

**A SURVEY OF THE ATTITUDES OF RETRENCHES  
TOWARDS RETRENCHMENT/EARLY RETIREMENT: A  
STUDY OF SELECTED PRIVATE SECTOR  
RETRENCHES IN NAIROBI**

**BY**

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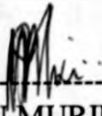
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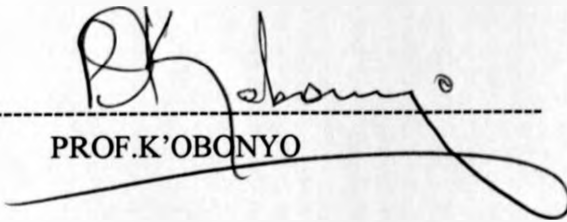
**DECLARATION**

This Research Project is my original work and has not been presented in any other University

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This Research has been submitted for examination with my approval as University Supervisor

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## DEDICATION

I dedicate this research project to my children, Rodney, Alvy, Muchai and Baraka because my major aim in undertaking the MBA course was to inspire them to have a learning culture through out their lives. I would like them to know that the illiterate of the future will not be people who do not know how to read and write but those who do not know how to learn. I would like them to be open to learning not only in the academic world but in all spheres of life.

## ABSTRACT

The psychological and behavioral effects of retrenchment/"early retirement" on the affected employees has received scanty attention in the Kenyan context. This research project reports a study of retrenched employees from the private sector in Nairobi and the handling of retrenchment by organizations. The first objective was to determine the attitudes of retrenched employees towards retrenchment programmes and to find out whether or not there were any organizational intervention programmes. Further the study sought to find out whether intervention programmes had any significant effect on the attitudes of the victims towards retrenchment programmes or not. The population of the study comprised of all those retrenched from the private sector and living in Nairobi. The sample consisted of forty retrenched persons from different organizations. Data was collected by the use of a questionnaire which was designed to measure the three dimensions of attitude comprising cognitive (knowledge of retrenchment especially prior to retrenchment), affective (liking or disliking of retrenchment), conative (the reaction of the retrenched towards retrenchment). Descriptive statistic was used to summarize the data while Chi-square statistic using the Statistical Package for Social Sciences (SPSS) was used to test the relationship between the retrenched employees' attitude towards retrenchment and the existence or non-existence of organizational intervention programmes. The results indicate that most retrenched employees view retrenchment programmes very negatively and that the handling of the process by the employer is very important to the victim's attitude and psychological comfort. Further, the results indicate that there is a relationship between the retrenched employees' attitude towards retrenchment and existence or non-existence of intervention programmes. Specifically, advance notification, counseling, extended benefits and retraining programmes were found to be significant factors.

I recommend that employers plan their workforce properly to avoid sudden job losses and that active employees be prepared in advance for lay offs. It is suggested that further research looks into the future of the employment contract particularly the effects of information technology and E-commerce.

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# CHAPTER 1: INTRODUCTION

## BACKGROUND INFORMATION

Explaining what constitutes retirement differs not only from nation to nation but also from one person to the next. In many developed nations, a transition to retirement is taken to mean the point where one accepts a public pension; this may or may not coincide with labor-force withdrawal. In Sweden for example, many retirees are partially employed after accepting a public pension, while in the United States, pension acceptance and work cessation are virtually synonymous (Fields and Lutchell, 1984 b). In other countries, accepting a privately – provided retirement payment, rather than a public pension, constitutes retirement; In Japan, for instance, many workers retire from their career job with a lump sum pension and often move to some other, usually lower paying employment, for several years (Rebick, 1993).

When people reach retirement age they cease to work for pay. That is what retirement means to most people. But if they have any say in the matter at all, they will not want to cease working until they have become eligible for a pension of some sort that will replace their pay cheque, at least in part. Such eligibility for either a publicly provided old age pension or a privately financed one is not available until they have acquired pensionable age.

While retirement age is the age at which one ceases to work for pay, pensionable age is the age at which one becomes eligible for retirement pension. Many employers have chosen the pensionable age under their employees' pension schemes as the normal retirement age for workers in that establishment. Even where there is no pension scheme for employees,



many employers require employees to retire at a certain age; therefore when one first gets employed, there is an expectation to retire at a certain age- the mandatory retirement age set by his employer. The following are some examples of the mandatory retirement age:

<b>Country</b>	<b>Retirement age</b>
Canada	65
Kenya	55
France	60 (but not statutory )
U.S.A	65
UK	65
Japan	65

**Source: International Labor Review 1983.**

Early or voluntary retirement is retirement before the attainment of the mandatory retirement age but within the pensionable age. In Kenya ,before the 1980's, early retirement was mostly voluntary and was useful to those who wished to leave employment when they were still strong. In other cases, deteriorating health conditions would force one to take the early retirement option.

Over the last two decades, many nations have developed innovative policies influencing retirement and work pattern, including (but not limited to) private and public pension systems. With the advent of structural adjustment programs (SAPS), "early retirement" or retrenchment has replaced not only redundancy but also retirement, with the end result being the same because the end product of both is the experiencing of loss of employment. The only distinction is that the former have a short or no notice at all and the benefits that usually come with retirement are missing, while the latter has notice requirement and involves terminal benefits.

Early retirement today is not necessarily voluntary. In 1991, Peter Eigen, the World Bank's resident director for East Africa, seemed an unlikely candidate to become a later day Quixote fighting against waste and corruption. An Archetypal member of the fraternity of global financiers who dispense international largesse, Eigen had lived by the credo that the bank should lend only to its own projects. To attack abuse in the private sector would amount to meddling in host country's affairs. But he saw from his Kenyan post that projects rejected by the bank because they were uneconomical and had harmful side effects were later picked up by foreign companies. The bank had, for example, intended to overcome a water shortage in the Coastal City of Mombasa with a simple \$40 million pipeline rehabilitation project. But foreign firms lobbied the Kenya government for a more expensive new pipeline to carry water across 200 kilometers to the city. Neither project has been implemented and Mombasa continues to suffer from lack of water.

Such episodes and graphic tales from his physician wife, Jutta about the desperate lives of the people of Kenya she worked with, convinced Eigen that Kenya's progress was being halted by corruption and he wanted to do something about it. According to long-time colleague Mike Stevens, the World Bank's corruption guru, "Peter was a head of his time". Unable to persuade the Bank to take a more activist stance, Eigen took "early retirement", determined to launch his own war against corruption. Eigen created Transparency International in 1993.

According to the Collins compact Dictionary, retrenchment "is reduction (in expenditure) by dismissing staff". Retrenchment is a decision to reduce expenditure for both internal and external factors likely to affect the services or survival of the organization. According to Michael Armstrong, (Human Resource Management practice, page 413 - 414), the drive for competitive advantage has forced organizations to "take costs out of

business” – an euphemism for getting rid of people, employment costs being the ones on which companies focus, as they are usually the largest element of their cost structures. The result has been delayering (eliminating) what are deemed to be unnecessary layers of management and supervision). Retrenchment has also been called “downsizing” or even “right sizing”. The introduction of technology has contributed greatly to the reduction in the number of semi- skilled or un-skilled people in offices and on the shop floor.

According to a Bonn International Centre for Conversion (B. I. C. C) report, retrenchment is a by-product of public sector reform, which in turn is a direct response to some of the early implementation problems of structural adjustment programs (SAP). Retrenchment has received much less attention than public sector reform (PSR) as donors, policy makers and researchers have tended to focus on internal structural, governance and process issues, rather than the nature, scope, and impact of retrenchment. It is reported that at the time of the research by B.I.C.C, personal telephone contacts were made to known professionals representing the World Bank in Washington D.C, the United Nations, (Public Administration and management) in New York, the Common-Wealth Secretariat in London, and Canada International Development Agency (CIDA), Hull Quebec. In all cases, the responses were similar in their lack of information and interest about retrenchment. Yet, in terms of institutional and human capital development and utilization, it is important to pay attention to retrenchment and to draw lessons of experience applicable to other forms of adjustments.

In this paper, “early retirement and retrenchment will be used to mean the same thing, that is unexpected loss of jobs due to structural adjustments affecting the employer.

“The exact number of employees who have been retrenched from the African public sector is not known. It is, estimated, however, that between 2.5 million and three million employees have been affected. Using figures

from countries such as Ghana, Zambia, Senegal, and Zimbabwe e.t.c. , it is estimated that during the early 1980's before public restructuring and retrenchment, the 'average' African Public sector employed about 500,000 people. About 20 % of these were in the civil service. Taking the effective number of countries in Africa to be 50, this gives a total of 25 million public sector employees. Retrenchment is estimated to have reached or affected 10 percent of the employees or about 50,000 per country.”  
( B.I.C.C REPORT, 1999).

Table 1 summarizes the number in employment and the number of retrenched employees for Ghana for 1987 and 1992. In 1992, net retrenchment was 32,546 for government service employees or 8.10 percent over five years, and 23,000 staff from the public enterprises sector or 9.2 percent. Overall the government retrenched 55,546 public sector employees or 8.5 % of its workers in a period of five years.

**TABLE 1: GHANA: PUBLIC SECTOR EMPLOYMENT AND RETERENCHMENT, 1987 AND 1992.**

Group	1987		1992	
	Number in Employment	% of Total Public sector	Number in Employment	% of Total public sector
1. Core service	131,089	20.1	102,173	17.2
2. Education Service	159,000	24.4	167,370	28.1
3. Subvented Organizations	81,574	12.5	69,574	11.7
4. Security organizations	29,000	4.5	29,000	4.9
5. Total government services ( 1 to 4)	400,663	61.6	368,117	61.9
6. Net retrenchment 1987-1992	-	-	32,546	8.1
7. Public enterprises	250,000	38.4	227,000	38.1
8. Net retrenchment 1987-1992	-	-	23,000	9.2
9. Total Public sector (line 5 plus line 7)	650,663	100	595,117	100
10. Net retrenchment 1987-1992 ( add lines 6 & 8)	-	-	55,546	8.5

**Source. Leechor, 1994.p.164**

Table 2 summarizes the results of the 1991 civil service voluntary departure program in Senegal. Out of the total of 5,609 targeted retrenchees, 3,745 or 66.8 percent actually left the service.

The table also provides the number and the percentages of departures by job grades. As expected, most of the retrenchment concentrated at the

lower levels of the service. While only 11.6 percent come from the highest grades (Grade A), the bottom three-job grades accounted for 63.8 percent of total departures

**TABLE 2: SENEGAL: CIVIL SERVICE VOLUNTARY DEPARTURE.**

Category/Type of Departure	Target Number	Applications (Number)	Actual figures as of October 1991		
			Number of Actual Departures	Share of Total (%)	Average cost of CFA Franc Millions
Voluntary Departure	2,850	2,458	2,155	57.5	4.8
Early Retirement	1,450	1,682	1,590	42.5	3.3
Privatization	1,309	-	-	-	-
Total	5,609	4,140	3,745	100	4.2
Departure by Grade:					
A (highest)		492	434		5.9
B		1,088	925		5.9
C		744	674		4.1
D		1,417	1,339		3.1
E (lowest)		399	373	100	2.2
		3,745	3,745		4.2

**Source: Rouis, 1994, p. 323**

When public sector retrenchment schemes were started in Africa in the mid-1980's, the target cuts in the number of employees ranged from 15-25%. There was no rationale for these numbers other than the expectation that the wage bill would be proportionately reduced, although in the end this proved not to be the case.

In a world Bank report , it was observed that “Despite the resistance of governments to undertake what they perceived to be politically risky measures, retrenchment has taken place in several countries . Although reliable government figures are not available in most cases, in Gambia, following a census and staff audit, approximately 3,800 government employees (including 2,900 temporary employees) were dismissed. And in central African Republic, between 350 and 400 civil servants have been removed so far, with more reductions planned for subsequent years” (Niumberg and Nellies, 1995 pg., 19)

In China, proposed schemes were expected to result in suppression by year 2000 of 11 ministries and/or state commissions (the number of which would fall from 40 to 29 through mergers or the transformation of administrations into public sector enterprises exposed to competition). Some ministries would cut staff by 46 %. A ministry of Social security for the public employees laid off 12 million in 1997 and was expected to lay off another 11million in 1998.

Retrenchment is continuing in the developed world where it all started in the 1970,s. Between January 1990 and December 1997, 34 companies in America made headlines for being involved in massive downsizing. The table below shows the scope of retrenchment in these companies.

**Table 3: Downsizing by American Corporations**

<b>COMPANY</b>	<b>DOWN SIZING</b>	<b>COMPANY</b>	<b>DOWN SIZING</b>
Apple Computer	1,300	Lockheed	17,000
Boeing(Feb.1993)	28,000	3M	5,000
Boeing( Dec 1993)	3,000	Philip Morris	14,000
Bank of America(1992)	3,000	Navistar	3,000
Bank of America(1993)	12,000	Nortel	5,200
Bank of America(1996)	3,750	NYNEX	16,800
Baxter	3,000	Pacific Bell	10,000
Bell South	10,200	Procter & Gamble	13,000
Chemical Bank	12,000	Rubbermaid	1,260
Delta	18,000	RJR Nabisco	6,000
Dupont	2,900	Sears	50,000
DEC(1994)	20,000	AT & T	40,000
DEC(1996)	7,000	US Air	2,500
Eastman Kodak	16,800	UNISYS	4,000
General Dynamics	27,000	US West	9,000
General Motors	74,000	Wells Fargo	7,000
GTE	17,000	Warner Lambert	2,800
IBM	60,000	Xerox	10,000
Kimberly-Clark	6,000	Woolworth	13,000

**Source: Lurie , Downsizing in Corporate America**

In Kenya, a number of organizations, particularly in the textile industry, have closed down causing massive loss of jobs because of unfair competition from second hand clothes . Many other organizations have



introduced modern techniques of production that have put emphasis on capital intensive processes of production in order to improve quality of their products. This has inevitably added to the loss of employment opportunities and even loss of existing jobs. It may be noted that the Government has amended section 16 of the Trade Disputes Act (Cap 234) to relax conditions under which employers would declare workers redundant. Prior to the amendment, it was mandatory to seek approval from the minister for labor before action was taken. Today, the requirement is only to inform the minister of the intended action.

According to a recent newspaper publication, many workers in Kenya have already lost their jobs in retrenchment. Some of these loses are summarized in Table 4, pages 10-12.

**TABLE 4 : Some Loses of Jobs through Retrenchment in Kenya**

<b>Date</b>	<b>Job losses</b>	<b>Reason</b>
August 18, 1991	25 workers sacked at Lobster restaurant, Nairobi.	Change of management
August 21 1991	21 workers sacked at Ibrahim's supermarket, Nakuru	Change of management
July 1, 1992	160 workers sacked in Tenwek Hospital, Eldoret	Financial crisis
Nov. 10 1992	150 workers sacked at Voi sisal estate, Taita Taveta District.	Not made public.
February 3, 1993	170 workers sacked at Kenya Finland Western water supply project, Kakamega	Reduced workload.

May 10, 1993	100 workers sacked at Associated vehicle Assemblers, Mombasa.	Not made public
June 3, 1993	200 workers sacked at Musa Industries Bakery, Vihiga	Low sales
July 30, 1993	800 workers sacked at Bahari mills Mombasa	Not made public
May 2, 1990	200 workers sacked at shoe and leather companies, Mombassa	Liberalization
July 1, 1995	400 workers sacked at Chebara water Dam, Marakwet District	Lack of funds
September 19, 1995	25 workers sacked at Bethany Hospital Machakos.	Financial crisis
March 10, 1996	145 casual workers sacked at Kakamega forest project	Claim of unproductivity
June 10, 1996	600 workers sacked at Africa Safari Club Mombasa	Change of Management
July 26, 1997	51 workers sacked at Nyali Sisal Estate, Kwale District	Debt of Kshs 1.4 Million owed to the National water conservation and pipeline corporation.
June 18, 1998	17 workers sacked at South Coast Hotel, Mombasa	Not made public
May 5, 1998	15 Security guards sacked at Royal club Casino, Mombasa	Un professionalism
October 17, 1998	63 workers sacked at Lagoon Hotel , Malindi	Slump in Tourism

March 24, 1999	24 workers sacked at Kenya Ports Authority, Mombasa	Sacking in public interest
April 27, 1999	80 casual workers sacked at Ministry of Public Works, Keiyo District	Lack of funds
August 24 1999	70 workers sacked at Kenya Farmers Association (KFA) in Molo, Njoro, Eldoret and Naivasha	Not made public
August 30 1999	200 workers sacked in Lake Basin Development Authority , Kisumu	To enhance efficiency
January 12, 2000	20 workers sacked at Matasithi Girls Secondary school , Nakuru	Not made public; sacked workers replaced.
January 10, 2000	10 workers sacked at DHT Secondary school, Kisumu	Financial constraints
January 12 , 2000	1,000 workers sacked at Raiply, Eldoret	Government decision to outlaw tree harvesting
February 13, 2000	600 workers relieved of their work at Moi University, Eldoret	Downsizing
February 20, 2000	Kenya commercial Bank planned to lay off 1,300 workers country - wide( this was done).	Normal retrenchment

**Source: East Arican Standard, " The Big issue magazine pg.1" March 9<sup>th</sup> 2000.**

According to the Federation of Kenya Employers (F.K.E.), the reasons why Kenyan companies have sacked workers include:

- Importation of cheap goods, plays havoc with manufacturers profit margins as sales then take a plunge. The workforce has to be reduced. The aim is to cut down on operational costs, which cannot be sustained with a large workforce.
- Souring bank interests make it impossible for companies to retain their total workforce if they (firms) are servicing bank loans. In such a situation, it becomes imperative to declare a certain number of employees redundant.
- Power outages translate into low productivity levels, which in turn result into reduced profit margins. Operations of affected companies are adversely interfered with. Firms will argue that it will be unrealistic to have bloated workforce for much less work. Expenditure soars as profits nose-dive. Cutting down operational costs through workforce reduction becomes imperative.
- Good infrastructure ensures low overheads. The opposite is true with a battered infrastructure. The cost of motor vehicle maintenance skyrockets due to bad roads. This adversely impacts on the economic well – being of affected firms, cutting down the labor force becomes inevitable.
- Fluctuations in foreign currency exchange rate are another factor. Firms that import raw materials for the manufacture of various products are hard hit by these fluctuations especially when the rates were high at the time of importation.
- Disparities in currency exchange rates in the COMESA region is making it hard for Kenyan Manufactures to compete effectively in the regional market. This invariably has a backlash effect on the

workers. Such disparities have forced many Kenya firms to drastically downsize.

- In the case of the civil service, the government embarked on a radical reform program that was to initially see the “right sizing” – euphemism for drastic reduction in government expenditure by massive lay offs – was part of a broader economic liberation policy that encompassed all sectors of the economy. It must be noted that the period of “golden handshake” expired in 1998, although staff reduction continuous. By the end of June 2001, the government planned to have retrenched 60,000 workers out of over the 200,000. It also clear that the whole thing was part of the implementation of the structural adjustments programs (SAPS), agreed between the government, the World Bank and the IMF in the late 1980’s.

The devolution of decision making over operational and financial matters is central to the management reform of any organization providing greater flexibility in service delivery – including human resource management. At some point, these structural and organizational changes have repercussions on employment security for many workers and have an impact on the contractual terms and conditions of an even greater number of employees.

In Kenya, the commonly held view on retrenchment/early retirement is that it is an extremely stressful transition which engenders considerable disruption in people’s lives and which frequently leads to serious maladjustment or decreased life satisfaction. It is observable that more and more people are retiring prematurely and once they retire, majority live in a state of economic deprivation, which negatively affects their social role and status besides creating an economic burden to the country. This observation and the fact that retrenchment in Kenya continues to affect

relatively young people who still have a lot of unfulfilled responsibilities formed the basis of this study.

The acceleration of modern life throws up many problems but few less tractable than what to do when a man suddenly clears his desk for the last time and finds himself with a new problem, what to do with himself. The fact that Employers and Human Resource Management Practitioners do not seem to give much attention to the life after formal employment drew my concern into this subject.

### **STATEMENT OF THE PROBLEM.**

Retrenchment/Losing one's job is rated as one of the most stressful events one can encounter-possibly life changing in countries where the economy does not grow fast or remains stagnant. Unfortunately, job security is a thing of the past, so preparation for life outside formal employment may make all the difference to the way one handles the situation if it happens to them.

Labib and Appelbaum (1994 p, 70) state that empirical research demonstrates that the amount and type of post termination corporate assistance can have "mitigating effects on employee stress levels". Advance notification , severance pay and extended benefits ,retraining programs and outplacement assistance have been identified as critical to reducing stress levels. Leana and Fieldman (1988) indicated that they had found very few adverse consequences for organizations that give advance notification. Despite this, Kaufman(1982) reported that "corporate management has traditionally been found reluctant to advise employees in advance or to provide them with information about eminent "layoffs". Furthermore, the literature reveals that most organizations escort

terminated employees off the premises immediately after their notification of termination(Labib and Appelbaum 1994, Pg.70-1).

The available literature also states that there is evidence that a number of organizations are now aware of their responsibility and are acting accordingly.

However, it is clear that most of the studies on retrenchment have been carried out in the European and North American Economies. Given the differences in social security benefits, alternative employment opportunities, and level of education among the workers, the attitudes of Kenyan workers towards retrenchment are likely to be different from those in the west. This is because the average Kenyan has very limited support outside the wage employment . The social system that used to provide economic, social and emotional support has been severely weakened by the forces of change. The plight of Kenyan retrenchees is exacerbated by the long list of people that depend on him/her for practically all their needs- shelter, food, medicine to mention but a few. It is against this background that the reaction of the Kenyan worker to the sudden loss of a job should be gauged. This is what motivated this study.

### **OBJECTIVES OF THE STUDY.**

The study will seek to fulfill the following objectives.

- 1) To determine the attitudes of private sector retrenchees living in Nairobi towards retrenchment.
  
- 2) To find out whether the retrenchee's attitude is related to organizational intervention programs.

## **IMPORTANCE OF THE STUDY**

The findings of the study will be important to following;

1. Knowledge of retrenchment will be used as a tool by HR practitioners and Employers to place their HR systems to cater for this other wise neglected subject.
2. Policy makers may also use the knowledge to set up social systems to counter the phenomena of retrenchment.
3. The work will create advance knowledge which will dispel fear and anxieties associated with retrenchment. This will be especially useful to those who may be affected.
4. The study will persuade employers and policy makers and the community to recognize the needs and potential of the retrenched workers and deliberately help them to adjust more easily.
5. Researchers and Academicians will use the material for further research on the subject.



## **CHAPTER 2: LITERATURE REVIEW**

### **INTRODUCTION**

This chapter reviews literature on the concept of retrenchment and retrenchees' attitudes.

### **THE CONCEPT OF RETRENCHMENT /EARLY RETIREMENT**

Companies have been trimming their workforce since the late 1980's and early 1990's through various means, such as attrition, layoffs, plant closures, and early retirement programs. Firms with upward -sloping-age earnings profile may favor mandatory retirement policies (Laezer,1991). However, now that such retirements have largely been abolished in many countries, offering early retirements is an increasingly popular way to terminate the "life time" wage contract between employer and employee. Because companies traditionally pay older employees more than younger ones, and older workers' rate of pay may not be congruent with their current productivity (Lazear1978), loosing older workers through early retirement may save money. In contrast, firms that use slow-acting natural attrition may have to continue to pay employees who are no longer needed (Greenhalgh et al, Lawrence and Sultan, 1988).

Layoffs and plant closing strategies enable firms to carry out large scale employee reductions, but they often lead to dysfunctional consequences for "out placed" and surviving employees (Brockner Greenburg, Brockner Bortz, Davynad Carter, 1986; Flaim and Sengal ,1985; Kinicki 1985).

Retrenchment is not new, work force reduction, closure of branch plants, closure of branch offices, regions etc. has been going on and is part of the

normal economic process but something is new about the way it is being done today . It is new in terms of the targets that are involved. In the 1960's and 70's, the targets were blue -collar workers, lower -blue workers and perhaps some lower white collar workers. This has shifted: in the 1980's and, 90's, the targets have been pre-dominantly much more white collar workers, higher white collar workers, managers and middle managers. People who traditionally have seen themselves as job secure and now they are not (Craig, 1977).

Virtually every type of organization and in every type of industry faces an economic environment of continuous and accelerating change. An increasingly pervasive response to this new economic environment is to engage in some form of restructuring which mainly includes retrenchment. For example between 1987 and 1991 more than 85 per cent of the Fortune 100 firms initiated major staff reductions affecting more than five million jobs. In 1993, more than 615,000 workers were laid off and the trend continued at the rate of 3,100 layoffs per day in 1994 (Hitt, Harback and Nixon, 1994,p18). Key attributes of retrenchment are that it is intentional, it involves reductions in personnel and is focused on improving the efficiency of the organization (Huber and Glizik 1993).

There are various strategic reasons for organization to retrench. They include: acquisitions and mergers, to avoid bankruptcy, to prepare for privatization and to reduce costs to remain competitive in an increasingly global economy (Labib and Appelbaum, 1994.p, 61)

A study conducted by Wyatt Company consultants (Hitt et.al.1994) revealed that fewer than half of the downsized companies achieved a reduction in overall expenditures, with less than one quarter indicating increased productivity.

Labib and Appelbaum (1994 p.62) cite that organizations do not give enough considerations to the people factor when downsizing. For example new corporate goals are often unclear because little information is given to employees. Labib and Applebaum speculate that this lack of communication results from the fact that human resources management issues are often not considered an integral element of organization's strategic planning process.

Labib and Applebaum (1994 p.67) demonstrated that employees are no longer surprised when a downsizing program is put in place. In fact they state that they almost accept it as inevitable. However despite this, they are strongly affected when they personally experience it. The extent to which stress is experienced by terminated employees is moderated by a large number of factors, (Leana and Ivancevich 1987) and Leana and Feldman (1988) have identified some of these as (Labib and Appelbaum, 1994).

- Gender
- Financial position
- Social support
- Length of employment
- Level of education
- Previous occupational level
- Degree of satisfaction with terminated job
- Career status
- Individual stress coping ability
- Method of termination evidenced by lead-time given.
- Channels used.

In addition, amount and nature of corporate assistance given in the form of advance notice, outplacement counseling, extended benefits, and

severance pay were cited as significant factors in coping with retrenchment.

Labib and Appelbaum state that empirical research demonstrates that the amount and type of post termination corporate assistance can have mitigating effects on employee stress levels. Advance notification, severance pay, extended benefits, retraining programs and outplacement assistance had been identified as critical to reducing stress levels. Leana and Fieldman (1988) indicated that they had found very few adverse consequences for organizations, which gave advance notification. Despite this, Kaufman(1982) has reported that corporate management has traditionally been reluctant to advise employees in advance or to provide them with information about eminent layoffs. Furthermore, the literature reveals that most organizations escort terminated employees off the premises immediately after their notification of termination (Labib and Appelbaum 1994 P.70-1).

The above literature also shows that a number of organizations are now aware of their responsibility and are acting accordingly.

However, it is clear that most of the studies have been carried out in the European and North American Economies. Given the differences in social security benefits, alternative employment opportunities, and level of education among the workers, the attitudes of Kenyan workers towards retrenchment are likely to be different from those in the west.

## **ATTITUDES**

An attitude can broadly be defined as a settled mode of thinking. Attitudes are evaluative as described by Makin et al (1996). An attitude contains an assessment of whether the object to which it refers is liked or disliked. Attitudes are developed through experiences and can change as new experiences are gained or absorbed (Michael Armstrong).

An attitude is a persistence tendency to feel and behave in a particular way towards some objects. Attitudes are complex cognitive processes but can be characterized in three ways: first they tend to persist unless something is done to change them; second, attitudes can fall anywhere along a continuum from very favorable to very unfavorable; third attitudes are directed towards some objects about which a person has feelings (Sometimes called "affects") (Fred Luthans).

The most widely held views of the structure of attitude is that it is made up of three closely interrelated components: – (Batra et, al.1999).

- Cognitive (Awareness, Comprehension, Knowledge)
- Affective (Evaluation, Liking, Preference)
- Conative (Action, tendencies such as intentions, trial, e.t.c)

Attitude surveys generally reveal that attitudes greatly affect job satisfaction. In a survey conducted by the institute of Industrial Engineers in America, concerning a broad cross- section of organizations and job responsibilities, it was concluded that American workers were working harder than they did before downsizing but are less enthusiastic about it. They are less motivated and less loyal to their companies (Institute of Industrial Engineers,1990).

Employees today feel that their organizations are not doing enough for them. One of the major complaints in recent years has been the decline in organizational loyalty to the personnel. Years ago, middle managers expected the company to take care of them if they did a good job. This is no longer true. As companies continue to become "lean and mean" through downsizing, they are having a devastating effect on employees but especially middle managers. The Fortune 500 industrial companies eliminated 3.2 million jobs in the eighties. In the 1990's, most of the remaining managers were found in a survey to have low morale, to fear

future cutbacks, and to distrust their top-level management. The following is a representative example of the traumatic effects such cuts have had on employees affected. "I was hurt, after thirty-four years with the company, I was surprised that it came down to an economic relationship between the two of us. I thought I was in a family kind of thing" (Robert G. Lord and Jeffrey A. Honenfeld, 1996).

In retrenchment, job attitudes mean the extent to which people have pleasant or unpleasant internal feelings towards the retrenchment or aspects of it.

Cameroon (1994) found three implementation strategies for downsizing which are believed to affect employees attitudes towards the exercise: Workforce reduction, Organization Redesign, and Systematic strategies (Huber and Glick, 1993)

### **Workforce Reduction**

The focus of this strategy is mainly on headcount reduction and it employs such tactics as early retirement, transfers and outplacements, buy-out-packages, golden parachutes, attrition and layoffs. It is most often done by top-down directives and almost always implemented across the board since the goal is to reduce headcount numbers quickly. The disadvantage of this method is that it is difficult to predict who will be eliminated and who will remain. It keeps employees in suspense and thus can lead to the development of negative attitudes.

### **Organizational Redesign**

This approach aims at cutting down work in addition to or in place of eliminating workers. Redesign strategies include eliminating functions, hierarchical levels, divisions or products; consolidating and merging units; and reducing work hours. The focus is on work reduction over Manpower reduction.

## **Systematic strategies**

These strategies focus on changing organizational systems, culture and attitudes of employees. They focus on systems in two ways: First, on internal systems such as values and communication etc. Secondly, on production chain and customers. This strategy involves redefining downsizing as a way of life, as an ongoing process, as a basis for continual improvement instead of a program or target. Instead of being the first target for elimination, employees are defined as resources to help generate and implement downsizing ideas in other areas.

Appelbaum, Simpson and Shapiro (1997) suggest that actual termination announcements be made to groups of employees not individuals. In addition, to reduce the trauma of separation, various programs to assist displaced employees should be put into place, such as counseling seminars, job search workshops, and placement service.

Aggregated over groups of individuals, attitudes data can provide very useful information for evaluation purposes, thus indicating how effectively various human resources activities are carried out (Cranny, Smith, and Stone, 1992)

## **MEASURES OF ATTITUDES**

- **The use of interviews** –This is where respondents are asked directly how they feel.
- **Questionnaire** –This should be guided or unguided
- **Attitude Scales** –These are used where a more precise and reliable measure is desired than can be obtained from simple questionnaire. Various scores of weights are attached to different alternatives to

indicate the degree of feelings that characterized a person who responds in a particular manner.

This study will mainly utilize questionnaires and interviews.



## **CHAPTER 3: RESEARCH DESIGN**

### **INTRODUCTION**

This chapter sets out the various stages, phases and procedures that were used in carrying out the study, in order to address the objective. These include;

### **POPULATION**

The population consists of all those retrenched from the private sector but living within Nairobi.

### **SAMPLE PLAN**

The sample consisted of names of forty retrenched persons from different organizations. Personal efforts were made to contact some the retrenched through their former employers while K-MAP (Kenya Management Assistance Programme, Nairobi office) was used as a contact for those who had passed through their training programmes. This sample was considered adequate, as the number is ten more than minimum sample size recommended by most Researchers. This gave a reasonable allowance for those questionnaires not returned.

The persons selected had been retrenched within the last ten years. The ten years limit for period in retrenchment was to ensure that attitudes expressed had not been influenced more by the recent experiences as opposed to retrenchment. Time and cost constraints led to this convenient sampling method.

## **DATA COLLECTION**

### **PRIMARY DATA**

Primary data was collected through a questionnaire (see appendix 1)

The questionnaire was designed to measure the three dimensions of attitude. It sought to gather information on the respondents' awareness and knowledge of retrenchment especially prior to retrenchment (cognitive aspect). This dimension was captured by questions 13-20 in part C of the questionnaire. Further, it sought to establish the liking or disliking of the retrenchment experience by the respondent (affective aspect). This was measured by questions 21-28 of the questionnaire. It also established what the reaction of the respondent towards retrenchment was (Conative). This aspect was captured by questions 29-32 of the questionnaire. Parts A and B of the questionnaire sought to establish other factors , which may affect the retrenchee's attitude towards retrenchment. These are: gender, marital status, level of education, length of employment, age bracket, previous occupational level etc.

Questionnaires were distributed to forty retrenchees living within Nairobi. A total of twenty-four questionnaires were returned for a response rate of 60%, which appears to be consistent with questionnaires distributed in other similar surveys. None of the returned questionnaires were excluded from the analysis. So twenty-four questionnaires were used in the data analysis.

## **DATA ANALYSIS**

The raw data was first edited for completeness and consistency, which facilitated coding and tabulation. The second step involved coding the data so that particular entries in the questionnaire were assigned numbers or symbols, which helped to group responses into a limited number of classes or categories:

The following statistics were used:

- Descriptive statistics was used to summarize the data
- Chi-square statistic was used to test for the difference between different intervention programmes and whether respondents' attitudes comprising cognitive, affective, and Conative dimensions, were related to the intervention programmes.

## CHAPTER FOUR: FINDINGS AND DISCUSSION

### Demographic Characteristics

A summary of the demographic information of the respondents is presented in Table 5.

**Table 5: Demographic Information of the Respondents**

#### Gender

Male	15 (62.5%)
Female	9 (37.5%)
Total	24

#### Age

20 –30 yrs	3 (12.5%)
31-40 yrs	14 (58.3%)
4.1 – 50 yrs	7(29.2 %)
Total	24

#### Marital Status

Married	22(91.7%)
Single	2(8.3%)
Total	24

#### Educational Level

O –Level	7(29.2%)
A –Level	8(33.3%)
University	6(25%)
Other	3(12.5%)
Total	24

*(Table 5 continues)*

**Company Ownership**

Foreign	10(41.7%)
Local	8(33.3%)
Both	6(25.%)
Total	24

**Company Management**

Foreign	6(25.%)
Local	8(33.3%)
Both	9(37.5%)
Missing answer	1(4.2%)
Total	24

**Industry**

Insurance	8(33.3%)
Manufacturing	11(45.8)
Financial	4(16.7%)
Freight and transportation	1(4.20%)
Total	24

**Number of years worked before retrenchment**

0 -5 yrs	4(16.7%)
6- 10 yrs	11(45.8%)
11- 15yrs	3(12.5%)
16 -20 yrs	6(25%)
Total	24

*(Table 5 continues)*

**Position held before retrenchment**

Managerial	8(33.3%)
Clerical	11(45.8)
Other	5(20.8%)
Total	24

**Current status of the retrenchees**

Formally employed	4(16.7%)
Not formally employed	20(88.3%)
Total	24

From the demographic information above, the findings reveal that:

The world of the retrenchees is male dominated, which would imply that the Kenyan working population has more men than women.

Retrenchment seemed to affect more those in the age bracket 31-40 years as they comprised about 70% of those interviewed. The least affected age group was that of 30 years and below while those above 40 years comprised nearly 30%. Over 90 % of the respondents were married .

Indeed, only two or 8.3 % were single. All the respondents had attained at least secondary school education and majority were of A-level while 25% had University degrees. Over 80% of the retrenchees had worked for over five years before retrenchment.

The greater number of the respondents held clerical positions at the time of retrenchment.

### **Pre-retrenchment Awareness level**

Parts of the questionnaire were designed to investigate the cognitive aspect of a retrenchees' attitude towards retrenchment i.e. retrenchees' awareness/knowledge of retrenchment prior to becoming a victim of the same. Table 6 below shows the results from those who responded.

**Table 6: Awareness of and preparedness for Retrenchment**

Extent of awareness of the existence of retrenchment before becoming a victim.

To a less extent	10(41.9%)
To some extent	7(29.2%)
To a moderate extent	4(16.7%)
To a large extent	3 (12.5%)
Total	24

Preparation for retrenchment by employer.

To a large extent	14(58.3%)
To some extent	5 (20.35%)
To a moderate extent	4(16.7%)
To a large extent	1(4.2%)

Believed I was prepared to deal with retrenchment.

Yes	5(20.8%)
No	19(79.2%)
Total	24

*(Table 6 continues)*

Time taken by supervisor to prepare staff for retrenchment.

To a less extent	20(83.3%)
To some extent	2(8.3%)
To a large extent	2(8.3 %)
Total	24

Would be better prepared for retrenchment if had a chance to work again.

To some extent	4(16.7%)
To a moderate extent	1(4.2%)
To a large extent	17(70.8%)
Total	24

The above findings reveal that :

Only 3 or 12.5% of the 24 respondents were fully aware that retrenchment existed before they were affected. About 42% were almost unaware about it. Most of the retrenchees were not prepared by their employer for retrenchment. 58% said that this was done only to a less extent. It was only one respondent who felt that his/her previous employer did prepare staff to a large extent. 9 of the respondents believed to a reasonable extent that they would cope with retrenchment if it came their way. However 15 or 62.5% did not believe so.

Most respondents said they would prepare better for retrenchment/retirement if they got a chance to work again.

The findings attest to the depressed situation in which many retrenched Kenyans find themselves. The predisposing factors in an individual that influence the effects of job loss are: character strengths and weaknesses, the meaning of the job, previous experience and personality style.



Considering that past research has demonstrated that advance notification is critical to the retrenchees' attitude towards retrenchment, the findings above are worrying for the Kenyan situation.

### **Retrenchees' response to retrenchment**

The questionnaire was designed to seek the liking or disliking of the retrenchment by the retrenchees once it happened to them. This addressed the affective aspect of their attitude. Table 7 below shows the results of the research.

#### **Table 7: Retrenchees' liking or disliking of the retrenchment experience**

Method used to communicate the retrenchment decision.

Verbally	1(4.2%)
In writing	18(75%)
Both	5(20.8%)
Total	24

Satisfaction with the way news of retrenchment was communicated.

To a less extent	17(70.8%)
To some extent	3 (12.5%)
To a moderate extent	3 (12.5%)
To a large extent	1 (4.2%)
Total	24

Feeling of fairness in the retrenchment programme.

To a less extent	20(83.3%)
To some extent	1(4.2%)
To a moderate extent	2(8.3%)
To a large extent	1(4.2%)
Total	24

*(Table 7 continues)*

**Preferred method of communication.**

Verbally followed by letter	9(37.5%)
Advance notification	14(58.3%)
By qualified manpower	1(4.2%)
Total	24

**Stakeholder involvement in retrenchment decisions**

To a less extent	21(87.5%)
To some extent	2(8.3%)
To a large extent	1(4.2%)
Total	24

The statistics show that:

Majority of the respondents or 79.2% were informed about the retrenchment decision in writing. Only one person was informed verbally while 5 or 20.8% received both oral and written communication.

Most of the respondents ( 70.8%) did not like the way their retrenchment was communicated to them. Over 80% of the respondents felt that the retrenchment that affected them was not fairly done. Over 95 % felt that they should have been given advance notification or oral communication followed by letter. However there was one respondent who was fully satisfied with the handling of his/her retrenchment.

The study found out that decisions on retrenchment were mostly done by top management and other parties . Stakeholders (Trade Unions, employees, and government) were not involved in the process.

The findings of the research demonstrate that the approach of retrenchment by most Kenyan organizations does not recognize the importance of communication and involvement of employees as an important aspect of successful downsizing. Any good change process ensures that everyone involved is fully informed of the purposes, cost, timing and strategies. Appelbaum and Shapiro reiterated the importance of communication through out the downsizing process, and noted that it becomes more crucial towards the end.

It is recommended that actual termination announcements be made to groups and not individuals. In addition, after the initial announcement, a meeting between the human resources specialists and each affected employee should be called to inform them of the situation. Always a letter should follow verbal communication. Employee involvement, team work, communication, information sharing, rewarding, appraising, training, articulating a vision, and administering downsizing in a trust worthy and fair manner are all critical aspects of successful downsizing. Furthermore, these variables all lie within the normal responsibilities of the human resource professional. Thus the human resource professionals play a central role in ensuring the successful implementation of effective downsizing strategies.

### **Retrenchees' reaction towards retrenchment**

The last part of the questionnaire was designed to investigate the retrenchees' reaction towards retrenchment. Respondents were asked to state the challenges faced since retrenchment. They were to rank various items believed to be the major challenges of retrenchees from the least to the greatest challenge. Table 8 shows the findings of the study on this aspect:

**Table 8: Action taken by the retrenched on experiencing Retrenchment (conative aspect of attitude)**

**Business initiation since retrenchment**

Yes	16(66.7%)
No	8(33.3%)
Total	24

**Greatest challenges**

Description	number	Mean – (ranking)
Money matters	20	3.5
Idle time	19	3.2
Low self esteem	19	2.9
Social support	19	2.8
Family support	19	2.5

**(Current status of the retrenched)**

Formally employed	4(16.7%)
Not formally employed	20(83.3%)
Total	24

**Extent of friends' support after retrenchment**

To a less extent	13(54.2%)
To some extent	8(33.3%)
To a moderate extent	1(4.2%)
To a large extent	2(8.3%)
Total	24

*Table 8 continues)*

Family preparedness for retrenchment

Yes	20(83.3%)
No	3(12.5%)
No response	1(4.2%)
Total	24

Existence of intervention programmes.

Counseling	4 (11.4%)
Severance pay	11(31.4%)
Advance notification	4(1.4%)
Extended benefits	3(8.6%)
Retraining programs	2(5.7%)
None at all	11(31.4%)
1 missing response	

**What they felt should have been done**

Question 35 of the questionnaire asked the respondents to indicate how they would have liked the retrenchment carried out. The various responses are listed below:

Early preparation, training and counsel

Fair retrenchment criteria

Extension of benefits

Handsome termination benefits

Voluntary retirement

Retrenchment to be done in phases

Write off loans and other pending liabilities

Emphasis on contractual agreements

Mitigation of impact by government

A law governing retrenchment should be considered

From Table 8, a number of facts are revealed:

66.7% or 16 of the respondents had already started their own businesses. Only a few, (4 or 16.7%) were formally employed.

The three greatest challenges faced by the retrenchees were money matters, followed by idle time, then low self esteem. Friends did not remain supportive in retrenchment. Intervention programs were absent in 11 cases while severance pay was the most common intervention program. Majority of those interviewed seemed to have developed negative attitudes mainly due to their un-preparedness for the sudden change and absence of adequate terminal benefits to replace their lost earnings. Some of them felt that contractual employment should be encouraged much more as it is better than the permanent and pensionable in terms of psychological impact of losing a job. It is generally believed that the way an individual reacts is related to their preparedness and the support systems available in the individual's environment.

To find out whether retrenchees' attitude towards retrenchment programmes was related to existence or non- existence of intervention programmes, the following relationships were analyzed:

1. Communication of the retrenchment and satisfaction of the retrenchee with the retrenchment news
2. Presence of each intervention program and feeling of fairness by the retrenchee
3. Firm ownership and management and presence of intervention programs

4. Marital status and area of greatest challenge
5. Highest level of education and area of greatest challenge
6. Gender of the respondent and area of greatest challenge

Chi-square statistic using the SPSS (Statistical Package for Social Sciences) procedure was used to test the relationships between the various aspects as above ( see appendix 2). The analysis of these relationships are shown and discussed in the remaining part of this chapter.

**Table 9: Chi- square test of the difference between different Intervention programmes and retrenchees' feeling of fairness.**

Intervention programme	Feeling of fairness in retrenchment		
	X <sup>2</sup>	DF	P-Value
Severance pay	2.05	3	0.563
Advance notification	13.6*	3	0.01
Extended benefits	10.74*	3	0.01
Counseling	11.04*	3	0.01
Retraining programmes	11.56*	3	0.01

**\*P<.01**

The analysis in table above indicate that,

Existence or non-existence of Advance notification, extended benefits, counseling and retraining programmes were significant in influencing the retrenchees' feeling of fairness towards the retrenchment.

Severance pay as an intervention program did not seem to influence feeling of fairness. The findings are in agreement with past research conducted in Europe and American economies.

**Table10: Chi- square test of the difference between satisfaction with Communication of the retrenchment messages and the different Communication method used.**

	<b>Satisfaction with method used to break the news</b>		
	Value	DF	P-Value
<b>Communication of the retrenchment</b>	25.15*	6	.00

\*P < .01

From the two Tables above,

The method of communication used affects the victim's' feeling of fairness towards retrenchment as implied in table 10.This confirms the general principle that communication is central to introduction and management of any change.



## Other factors found to affect the retrenchedes' attitude towards retrenchment

The study found that apart from intervention programmes by the employer, there were other factors that could affect what a retrenchedee felt about retrenchment. These were : highest level of education attained, marital status, age and gender. The following tables 11 and 12 analyze some of these factors in relation to the area of greatest challenge.

**Table 11: Chi- square test of the difference between different levels of Education and perception of challenge presented by retrenchment.**

Area of greatest challenge	Highest level of education attained		
	X <sup>2</sup>	DF	P-Value
Money matters	21*	12	.05
Low self esteem	24.67*	12	.02
Idle time	15.17	12	.23
Family support	21.03*	12	.01
Social support	18.92	12	.09

\*P < .05

From table 11, we can say that:

Highest level of education had significant influence on the area of greatest challenge for the victims. The particular areas where different levels of education seemed to influence greatest challenge were on money matters, social esteem and family support. This may imply that those with the higher level of education were enjoying higher social status and therefore it was more difficult to cope with the change.

**Table 12: Chi- square test of the difference between gender and perception of challenge presented by retrenchment.**

Area of greatest challenge	Gender of the respondent		
	X2	DF	P-Value
Money matters	4.16	4	.38
Low self esteem	1.19	4	.88
Idle time	3.03	4	.55
Family support	2.96	4	.57
Social support	2.96	4	.57

Table 12, indicates that gender was not significant in the area of greatest challenge as in **all the cases P>. 05.**

In addition to the above, it was noted from the findings that the ownership and management of the firms between local and foreign appeared to influence the existence or non-existence of intervention programmes.

Tables 13 and 14 show Chi-square analysis between firm ownership/management and existence of intervention programs.

**Table 13: Chi- square test of the difference between firm ownership and existence of different intervention programmes.**

Intervention program	Firm Ownership		
	X2	DF	P-Value
Severance pay	10.8*	2	.00
Advance notification	2.58*	2	.28
Extended benefits	.152	2	.93
Counseling	.180	2	.91
Retraining programmes	1.64*	2	.44
None	7.89*	2	.02

**\* P<.05**

From the above analysis it can be said that; Firm ownership appeared to be significant to existence of major intervention programmes including severance pay, advance notification and retraining programmes. Even where none of the intervention programmes existed at all, the data analysis indicates that ownership was significantly relevant as  $p < .05$ . The findings may imply that the firms, which are foreign owned are more knowledgeable on downsizing since this is where it all began and even past research has been done in their

countries. Therefore they are better placed at handling the process than the local organizations.

**Table 14: Chi- square test of the difference between firm management and existence of different intervention programmes.**

Intervention program	Firm Management		
	X2	DF	P-Value
Severance pay	12.4*	2	.00
Advance notification	.10	2	.95
Extended benefits	1.58	2	.46
Counseling	1.44	2	.49
Retraining programmes	.78	2	.68
None	8.1*	2	.02

\* P<. 05

From the analysis it can be said that;

Firm management appeared to have significant influence in the case of severance payment and where no intervention programme existed at all.

Firm management did not appear as significant as ownership. This may

imply that it mattered more who the policy makers were than who the management comprised of .

## CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMEDATIONS

### SUMMARY

Explaining what constitutes “retirement” differs not only from nation to nation but also from one person to the next. In many developed nations, a transition to retirement is taken to mean the point where one accepts a public pension; this may or may not coincide with labor-force withdrawal. Retirement to most people in Kenya implies ceasing to work for pay. Early or voluntary retirement is retirement before the attainment of the mandatory retirement age.

Retrenchment “is reduction (in expenditure) by dismissing staff”. It is a decision to reduce expenditure for both internal and external factors likely to affect the services or survival of an organization. The result has been delayering (eliminating) what are deemed to be unnecessary layers of management and supervision. Retrenchment has also been called “downsizing” or even “right sizing”. The introduction of technology has contributed greatly to the reduction in the number of semi- skilled or unskilled people in offices and on the shop floor ( Armstrong M.).

Retrenchment is not new, work force reduction, closure of branch plants, closure of branch offices, regions etc. has been going on and is part of the normal economic process but something is new about the way it is being done today. It is new in terms of the targets that are involved. In the 1960's and 70's, the targets were blue –collar workers, lower –blue workers and perhaps some lower white collar workers. This has shifted: in the 1980's and 90's, the targets have been pre-dominantly much more white collar workers, higher white collar workers, managers and middle managers.

People who traditionally have seen themselves as job secure and now they are not (Craig, 1977).

Although retrenchment is a by-product of public sector reform, which in turn is a direct response to some of the early implementation problems of structural adjustment programs (SAP), retrenchment has received much less attention than public sector reform (PSR) as donors, policy makers and researchers have tended to focus on internal structural, governance and process issues, rather than the nature, scope, and impact of retrenchment.

An attitude can broadly be defined as a settled mode of thinking. Attitudes are evaluative as described by Makin et al (1996). An attitude contains an assessment of whether the object to which it refers is liked or disliked. Attitudes are developed through experiences and can change as new experiences are gained or absorbed (Michael Armstrong).

The most widely held views of the structure of attitude is that it is made up of three closely interrelated components: – (Batra et, al.1999).

- Cognitive (Awareness, Comprehension, Knowledge)
- Affective (Evaluation, Liking, Preference)
- Conative (Action, tendencies such as intentions, trial, e.t.c)

Labib and Appelbaum (1994 p, 70) state that empirical research demonstrates that the amount and type of post termination corporate assistance can have mitigating effects on employee stress levels. Advance notification , severance pay and extended benefits ,retraining programs and outplacement assistance have been identified as critical to reducing stress levels. Leana and Fieldman (1988) indicated that they had found very few adverse consequences for organizations that give advance notification.

The study of retrenchment on the psychological and behavioral effects on affected employees has received scanty attention in the Kenyan context compared to what has been done in the developed world.

This research project reports a study of private sector retrenchees living in Nairobi and their attitudes towards retrenchment programmes. The study sought to determine the attitudes of retrenchees towards retrenchment programmes, find out whether there were any organizational intervention programmes and if the existence or non-existence of these programmes had any significant effect on the attitudes of the retrenchees towards retrenchment. The population of the study comprised of all those retrenched from the private sector and living in Nairobi. The sample consisted of forty retrenched persons from different organizations. Data was collected by the use of a questionnaire which was designed to measure the three dimensions of attitude comprising cognitive (knowledge of retrenchment especially prior to retrenchment), affective (liking or disliking of retrenchment), conative (the reaction of the retrenchee towards retrenchment). Descriptive statistic was used to summarize the data while Chi-square statistic using the Statistical Package for Social Sciences (SPSS) was used to test the relationship between the retrenchees' attitude towards retrenchment and the existence or non-existence of organizational intervention programmes. The results indicate that the amount and type of post termination corporate assistance can have "mitigating effects on the attitudes of retrenchees' towards retrenchment programmes". Advance notification, severance pay, extended benefits and retraining programs were found significant in influencing the attitudes.



## CONCLUSIONS

1. The study found out that to a large extent, retrenchment programmes had created negative attitudes within the retrenchees. The negative attitude was not related so much to the prior knowledge of the subject by the retrenchees. Rather, it was related to the way the whole process was carried out and particularly the method of communication used to break the news.
2. Most retrenchees felt that they should have been involved in the decision making about the retrenchment and that verbal communication should have preceded written communication.
3. Existence of intervention programmes by the organizations was also found to have a significant impact on the attitudes of retrenchees. Those who had been prepared by their management seemed to have had better coping ability and feeling of fairness in the whole process, than those who were not.
4. Retrenchees faced many challenges upon retrenchment. Money matters was found to be the greatest area of challenge followed by idle time and low self-esteem. Social and family support also presented a challenge to the retrenchees.
5. Most organizations with foreign ownership or management were found to be the ones with intervention programmes.
6. Fairness perception is important to the retrenchees' attitude. Retrenchees were likely to view retrenchment with fairness when.
  - (i) They receive adequate advance notification

- (ii) They are treated with dignity and respect during the retrenchment exercise.
- (iii) Management provides a clear explanation of the reasons for the exercise and employees are involved in layoff decisions.
- (iv) When the retrenchment criteria is known and is believed to be fair.

7. Change and how people deal with it are at the focus of the whole retrenchment conundrum. We have to become more knowledgeable about the process of individual change and corporate transformation before we can get a better handle on this business practice.
8. An individual cognitive, emotional and behavioral efforts to manage the demands of retrenchment depends on the personality. Some individuals do this by taking a proactive stand and by trying to take new control over their lives while other people cope more reactively, attempting to escape from or avoid stress.
9. Retrenchees felt that organizations would help employees cope with retrenchment better if they had; early preparation, extended benefits, loans and other liabilities were written off, emphasis was laid on contractual rather than permanent employment, laws governing retrenchment were clear, there was employee education and further training, provision of entrepreneurial assistance, fair retrenchment criteria, voluntary retirement and retrenchment is done in phases.

## **RECOMMENDATIONS**

The job market is shrinking each year and building the personal capacity to deal with retrenchment has become one of the most urgent skills training needs in Kenya . People are having to cope with increased job uncertainty . The one job for life no longer exists. Unfortunately, fewer than one in two employees marked for the axe will receive adequate preparation, says Mecca, the member education communication and advice unit of business services group, NMG-LEVY, South Africa. Some people are fortunate to receive a substantial sum of money and start their own business or enter into a field they have been keen to get into for a long time. In this way, a negative experience then becomes a positive one, but these tend to be exceptions.

It is vital that skills and experience are not lost, that retrenched workers do not lose self-esteem and confidence, that they have an opportunity to refocus and enter the economy. Unfortunately, most workers have to cope alone. The risk is then that they will fail to use retrenchment as an opportunity to learn new skills and return to productive work. Instead they drift and retreat.( CAPE TIMES January 14, 2002.)

The following recommendations are given to help the various parties involved.

### **FOR THE AFFECTED INDIVIDUAL**

Perhaps the most devastating is the emotional impact especially if one was deriving too much worth from the vocation. For many people, what they do also gives them status. Retrenchment brings uncertainty. How long will this period last, what to do next, should I try something new, should I start my own business, what if it fails ? Unfortunately, no one can predict the length of time, and for every person for whom retrenchment provided an opportunity to successfully pursue a lifelong passion, there are some who

lost all their savings in the wrong venture or through prolonged unemployment.

1. **Accept retrenchment, tell the truth.** Denial can prolong recovery and also exclude one from the very much-needed support of family and friends. The way one handles this stage can become a very powerful witness and example to others-especially ones children , who can not be protected from experiencing the challenges of living in our times. It is also important to remember that one did nothing wrong.
2. **Do not withdraw.** The question of what to do with oneself for a living, the loss of status at work, one's own fears and uncertainties, and progressive unease as this period of being unemployed drags out, all lead to a tendency to withdraw .This option denies one the most important means to recovery, namely networking. It is well known that traditional ways of seeking employment ( e.g. applying on adverts and sending out ones resume) has very limited chances of success, and that the most effective way is through networking and referrals. Maintaining a neat appearance while actually seeking opportunities to meet others, exchange ideas and explore opportunities is a far better response. This can assist one to rejoin the workforce.
3. **Seize the opportunity.** Use this time to reassess your real interests, talents and gifts. Studies show that many people do not enjoy their work and believe that they may be in the wrong job. If one happens to be one of them, it may be time to pursue a real interest. One is advised to explore more than one route , no need to bargain on formal employment with large firm only. All indications are that the nature of employment is changing from stable to contractual basis. The challenge lies in remaining employable.

4. **Consider the entrepreneurial route.** Many retrenched people have little choice but to start their own businesses to earn an income.- but they should be aware of the hidden pitfalls that cause 50 % of all small businesses to go belly- up If one thinks of starting a business, they should start planning the moment they know that they are going to be retrenched. If not sure of the business to go into, seek professional guidance from reputable investment managers.
5. **Money Matters.** Here the best Motto is: Be careful! There are many advisors who will gladly help one to part with their severance cheque. Too many people invest their earnings in “opportunities” that fail, thereby losing literally everything. It is important to seek careful advice from more than one prudent source. For as long as possible do not use money set-aside for retirement. Consider it inaccessible. Scale down immediately. Get the cooperation of your family in implementation and careful monitoring of an expense budget. One may be forced to stretch out funds more than anticipated. What can be done without?. Immediately discontinue credit facilities. If you had life insurance policies, continue paying them for as long as possible. Try not to cash them in. You lose far more than you gain. If you can, ask family and friends to assist in keeping up the contribution.
6. **Positive Vs Negative energy-** Do not waste time and energy on negative thinking such as “ why me”. Life consists of challenges and opportunities for growth. Being helped out of a comfort zone will force you to consider a host of alternatives.
7. **Upgrade one’s skills.** High skilled people trade better. Check for any improvements that you can make to enhance your employability.

8. **Consider retirement.** If you are close to retirement and about to be retrenched, retire. One should investigate the option of retiring early if the benefits are better.
9. **There is life after retrenchment.** This indeed is a big lesson. Remember there is life after retrenchment. But opportunities will not fall on your lap. When Durban mother and son Pearl and Greg were simultaneously retrenched from a radiator manufacturing company two years ago, they looked at the brighter side of unemployment and leapt into the world of small business. They started a digital company, Cyber Arts in Greg's kitchen. The mother and son team soon started building clientele base by providing solutions for the design and advertising. Now the business has taken over Greg's lounge. While Greg admits it's a struggle the first time, Greg says there numerous advantages in running a business from home. So cope with retrenchment.

## **TO THE EMPLOYER**

1. **Plan your workforce.** The challenge now than ever before is to make projections and align them to the dynamism of the information age. The impact of information Technology on manpower needs cannot be ignored in this era of E-commerce. Human resource Managers should ensure that as much as possible, retrenchment is the very last resort and does not have to affect majority of the employees.
2. **Offer post employment advice-** Saving for future should be taken seriously and schemes set up to encourage employees to prepare for the future. With the set up of the Retirement Benefits Authority (RBA), employers should encourage their workers to save for the future.
3. **Retrenchment Counseling should also be given.** Employers can advise their affected workers where to seek help in counseling or

organize seminars for them. However, these should not be done as a crisis. They are most helpful when well organized and well in advance.

4. **Train workforce** so that they are employable even if they left. Manage excess workforce. Encourage innovations that lead to new business lines where the excess labor can be absorbed.

## **FOR THE ACTIVE WORKER**

1. **Plan your Career.** Have a personal vision and mission statement that drive you. When one is working towards a certain direction, it is much easier to seek help or alternatives incase of need.
2. **Upgrade skills.** This should be done as a continuous process with both the internal and external environments fully scanned. The aim should be to remain employable at all times, because your skills can market you.
3. **Prepare in advance.** Save some thing every month and have a defined saving scheme. Join a pension scheme, co-operative etc. It is easier to survive with little than with nothing.
4. **Be informed of the trends** in your industry and market
5. **Read the signs of the times.** Many retrenchment programs have signs and symptoms. The performance of the economy, the businesses should be good indictors of what direction things may take.

## **TO THE GOVERNMENT AND POLICY MAKERS**

1. Anticipate changes in the employment contract and review the legal framework to accommodate the changing needs.
2. Provide basic needs like health and education so that citizens do not become so desperate in case of sudden non-employment
3. Set up education programs like the careerLink in Singapore to assist people make informed employment decisions.

## **RECOMMENDATIONS FOR FURTHER RESEARCH**

1. The findings of this study offer help to HR managers in determining their focus for attention on retrenchment victims. We recommend that future research looks at the possibility of teams comprised of all stakeholder representatives participating in realignment and downsizing initiatives.
2. Future research can also try to study the future of employment contracts especially with advancement in Information Technology and E-commerce.

## **LIMITATIONS**

### **1. Apprehension by respondents**

Some retrenches did not feel very excited to be asked about their sad past. So they did not respond or return the questionnaires. To overcome this problem as I went along, I would take more time to explain to the respondents why the information would be important



once the research was completed and that the same would assist future victims of retrenchment.

## **2. Time Constraint**

It was clear that one would need to take a lot of time to trace the retrenched and also explain to them the whole essence of the research project. Most of the respondents were available in the evenings. The number of different places one can visit in one evening is very limited especially at this time of great insecurity in Nairobi. This problem was compounded more by the fact that the Researcher is a full time employee and the time available was very limited. The solution in most cases lay in making appointments with the retrenched and also utilizing the weekends more.

## **3. Locating the Retrenched**

This presented the greatest challenge to the Researcher. Although in most cases contacts were given, getting to know the exact location of the respondents was sometimes very difficult. Sometimes we would talk on phone and agree on time and meeting place but this would fail. I had to get the assistance of friends in certain areas to locate retrenched.

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## APPENDIX 1

### A SURVEY OF THE ATTITUDES OF RETRENCHES TOWARDS RETRENCHMENT/EARLY RETIREMENT: A STUDY OF SELECTED PRIVATE SECTOR RETRENCHES IN NAIROBI

#### INTERVIEW QUESTIONNAIRRE

Please complete as applicable

#### PART A: DETAILS OF THE ORGANZATION

1. Name of the organization from which you were retrenched

-----

2. Industry or Sector -----

3. Ownership ( foreign, local, both)-----

4. Management ( foreign, local, both)-----

#### PART B. PERSONAL DETAILS

5. Marital status (Please tick one).

Married

Single

6. Age bracket (Please tick appropriately)

20-30yrs

31-40yrs

41-50yrs

Over 50yrs.

7. Current status. (Please tick inside the relevant box)

- Formally employed
- Not Formally employed

8. Highest level of education attained

- O-Level
- A-Level
- University
- Any other ( please indicate)-----.

9. Highest level of professional training attained-----

10. Gender -----

- Male
- Female

11. Number of years worked in formal employment before retrenchment (*Please tick inside the relevant box*)

- 0-5
- 6-10
- 11-15
- 16-20
- over 20

12. Level or position held in employment before retrenchment

- Managerial
- Clerical
- Other( Please specify)-----.

## PART C: GENERAL QUESTIONS

*Please tick inside the relevant box*

13. Before you were retrenched, to what extent were you aware that retrenchment existed and could affect anyone?

- To a less extent
- To some extent
- To a moderate extent
- To a large

14. To what extent had your prepared you employer for retrenchment?

- To a less extent
- To some extent
- To a moderate extent
- To a large

15. Was there manpower planning in the organization that you worked for?

- Yes
- No

16. If your answer to question 15 above is yes, to what extent were the plans used in decision making in recruitment, promotions, transfers retrenchment etc?

- To a less extent
- To some extent
- To a moderate extent
- To a large

17. Before you lost your job, to what extent did you believe that you could cope with retrenchment any time it came?

- To a less extent
- To some extent
- To a moderate extent
- To a large extent

18. Given your experience since retrenchment, do you believe that you were prepared at all to deal with retrenchment?

- Yes
- No

19. To what extent did your immediate supervisor take time to prepare staff for departure

- To a less extent
- To some extent
- To a moderate extent
- To a large extent

20. To what extent were you satisfied with your job at the time you were retrenched?

- To a less extent
- To some extent
- To a moderate extent
- To a large extent

21. To what extent do you believe there was fairness in the retrenchment that affected you?

- To a less extent
- To some extent
- To a moderate extent
- To a large extent



22. How was your retrenchment communicated to you?

- Verbally
- In writing
- Both

23. To what extent were you satisfied with the way that the news of your retrenchment was broken to you?

- To a less extent
- To some extent
- To a moderate extent
- To a large extent

24. If your answer to question 10 above indicates that you were not fully satisfied by the way the retrenchment decision was communicated to you, please suggest how would you have liked it done.

---

---

25. Was your family prepared for your retrenchment?

- No
- Yes

26. During my employment, I belonged to a retirement saving scheme.

- True
- Not true

27. Did you belong to any other savings scheme outside the pension scheme?

Yes

No

28. Which of the following intervention programmes did your organization use to assist retrenched workers cope with retrenchment? Please tick as many as existed in your organization.

Counseling

Severance pay

Advance notification

Extended benefits e.g. medical, pension etc

Retraining programs

Outplacement assistance

None.

29. Which has been the area of greatest challenge for you out of employment? Please rank them in order, 1-5, from the area of least challenge to the greatest.

Money matters

Low self esteem

Idle time

Family support

Social support

Other( Please specify)-----.

30. To what extent did your friends remain supportive after retrenchment.

To a less extent

To some extent

To a moderate extent

To a large extent

31. Have you started any form of business since you left employment?

Yes

No

32. If you got a chance to work to what extent do you think you prepare yourself better?

To a less extent

To some extent

To a moderate extent

To a large extent

33. To what extent do you think Kenyan workers are prepared for retrenchment?

To a less extent

To some extent

To a moderate extent

To a large extent

34. To what extent do you feel that enough is being done by all concerned (employers, government, Trade Unions, individuals, policy makers, society etc) to address the problems that people in Kenya encounter after retrenchment?

To a less extent

To some extent

To a modest extent

To a large extent

35. Suggest any ideas on what can be done to improve the handling of retrenchment at;

a) the individual level

.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....

b) The employer's level.

.....  
.....  
.....  
.....  
.....  
.....

You can use additional paper if this is necessary.

**Thank you for taking your time to complete this questionnaire.**

## Crosstabs

### Marital status of the respondent \* Money matters

Crosstab

			Money matters					Total
			Least challenge	Slight challenge	Moderate challenge	Considerable challenge	Greatest challenge	
Marital status of the respondent	married	Count	5	2	1	2	8	18
		% of Total	25.0%	10.0%	5.0%	10.0%	40.0%	90.0%
	Single	Count					2	2
		% of Total					10.0%	10.0%
Total	Count	5	2	1	2	10	20	
	% of Total	25.0%	10.0%	5.0%	10.0%	50.0%	100.0%	

#### Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	2.222 <sup>a</sup>	4	.695
Likelihood Ratio	2.995	4	.559
Linear-by-Linear Association	1.610	1	.204
N of Valid Cases	20		

a. 9 cells (90.0%) have expected count less than 5. The minimum expected count is .10.

### Marital status of the respondent \* Low self esteem

Crosstab

			Low self esteem					Total
			Least challenge	Slight challenge	Moderate challenge	Considerable challenge	Greatest challenge	
Marital status of the respondent	married	Count	2	6	1	5	3	17
		% of Total	10.5%	31.6%	5.3%	26.3%	15.8%	89.5%
	Single	Count	1	1				2
		% of Total	5.3%	5.3%				10.5%
Total	Count	3	7	1	5	3	19	
	% of Total	15.8%	36.8%	5.3%	26.3%	15.8%	100.0%	

#### Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	2.821 <sup>a</sup>	4	.588
Likelihood Ratio	3.226	4	.521
Linear-by-Linear Association	2.187	1	.139
N of Valid Cases	19		

a. 9 cells (90.0%) have expected count less than 5. The minimum expected count is .11.

## Marital status of the respondent \* idle time

Crosstab

			idle time					Total
			Least challenge	Slight challenge	Moderate challenge	Considerable challenge	Greatest challenge	
Marital status of the respondent	married	Count	3	1	4	5	4	17
		% of Total	15.8%	5.3%	21.1%	26.3%	21.1%	89.5%
	Single	Count	1	1				2
		% of Total	5.3%	5.3%				10.5%
Total		Count	4	2	4	5	4	19
		% of Total	21.1%	10.5%	21.1%	26.3%	21.1%	100.0%

### Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	5.728 <sup>a</sup>	4	.220
Likelihood Ratio	5.516	4	.238
Linear-by-Linear Association	2.871	1	.090
N of Valid Cases	19		

a. 10 cells (100.0%) have expected count less than 5. The minimum expected count is .21.

## Marital status of the respondent \* Family support

Crosstab

			Family support					Total
			Least challenge	Slight challenge	Moderate challenge	Considerable challenge	Greatest challenge	
Marital status of the respondent	married	Count	5	3	6	2	1	17
		% of Total	26.3%	15.8%	31.6%	10.5%	5.3%	89.5%
	Single	Count			2			2
		% of Total			10.5%			10.5%
Total		Count	5	3	8	2	1	19
		% of Total	26.3%	15.8%	42.1%	10.5%	5.3%	100.0%

### Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	3.074 <sup>a</sup>	4	.546
Likelihood Ratio	3.789	4	.435
Linear-by-Linear Association	.365	1	.546
N of Valid Cases	19		

a. 9 cells (90.0%) have expected count less than 5. The minimum expected count is .11.

Marital status of the respondent \* Social support

Crosstab

			Social support					Total
			Least challenge	Slight challenge	Moderate challenge	Considerable challenge	'Greatest challenge	
Marital status of the respondent	married	Count	3	5	5	3	1	17
		% of Total	15.8%	26.3%	26.3%	15.8%	5.3%	89.5%
	Single	Count				2		2
		% of Total				10.5%		10.5%
Total		Count	3	5	5	5	1	13
		% of Total	15.8%	26.3%	26.3%	26.3%	5.3%	100.0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	6.259 <sup>a</sup>	4	.181
Likelihood Ratio	6.057	4	.195
Linear-by-Linear Association	2.344	1	.126
N of Valid Cases	19		

a. 10 cells (100.0%) have expected count less than 5. The minimum expected count is .11.

Crosstabs

age of the respondent \* Money matters

Crosstab

			Money matters			
			Least challenge	Slight challenge	Moderate challenge	Co
age of the respondent	20 - 30 yrs	Count				
		% of Total				
	31 - 40 yrs	Count	3	1	1	
		% of Total	15.0%	5.0%	5.0%	
	41 - 50 yrs	Count	2	1		
		% of Total	10.0%	5.0%		
Total		Count	5	2	1	
		% of Total	25.0%	10.0%	5.0%	

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	6.686 <sup>a</sup>	8	.571
Likelihood Ratio	8.662	8	.372
Linear-by-Linear Association	.875	1	.350
N of Valid Cases	20		

a. 14 cells (93.3%) have expected count less than 5. The minimum expected count is .15.

# age of the respondent \* Low self esteem

Crosstab

			Low self esteem					Total
			Least challenge	Slight challenge	Moderate challenge	Considerable challenge	Greatest challenge	
age of the respondent	20 - 30 yrs	Count	1	2				3
		% of Total	5.3%	10.5%				15.8%
	31 - 40 yrs	Count	2	2	1	3	1	9
		% of Total	10.5%	10.5%	5.3%	15.8%	5.3%	47.4%
	41 - 50 yrs	Count		3		2	2	7
		% of Total		15.8%		10.5%	10.5%	36.8%
Total	Count	3	7	1	5	3	19	
	% of Total	15.8%	36.8%	5.3%	26.3%	15.8%	100.0%	

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	6.646 <sup>a</sup>	8	.575
Likelihood Ratio	9.030	8	.340
Linear-by-Linear Association	3.024	1	.082
N of Valid Cases	19		

a. 15 cells (100.0%) have expected count less than 5. The minimum expected count is .16.

# age of the respondent \* idle time

Crosstab

			idle time					Total
			Least challenge	Slight challenge	Moderate challenge	Considerable challenge	Greatest challenge	
age of the respondent	20 - 30 yrs	Count	2	1				3
		% of Total	10.5%	5.3%				15.8%
	31 - 40 yrs	Count	2	1	1	1	4	9
		% of Total	10.5%	5.3%	5.3%	5.3%	21.1%	47.4%
	41 - 50 yrs	Count			3	4		7
		% of Total			15.8%	21.1%		36.8%
Total	Count	4	2	4	5	4	19	
	% of Total	21.1%	10.5%	21.1%	26.3%	21.1%	100.0%	

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	17.854 <sup>a</sup>	8	.022
Likelihood Ratio	20.684	8	.008
Linear-by-Linear Association	3.573	1	.059
N of Valid Cases	19		

a. 15 cells (100.0%) have expected count less than 5. The minimum expected count is .32.



## age of the respondent \* Family support

Crosstab

			Family support					Total
			Least challenge	Slight challenge	Moderate challenge	Considerable challenge	Greatest challenge	
age of the respondent	20 - 30 yrs	Count			3			3
		% of Total			15.8%			15.8%
	31 - 40 yrs	Count	2	1	4	1	1	9
		% of Total	10.5%	5.3%	21.1%	5.3%	5.3%	47.4%
	41 - 50 yrs	Count	3	2	1	1		7
		% of Total	15.8%	10.5%	5.3%	5.3%		36.8%
Total		Count	5	3	8	2	1	19
		% of Total	26.3%	15.8%	42.1%	10.5%	5.3%	100.0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	8.108 <sup>a</sup>	8	.423
Likelihood Ratio	9.593	8	.295
Linear-by-Linear Association	2.071	1	.150
N of Valid Cases	19		

a. 15 cells (100.0%) have expected count less than 5. The minimum expected count is .16.

## age of the respondent \* Social support

Crosstab

			Social support			
			Least challenge	Slight challenge	Moderate challenge	Considerable challenge
age of the respondent	20 - 30 yrs	Count				
		% of Total				
	31 - 40 yrs	Count	1	4	2	
		% of Total	5.3%	21.1%	10.5%	
	41 - 50 yrs	Count	2	1	3	
		% of Total	10.5%	5.3%	15.8%	
Total		Count	3	5	5	
		% of Total	15.8%	26.3%	26.3%	

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	14.999 <sup>a</sup>	8	.059
Likelihood Ratio	16.221	8	.039
Linear-by-Linear Association	2.078	1	.149
N of Valid Cases	19		

a. 15 cells (100.0%) have expected count less than 5. The minimum expected count is .16.

# Crosstabs

## Highest level of education attained \* Money matters

Crosstab

			Money matters					Total
			Least challenge	Slight challenge	Moderate challenge	Considerable challenge	Greatest challenge	
Highest level of education attained	O-Level	Count					5	5
		% of Total					25.0%	25.0%
	A-Level	Count	2	1	1		2	6
		% of Total	10.0%	5.0%	5.0%		10.0%	30.0%
	University	Count	2	1			3	6
		% of Total	10.0%	5.0%			15.0%	30.0%
	Other	Count	1			2		3
		% of Total	5.0%			10.0%		15.0%
Total	Count	5	2	1	2	10	20	
	% of Total	25.0%	10.0%	5.0%	10.0%	50.0%	100.0%	

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	21.000 <sup>a</sup>	12	.050
Likelihood Ratio	20.226	12	.063
Linear-by-Linear Association	2.449	1	.118
N of Valid Cases	20		

a. 20 cells (100.0%) have expected count less than 5. The minimum expected count is .15.

## Highest level of education attained \* Low self esteem

Crosstab

			Low self esteem					Total
			Least challenge	Slight challenge	Moderate challenge	Considerable challenge	Greatest challenge	
Highest level of education attained	O-Level	Count	1	4				5
		% of Total	5.3%	21.1%				26.3%
	A-Level	Count		1		2	3	6
		% of Total		5.3%		10.5%	15.8%	31.6%
	University	Count	2	1		3		6
		% of Total	10.5%	5.3%		15.8%		31.6%
	Other	Count		1	1			2
		% of Total		5.3%	5.3%			10.5%
Total	Count	3	7	1	5	3	19	
	% of Total	15.8%	36.8%	5.3%	26.3%	15.8%	100.0%	

**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	24.670 <sup>a</sup>	12	.016
Likelihood Ratio	23.318	12	.025
Linear-by-Linear Association	.182	1	.670
N of Valid Cases	19		

a. 20 cells (100.0%) have expected count less than 5. The minimum expected count is .11.

**highest level of education attained \* idle time**

**Crosstab**

			idle time					Total
			Least challenge	Slight challenge	Moderate challenge	Considerable challenge	Greatest challenge	
Highest level of education attained	O-Level	Count	3	1		1		5
		% of Total	15.8%	5.3%		5.3%		26.3%
	A-Level	Count			2	3	1	6
		% of Total			10.5%	15.8%	5.3%	31.6%
	University	Count		1	2	1	2	6
		% of Total		5.3%	10.5%	5.3%	10.5%	31.6%
	Other	Count	1				1	2
		% of Total	5.3%				5.3%	10.5%
Total		Count	4	2	4	5	4	19
		% of Total	21.1%	10.5%	21.1%	26.3%	21.1%	100.0%

**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	15.168 <sup>a</sup>	12	.232
Likelihood Ratio	19.383	12	.080
Linear-by-Linear Association	2.241	1	.134
N of Valid Cases	19		

a. 20 cells (100.0%) have expected count less than 5. The minimum expected count is .21.

# Highest level of education attained \* Family support

Crosstab

			Family support					Total
			Least challenge	Slight challenge	Moderate challenge	Considerable challenge	Greatest challenge	
Highest level of education attained	O-Level	Count			5			5
		% of Total			26.3%			26.3%
	A-Level	Count	3	1	1	1		6
		% of Total	15.8%	5.3%	5.3%	5.3%		31.6%
	University	Count	2	2	1	1		6
		% of Total	10.5%	10.5%	5.3%	5.3%		31.6%
	Other	Count			1		1	2
		% of Total			5.3%		5.3%	10.5%
Total	Count	5	3	8	2	1	19	
	% of Total	26.3%	15.8%	42.1%	10.5%	5.3%	100.0%	

## Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	21.032 <sup>a</sup>	12	.050
Likelihood Ratio	19.521	12	.077
Linear-by-Linear Association	.077	1	.781
N of Valid Cases	19		

a. 20 cells (100.0%) have expected count less than 5. The minimum expected count is .11.

# Highest level of education attained \* Social support

Crosstab

			Social support					Total
			Least challenge	Slight challenge	Moderate challenge	Considerable challenge	Greatest challenge	
Highest level of education attained	O-Level	Count	1			4		5
		% of Total	5.3%			21.1%		26.3%
	A-Level	Count	1	3	2			6
		% of Total	5.3%	15.8%	10.5%			31.6%
	University	Count		1	3	1	1	6
		% of Total		5.3%	15.8%	5.3%	5.3%	31.6%
	Other	Count	1	1				2
		% of Total	5.3%	5.3%				10.5%
Total	Count	3	5	5	5	1	19	
	% of Total	15.8%	26.3%	26.3%	26.3%	5.3%	100.0%	

### Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	18.916 <sup>a</sup>	12	.091
Likelihood Ratio	22.191	12	.035
Linear-by-Linear Association	.990	1	.320
N of Valid Cases	19		

a. 20 cells (100.0%) have expected count less than 5. The minimum expected count is .11.

### Crosstabs

#### Gender of the respondent \* Money matters

Crosstab

			Money matters					Total
			Least challenge	Slight challenge	Moderate challenge	Considerable challenge	Greatest challenge	
Gender of the respondent	male	Count	3	2		2	6	13
		% of Total	15.0%	10.0%		10.0%	30.0%	65.0%
	female	Count	2		1		4	7
		% of Total	10.0%		5.0%		20.0%	35.0%
Total		Count	5	2	1	2	10	20
		% of Total	25.0%	10.0%	5.0%	10.0%	50.0%	100.0%

### Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	4.176 <sup>a</sup>	4	.383
Likelihood Ratio	5.708	4	.222
Linear-by-Linear Association	.018	1	.894
N of Valid Cases	20		

a. 9 cells (90.0%) have expected count less than 5. The minimum expected count is .35.

#### Gender of the respondent \* Low self esteem

Crosstab

			Low self esteem					Total
			Least challenge	Slight challenge	Moderate challenge	Considerable challenge	Greatest challenge	
Gender of the respondent	male	Count	2	4	1	4	2	13
		% of Total	10.5%	21.1%	5.3%	21.1%	10.5%	68.4%
	female	Count	1	3		1	1	6
		% of Total	5.3%	15.8%		5.3%	5.3%	31.6%
Total		Count	3	7	1	5	3	19
		% of Total	15.8%	36.8%	5.3%	26.3%	15.8%	100.0%

### Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	1.192 <sup>a</sup>	4	.879
Likelihood Ratio	1.496	4	.827
Linear-by-Linear Association	.229	1	.632
N of Valid Cases	19		

a. 10 cells (100.0%) have expected count less than 5. The minimum expected count is .32.

### Gender of the respondent \* idle time

#### Crosstab

			idle time					Total
			Least challenge	Slight challenge	Moderate challenge	Considerable challenge	Greatest challenge	
Gender of the respondent	male	Count	2	1	4	3	3	13
		% of Total	10.5%	5.3%	21.1%	15.8%	15.8%	68.4%
	female	Count	2	1		2	1	6
		% of Total	10.5%	5.3%		10.5%	5.3%	31.6%
Total		Count	4	2	4	5	4	19
		% of Total	21.1%	10.5%	21.1%	26.3%	21.1%	100.0%

### Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	3.033 <sup>a</sup>	4	.552
Likelihood Ratio	4.152	4	.386
Linear-by-Linear Association	.432	1	.511
N of Valid Cases	19		

a. 10 cells (100.0%) have expected count less than 5. The minimum expected count is .63.

### Gender of the respondent \* Family support

#### Crosstab

			Family support					Total
			Least challenge	Slight challenge	Moderate challenge	Considerable challenge	Greatest challenge	
Gender of the respondent	male	Count	4	2	4	2	1	13
		% of Total	21.1%	10.5%	21.1%	10.5%	5.3%	68.4%
	female	Count	1	1	4			6
		% of Total	5.3%	5.3%	21.1%			31.6%
Total		Count	5	3	8	2	1	19
		% of Total	26.3%	15.8%	42.1%	10.5%	5.3%	100.0%

**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	2.956 <sup>a</sup>	4	.565
Likelihood Ratio	3.785	4	.436
Linear-by-Linear Association	.004	1	.947
N of Valid Cases	19		

a. 9 cells (90.0%) have expected count less than 5. The minimum expected count is .32.

**Gender of the respondent \* Social support**

**Crosstab**

			Social support					Total
			Least challenge	Slight challenge	Moderate challenge	Considerable challenge	Greatest challenge	
Gender of the respondent	male	Count	2	4	4	2	1	13
		% of Total	10.5%	21.1%	21.1%	10.5%	5.3%	68.4%
	female	Count	1	1	1	3		6
		% of Total	5.3%	5.3%	5.3%	15.8%		31.6%
Total		Count	3	5	5	5	1	19
		% of Total	15.8%	26.3%	26.3%	26.3%	5.3%	100.0%

**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	2.956 <sup>a</sup>	4	.565
Likelihood Ratio	3.142	4	.534
Linear-by-Linear Association	.278	1	.598
N of Valid Cases	19		

a. 10 cells (100.0%) have expected count less than 5. The minimum expected count is .32.