1108/02683940410526127
- Freese, C., Schalk, R., & Van der Smissen, S. (2013). Organisational change and the psychological contract: How change influences the perceived fulfilment of obligations. *Journal of Organisational Change Management*, 26(6), 1071–1089. https://doi.org/10.1108/jocm-08-2012-0118
- Gribble, L. C., & Miller, P. (2009). Identifying the psychological constructs underpinning the effects of retrenchment. *Journal of Social Inquiry*, 7(2), 36–52.
- Hareli, S., & Tzafrir, S. S. (2006). Running ahead: Causal attributions in survivors' emotional reactions to downsizing. Retrieved from: http://www.googlescholar.com
- Hult, C. (2004). The way we conform to paid labour: Commitment to employment and organisation from a comparative perspective (DTech thesis). Umea University.
- Isrealstam, I. (2012). Retrenchment myths companies feed employees. The South African labour guide. Retrieved from: http://www.labourguide.co.za
- Jacobs, G., & Van Dierendonck, D. (2012). Survivors and victims, meta-analytical review of fairness and organisational commitment after downsizing. *British Journal of Management*, 23(1), 96–109. https://doi.org/10.1111/j.1467-8551.2010.00724.x

- Jensen, J. M., Messersmith, J. G., & Patel, P. C. (2013). High-performance work systems and job control: Consequences for anxiety, role overload and turnover intentions. *Journal of Management*, 39(6), 1699–1724. https://doi.org/10.1177/0149206311419663
- Jiang, J. J., & Klein, G. (2000). Effects of downsizing policies on IS survivors' attitude and career management. *Information and Management Journal*, 38(1), 35–45. https://doi.org/10.1016/s0378-7206(00)00052-5
- Judge, T. A., Odendaal, A., Robbins, S. P., & Roodt, G. (2009). *Organisational behaviour: Global and Southern African perspectives* (2nd ed.). Cape Town: Pearson Education.
- Juta. (2015). Labour Relations Act 66 of 1995 and CCMA-Related Material (26th ed.). Cape Town: Juta Law.
- Kamau, R. W. (2015). Factors influencing employee commitment and its impact on organizational performance: A case study of Kenya Airports Authority (MBA thesis). United States International University Africa.
- Kemp, E., Kemp, E. C., & Kopp, S. W. (2013). Take this job and shove it: Examining the influence of role stressors and emotional exhaustion on organisational commitment and identification in professional truck drivers. *Journal of Business Logistics*, 34(1), 33–45. https://doi.org/10.1111/jbl.12008
- Khan, N. A. (2010). A study of performance management through recession metrics during downturn. *Asia-Pacific Journal of Social Sciences*, 2(2), 155–165.
- Kipkebut, D. J. (2010). Organisational commitment and job satisfaction in higher educational institutions: The Kenyan case (DTech thesis). Middlesex University.
- Kiriago, A. N., & Nyaberi, D. N. (2013). Effects of retrenchment on the morale and job security of surviving employees of Telkom Kenya Limited. *International Journal of Academic Research in Business and Social Sciences*, 3(9), 16–23. https://doi.org/10.6007/ijarbss/v3-i9/186
- Kwan, H. K., Wu, L. Z., Yim, F. H. K., & Zhang, X. (2012). Coping with workplace ostracism: The roles of integration and political skill in employee psychological distress. *Journal of Management Studies*, 49(1), 178–199. https://doi.org/10.1111/j.1467-6486.2011.01017.x
- Mariappanadar, S. (2014). *The model of negative externality for sustainable HRM*. London: Springer.
- Mariappanadar, S. (2016). Sustainable human resource strategy: The sustainable and unsustainable dilemmas of retrenchment. *International Journal of Social Economics*, 30(8), 906–923. https://doi.org/10.1108/03068290310483779
- Mohamed, F. B. (2012). The effects of retrenchment prospect on employee morale: A case of Rift Valley Railways, Kenya (MTech dissertation). University of Nairobi.

- Mosupyoe, S. S. L. N. (2011). The implications of corporate rebranding in the South African mobile cellular telecommunications service industry: Challenges and opportunities. Retrieved from: http://hdl.handle.net/10500/6533
- Mudzimu, P. T. V. (2012). Work stress, work-home interference and organisational culture of insurance employees in Zimbabwe (MCom thesis). University of South Africa.
- Muijs, D. (2011). *Doing quantitative research in education with SPSS* (2nd ed.). Thousand Oaks: Sage.
- Munjuri, M. G. (2011). A survey of the criteria used by commercial banks in Kenya to determine employees to retrench. *International Journal of Business Administration*, 2(2), 57–81. https://doi.org/10.5430/ijba.v2n2p57
- Mutonga, J. M. (2011). *Effect of downsizing on workforce quality among commercial banks in Kenya* (MBA dissertation). University of Nairobi.
- Nel, A., & Ngirande, H. (2012). The psychological impact of downsizing on employee survivors in the manufacturing industry. *African Journal of Business Management*, 6(11), 4371–4375. https://doi.org/10.5897/ajbm11.987
- Okibo, S. S. (2012). Effect of retrenchment on service delivery of retained civil servants: A study of selected ministries in Kisil Central District, Kenya. *International Journal of Business and Social Science*, *3*(4), 138–144.
- Olagbemi, F. O. (2011). *The effectiveness of federal regulations and corporate reputation in mitigating corporate accounting fraud.* Bloomington: Xlibris Corporation.
- Oundo, A. J. (2009). The process of implementation of staff retrenchment programme in Rift Valley Railways Western Region, Kisumu (MTech dissertation). University of Nairobi.
- Pallant, J. (2010). SPSS: Survival manual (4th ed.). New York: Open University Press.
- Patel, M. M. (2014). A study of various classes of police officers in the traffic division of Ahmedabad and their work stress/anxiety/worry. *International Journal of Indian Psychology*, 2(1), 142–145.
- Versfeld, B. (2009). The effect of economic downturn on voluntary labour turnover amongst artisans in South Africa (MBA dissertation). University of Pretoria.
- Wandera, H. T. (2012). The effects of retrenchment/staff rationalization: A case of K.T.D.A. Ltd. *International Journal of Humanities and Social Science*, 2(23), 230–250.
- Willis, T. V. (2009). Recession-proof your business—Win their hearts and minds. Retrieved from: http://www.vickers-willis.com
- Winter, B. W. (2007). A phenomenological study into the experiences of retrenchment implementers (MCom dissertation). Stellenbosch University.