Survivor Guilt

"Examining the effect a redundancy situation can have on the psychological contract for those employees left behind"

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CHAPTER 1

1. Introduction

1.1 Purpose

This management report sets out to examine the effect a redundancy situation can have on the psychological contract for those employees left behind. The aim of the organisational research is to determine if survivor guilt exists within my organisation after the recent downsizing of the Company. This management research report will concentrate on the perceived violation of the employee contract and the effect it can have to the success of the organization. With the overall aim of the research; being to determine if survivor guilt exists within my organisation and if not why not?

1.2 Irish Economy

According to figures released by the Department of Enterprise, Trade & Employment, redundancies in 2008 ran 36% ahead of 2007. In many cases organizations are experiencing redundancies for the first time after a decade of unprecedented growth and prosperity. "The business objective is no longer quarterly performance but the longer term survival of the enterprise" Bryan and Farrell 2008

The recent assertion that Ireland is now formally in a recession and with threat of a global recession increasingly becoming a reality, unemployment figures have risen for the first time in a number of years and in the short term, they are forecast to rise further, latest figures from the Central Statistics Office (CSO) indicate a 10 year high which shows unemployment rates currently at 8.3per cent. As a result of this dramatic economic downturn, many organisations are now faced with the prospect of downsizing. As redundancy announcements become increasingly regular its natural for employers to be primarily concerned with those employees who are loosing their jobs. However, research suggests that neglecting those who have successfully made it through the reorganization can have its own risks.

1.3 Downsizing

The practice of organizations reducing headcount and downsizing has been a recurrent theme in corporate life for the last 20 years, with many organizations choosing to opt for the 'mean and lean' organization model as described by Leung and Chang (2002). This management research report sets out to examine the effect a redundancy situation can have on the psychological contract for those employees left behind. "An important element of the concept of the psychological contract in literature is the notion of contract violation, and its consequences" (Rousseau, Morrison & Robinson).

While redundancy affects those being made redundant it also affects those remaining and the negative feeling associated with surviving redundancy and remaining with the employer is termed survivor syndrome. One of challenges faced by the Company is to manage the processes involved during the downsizing of the organisation, and to ensure the continuing commitment and efficiency of those "survivors" who do not experience redundancy.

The importance of managing survivor syndrome within an organisation is paramount to the future success of the organization as the perceived relationship between the organisation and its employees in the current climate, will determine whether the Company retains its' best employees when the economy and job markets are more stable or whether they are lost to the competition.

1.4 Conclusion

This chapter laid the foundations for the report. It identified the aim of the report and described the economic climate for which organisations currently work within. It introduced the theory of survivor syndrome and highlighted some of the challenges organisations are faced with when downsizing. On this introduction, the report can proceed with a detailed description of the research.

CHAPTER 2

2. Literature Review

2.1 Introduction

This chapter examines the field of study in the area of survivor syndrome. An overview of the organization for which the research will be based on will be provided along with a brief summary of the industry in which it operates. Redundancy will be defined and consideration will be given to the impact if may have on the employee. An examination of what the theorists say about survivor syndrome will be compared to research carried out by the CIPD to analyze if both schools of thought are in agreement. This will be followed by a critical analysis of survivor's reactions in terms of organizational justice which will lead into a discussion on the psychological contract and the perceived breach of this contract if or when redundancies should occur.

2.2 Current Situation

2.2.1 Organization Background

The Company I will research throughout this dissertation is currently the global leader in Hedge Fund Services, providing back office administration to Hedge Funds around the world. It has maintained its status as an employer of choice within the industry since it first opened its Irish office in 1999 and is the centre of excellence within the global group. Hedge Funds seek to offset potential losses in the principal markets they invest in by hedging their investments using a variety of methods, for example short selling. With the financial markets now in turmoil and having witnessed the world stock markets plummeting to a record three year low which resulted in 'Black Monday' short selling is no longer permitted and the Financial Regulator has called for Hedge Funds to become regulated for the first time since their creation in 1949.

These proposed restructures of hedge funds will have an adverse effect on the Company, which has seen a number of funds loose substantial amounts of money over the past several months, with many investors choosing to withdraw until the markets regain stability and confidence in the market is regained. In order to survive and to maintain a competitive advantage, the Company was left with no choice but to respond to the immediate problems this challenge presented.

The decision within the organisation was reached to downsize the workforce by 25% by 2008 year end. The Company, a non-unionised, privately owned entity employed over 500 people in both Dublin and Cork at this time. "Downsizing refers to the planned elimination of positions or jobs with intent to cut costs and to improve organisational performance". Kets de Vries and Balazs, 1997). It is important for employers who are faced with the challenge of downsizing to be aware that while redundancy affects those loosing their job, it also affects those remaining and the negative feeling associated with surviving redundancy and remaining with the employer is termed 'survivor syndrome'. One of challenges faced by the Company is to manage the processes involved during the downsizing of the organization, and to ensure the continuing commitment and efficiency of those "survivors" who do not experience redundancy.

2.2. 2 Irish Legislation

As the Company sought to reduce its workforce by more than 30 people within a 30 day consecutive period, it was legally obliged to consult with employees through a consultation process. In Ireland, a collective redundancy means dismissals effected by an employer for reasons unconnected with the individual employee concerned, where in any period of 30 consecutive days the number of dismissals at least 30 in an establishment normally employing 300 or more employees. Existing consultation procedures on collective redundancies require employers to consult with worker representatives only after a decision has already been made.

The Protection of Employment Act currently provides that employers that propose to make collective redundancies must, with a view to reaching an agreement, consult the employees' representatives at the earliest opportunity and at least 30 days before the first dismissal takes effect. These consultations must cover: the possibility of avoiding the proposed redundancies; reducing the numbers affected by them or mitigating their consequences by recourse to accompanying social measures aimed at redeploying or retraining employees made redundant; and the basis for deciding which particular employees will be made redundant. The legislation originally provided for this consultation to occur in through the channel of trade unions. However, new regulations introduced in 2001 added a procedure through which employees in non-union firms can be formally consulted.

The Company who announced redundancies in November 2008 adhered to all current employment legislation and commenced the consultation process 30 days prior to the redundancies taking effect. The current statutory payment for employees affected by redundancy is 2 weeks payment to a maximum of €600 per week for each year of service provided, however, under the statutory agreement only employees with two complete years of service are eligible to receive this payment. The Company agreed an ex gratia amount of 4 weeks salary and waived the two year requirement.

2.2.3 Industry Context

Other Irish Companies within the Hedge Fund Industry also embarked in a redundancy process, however, at time of writing, none had partaken in a collective redundancy process. Through research conducted by Doherty and Horsted, (1995) in 131 financial sector companies employing over 500,000 staff in the UK found that 'demoralization, increased stress and skepticism, decreased motivation and reduced commitment to the organization are endemic as a result of reorganization".

2.3   Redundancy

The pursuit of competitive advantage and or the need for efficiency gains may result in an organization choosing to downsize or right-size. While this can be achieved several different ways, for the purpose of this paper, I will concentrate on employees being made redundant. Redundancy can be defined as the 'planned process of cutting back on human resources by terminating or making redundant, an individuals position within the organization' Hardy, 1986. The principle objective of a redundancy programme is to enable the organization to survive and to be successful and has proven to be a challenging time for the organization. As well as the organization being effected, it will also affect both those employees faced with loosing their jobs and also those employees who remain within the organization, known as 'survivors'. These 'survivors' will be fundamental to the future success of the organisation.

2. 4   Survivor Syndrome

Many people who have survived wars, natural disasters and more recently terrorist attacks have questioned why they survived and not their friends or family. This is known as survivor guilt and occurs within the workplace also. For many individuals, work colleagues represent a kind of symbolic family. Survivor guilt may grow out of the feeling that the company has not recognized or rewarded the loyalty of those who have been trusted colleagues and friends even those employees without close personal relationships at work or apparent signs of survivor guilt may understandably wonder, am I next?

A redundancy situation within Companies will inevitably leave behind workers who will not lose their jobs but create a psycho.- social problem known in the industry as "survivor syndrome", leading to low commitment and morale, overall damaging the organisation, (Nelson & Burke, 1997). Cameron, 1994 agrees and confirms that 'downsizing can have negative consequences'. In trying to save the organisation money, the result can cost the organisation more money, and can have a negative effect on the

work force that remains. This can cause long term unforeseen problems for the organisations growth and success. A well planned and executed redundancy process needs to be developed in order to avoid this.

The meaning of downsizing from an employee's perspective is that 'people are removed from paid employment through no fault of their own' (Latack, Kinicki & Prussia, 1995). For workers, downsizing therefore means either potential unemployment, or a less certain future in a firm no longer offering job security as part of the employment relationship. It may also mean an intensification of work (Turnbull and Wass, 1997), changed tasks and responsibilities, longer working hours, and more felt stress.

Psychologist John Loughran agrees and in his address to the CIPD annual employment law conference in Dublin confirmed that many employees are now experiencing *survivor syndrome*. He told the attendees that 'the mood of gloom and the accelerating number losing their jobs has put many who have retained their jobs into 'a rational negative' phase where confidence slumps'. Mr Loughran confirmed that those employees left behind often display guilt and their productivity and sense of involvement decreases while absenteeism and stress increase

It is widely held that it's the people that make the difference to organisational performance and are the key source of competitive advantage, but a redundancy situation could unbalance the organisation and be detrimental to motivation, and reduce both trust and commitment of the 'surviving' employees. 'People are often expected to be flexible, very hard working while tending to and taking responsibility for their own career development, and yet in many organisations, they are treated with a great deal of insensitivity' (Vickers and Parris, 2005).

2.5   Motivation

2.5.1   Intrinsic / Extrinsic Factors

For survivor syndrome to be fully understood, what motivates employees must be examined. The classic studies into what motivates employees i.e. Maslow and Herzberg, point to factors intrinsic to work such as if the work is interesting and varied recognition for doing a good job etc. Through Herzberg's hygiene factors, job security and acceptable wages were identified as being important motivational factors.

Research carried out by Rose (2003) suggests that extrinsic factors, e.g. employment security, pay and promotion prospects etc are more important than intrinsic factors such as the work itself. When downsizing occurs, restructuring of departments may also occur and promotional prospects for survivors may diminish dramatically that along with pay freezes will have an adverse effect on employee motivation.

2.5.2   Equity Theory

Equity theory (Adams) can also help to explain decreased work motivation and declining job satisfaction. Equity theory has been used to explore 'survivor's guilt' which results from individuals perceptions of inequity related to the selection of co-workers to be made redundant (Brockner et al, 1985). The three primary assumptions of equity theory are as follows:

- Employees expect a fair return for what the contribute to their jobs, a concept refereed to as the 'equity norm'
- Employees determine what their equitable return should be after comparing their inputs and outcomes with those of their coworkers. This concept is referred to as 'social comparison'
- Employees who perceive themselves as being in an inequitable situation will seek to reduce the inequity either by distorting either inputs or outputs or by leaving the organization

2.6   Survivors Reactions

Research can be divided into two main areas, the organizational perspective and the individual perspective. Organizational justice theories provide a useful forum to examine and survivor reactions and the factors which moderate these.

2.6.1   The Individual

The management of the downsizing process and the treatment of those who leave and remain will generate a range of survivor reactions. Survivor reactions can be broadly broken into four categories:

Sympathetic or unsympathetic

Refers to the survivor's reaction towards those who are to be made redundant, an unsympathetic reaction may occur where it's felt that redundancies were necessary and the selection process was fair. This reaction may see 'survivors' increase their productivity.

Negative or positive

Refers to the survivor's reaction towards their downsizing organization, reactions which are unsympathetic to their redundant colleagues may be associated with positive reactions towards the organization. However, on the other hand, sympathetic reactions may include the belief that leavers were unfairly treated which may result in lower levels of productivity and negative behavior towards the organization.

However, reactions tend to be complex and contain a combination of the above. The nature of the psychological contract as well as the perceived treatment of those made redundant will help shape the way an employee reacts.

Factors that shape survivors reactions can be grouped into three groups:

- Organizational actions
- Psychological disposition
- Environmental circumstances

2.6.2 The Organization

Organizational justice is the term used to describe the 'role of fairness as it directly relates to the workplace' Folger, 1993 and is defined as 'the ways in which those determinations influence other work related variables Moorman 1991. Research shows that if employees feel that they have been fairly treated, they will be more likely to hold positive attitudes about their work, the outcomes and their supervisors. Research conducted by Greenberg has shown that employee job performance may increase or decrease in relation perception of justice.

Three types of organizational justice theory have been identified through research into perceptions about organizational treatment

- Distributive
- Procedural
- Interactional

Distributive (Folger & Cropantano, 1998) refers to employees views about the fairness of the decisions that are made in relation to the redundancy process.

Procedural (Thibaut & Walker, 1975) focuses on employees perceptions about the fairness of the procedures used to make decisions about redundancies "negative reactions that arise from outcomes perceived as unfair may also be reduced by the use of procedures that are seen to be fair" (Brockner et al, 1990). Leventhal et al (1980) identified six rules that identify fairness procedures. They suggest that

'A company's procedures are fair to the degree that decision-making processes demonstrate: consistency, bias suppression, accuracy, correct ability, representativeness and ethicality'.

Research carried out on procedural fairness relating to organizational change suggest that resistance to change may be due partly to the perceived neglect of procedural justice i.e. not granting involvement in determining decisions about change. Where employees use a consultation process when going through the process of downsizing, this may eliminate strong feelings of survivor guilt.

Daly and Greyer (1994) report that organizational studies related to procedural justice have focused mainly on two factors that affect perceptions about procedural fairness. These are voice and justification, which are linked to employment involvement and to the nature of explanations and reasons provided for downsizing.

Involvement in relation to the use of downsizing and the methods to achieve this is likely to include:

- Use of consultation and communication process
- Scope to influence the choice of selection criteria
- Use of a voluntarily as opposed to a compulsory route to redundancy
- Affected employees being provided with options about redeployment and relocation
- Provision of outplacement support and facilities

The above are mainly related to the legal requirements employers must adhere to.

Interactional: Bies and Moag, 1986: focuses on employees perceptions about the fairness of the interpersonal treatment that they receive during the implementation process. It is concerned with social sensitivity, such as treating employees with dignity and respect, listening to their concerns, providing adequate explanation for decisions and

demonstrating empathy. Folger and Skarlicki (1999) claim that 'As organizations continue to change, and as they are unable to offer the traditional rewards, people will judge the change according to implications for human dignity'

2.7   *Emotional Reactions*

Up until recently, the main body of research in the area of redundancy has tended to concentrate on issues related to those people being made redundant and focused on the selection criteria, legal procedures, outplacement facilities and coping strategies for those facing redundancy. There has been little attention given to those employees who 'survive' a reorganization in either Ireland or the U.K with the main body of research into this topic concentrating mainly on North America and Canada over the last ten years.

However, there is now a growing body of research attesting to the psychological consequences that a redundancy process can have on those left behind and suggests a wide range of responses, including feelings such as anger, grief and loss (e.g. Kets de Vries & Balaza, 1997), commonly referred to as survivor syndrome. Survivor syndrome is associated with ' anxiety, guilty, apathy, disengagement and other mental and emotional states' (Littler 2000, P63) while symptoms associated with 'survivor sickness' include 'denial, job insecurity, feelings of unfairness, depression, stress and fatigue, reduced risk taking and motivation, distrust and betrayal (Bruke & Cooper, 2000). Which coincides with the research carried out by Doherty and Horsted as previously discussed. Downsizing has also been associated with an adverse impact on a variety of work attitudes, including reduced trust in management (Brockener, Wiesnefeld & Martin, 1995) lower behavioral, poorer affective organizational commitment reduced job and a decline in job security perceptions.

It is widely accepted that work-related stress can be triggered by change. A redundancy situation is an obvious example of large-scale workplace change. There has been an increase in stress-related illness causing work place absence, which is the result of

increased work pressure, alongside the threat of redundancy to cut costs and following company merges has been blamed for some of this. Research carried out by University College, London in 2007 advised that more help should be offered to survivors. They examined records of prescriptions given Finnish municipal workers after redundancies in the mid-1990s. While research conducted by Professor Cary Cooper at the University of Lanacaster found that "some of the coping strategies that people use when they feel at risk of redundancy can actually add to the problem. They'll often go to more waste-of-time meetings, try to take part in the politics, to protect their job. But is called 'presenteeism' and can actually have the effect of making them more stressed – and worse at their core job, making them more vulnerable to redundancy in the future"

2.8 Job Security

Job security can be defined as 'a discrepancy between the security employees would like their jobs to provide and the level they perceive to exist' Hartley et al. They argue that the lack of job security offered by an organization can have an adverse effect on employee commitment by causing stress and decreasing performance. However, some would argue that 'insecurity can increase the amount of work effort and involvement' Sparrow (2003).

Either way, job security is a core element of the psychological contract (Adkins, Werbel & Farh, 2001). More specifically, it has often been asserted that traditionally employees traded their compliance and loyalty to their employing organization in return for job security (Bergmann & Lester, 2001). By engaging in organizational downsizing, together with an associated breakdown in promotion and career structures (Thornhill, Suanders & Stead, 1997), employers broke or violated this implicit contract by removing job security from the employment relationship thereby leading employees to reciprocate with reduced loyalty and commitment.

2.9   Psychological Contract

A psychological contract can be defined as 'an implicit set of beliefs an individual holds about their employment relationship regarding the terms of exchange' Rousseau (1995). A psychological contract is therefore a subjective picture in the mind of an employee regarding what is owed to the employing organization and is to be received in return (Guest, 1998). The psychological contract can be viewed as being at the heart of the employment relationship and as such if either party fails to meet the obligations the damage to the trust in the relationship can have unwelcome consequences.

A redundancy situation often engenders fear and insecurity and can represent a breach in the psychological contract especially in an economic downturn. If this occurs it would be detrimental to the organisation as employees upon whom the organisation relies on future success go from being told they are the most valuable asset, to believing they are a disposable resource. Although employee loyalty is lower than it has been in the last few decades, when a 'job for life' was considered the norm, implicit obligations remain as employees still expect companies to reward positive contributions. By engaging in organizational downsizing, together with an associated breakdown in promotion and career structures (Thornhill, Suanders and Stead 1997) employers broke or violated the psychological contract by removing job security from the employment relationship.

Through research conducted by Hiltrop (1995), it was found that psychological contracts are already going through a transitional phase aside from the current economic climate:

From	To
Imposed Relationships (compliance / commitment)	Mutual Relationships
Permanent Relationship	Variable Employment Relationship
Focus on Promotion	Focus on Lateral Development
Finite Job Duties	Multiple Roles
Meeting Job Requirements	Add Value
Emphasis on Job Security	Emphasis on employability
Organization provides the Training	Personal Development owned by the individual

Figure 2. 1

The CIPD suggests that the psychological contract 'offers a valid and helpful framework for thinking about the employment relationship against the background of a changing labour market' Sparrow (2000) argued that fundamental transitions in forms of work organization will be witnessed. 'Initially, this will not compensate for the deterioration in the psychological contract that has been experienced by those who have lived through and era of downsizing. Sparrow goes on to warn that the main issues to consider for the future are the levels of engagement in relation to trust, commitment and involvement, fairness and recognition that present and future employers and employees have with each other.

Guest (2001) designed the following model of the psychological contract:

Antecedents	The state of the contract	Consequences
Organization Climate		Positive employment relations
Human Resource practices	Fairness	Job Satisfaction
Trade Union Membership	Trust	Commitment
Individual experiences	Delivery of 'the deal'	Motivation
Individual expectations		

Figure 2.2

While long term job security was perceived by many employees to be the key obligation which was owed by the organization in return for their loyalty and commitment, modern organizations are learning to live without such elements in the psychological agreement. Motivation is reduced which will adversely effect productivity. This is potentially dangerous as lean organizations need effort and commitment in order to maintain productivity.

However, redundancies not only affects job security, but has also removed many of the middle – level management grades and consequently reduced possible promotional opportunities and career progression for all employees. With the psychological contract between worker and employer at best under deep strain and at worst broken completely, workers who have witnessed their colleagues clearing their desks often complain of feeling greater insecurity and higher stress. Teamwork and productivity can also collapse in the wake of redundancies, as can a willingness to work longer hours as workers generally end up feeling less valued.

2.9.1   Perceived Breach of Contract

Where a breach of psychological contract happens, it usually leads to low job satisfaction, poor performance, high staff turnover and feelings of anger and betrayal. However, given the climate we work within, where employees are faced with a lack of job opportunities in the market, are employees remaining in employment with employers

even when a perceived breach of contract has occurred as they have little choice and fewer opportunities to find replacement jobs?

2.9.2 Managing the psychological contract

The difficulty in managing the psychological contract is that it is unique to each individual employee. Technically, it is seen as a 'within-person' phenomenon (Sparrow, 2003) which guides the actions of the individual in terms of motivation, career behavior and commitment. It is also very emotive in nature, Rousseau has noted that the majority of research on the psychological contract has examined what happens when the contract is violated. Her research shows: that, not only do workers have different types of psychological contracts but how they respond to a breach or violation of that contract is also different.

2.10 Survivor Guilt - Just a phenomenon?

In the current economic climate which sees the downsizing of organizations becoming something of a norm, the experience of living with the possibility of loosing one's job and or watching colleagues leave has now become part of the working experience for employees. It is common for executives to adopt the attitude that employees fortunate enough to survive a layoff should check their emotions at the door and devote their energy to their jobs.

Research conducted by the CIPD 2002, found that according to employers the most common reaction from employees when informed of redundancies was acceptance. The research also found that redundancies did have an impact of staff morale, however, there is evidence to suggest that this is short lived.

Figures from the 2002 CIPD Survey Report

Impact	Employees %
Decline in the morale of remaining employees	52.2
Loss of trust from remaining employees	30.3
Loss of skills / experience that the organization continues to need	18.4
Increased turnover among remaining employees	13.1
Narrower age distribution	2.5
Other impact	8.3

Figure 2.3

2.11 Conclusion

Throughout this chapter, an examination of what survivor guilt is occurred as well as the effect it can have on the psychological contract.   By analyzing organizational justice, it would appear that while downsizing through a redundancy situation may be unavoidable, by ensuring procedural fairness and organizational justice is upheld it may mitigate some of the adverse consequences. There is evidence to suggest that survivor syndrome is not merely a new 'HR phenomenon' but some-thing that will effect employee engagement and motivation which in turn will have an adverse effect on productivity and the organizations bottom-line.

The downsizing of the organizations structure which was prompted by the need to reduce costs while at the same time maintaining the quality of services provided has had an adverse effect on the psychological contract by making it less relevant. As it no longer matches no longer allows the organization sufficient flexibility to meet shifting market demands.

As discussed, the psychological contract is unique to that individual and taking the literature review into consideration, it can be concluded that some employees may

experience survivor guilt while others may not and if present, may be short lived for some individuals and pro-longed for others. Therefore, this chapter laid the foundation for the paper to proceed to conduct research into my organization to determine if employees experienced survivor guilt and if a perceived breach of contract occurred.

CHAPTER 3

3. Research Methodology

3.1 Introduction

As outlined in chapter 2, redundancies are a potentially traumatic event and it is therefore important that the employer develops strategies in order to reduce any negative consequences for those employees who remain. From the research carried out and described above, understanding survivor reactions helps to further the knowledge of the potentially damaging effects of redundancy on the future of the organization. While the research suggests that if survivor syndrome is present i.e. low levels of staff morale, it may only be short lived, even so, if not addressed, and given the current economic climate, it could be the case that employees remain with the organization due to limited job opportunities elsewhere.

In order, to gain an understanding on whether or not survivor guilt is present within this organization and if it will adversely affect the future success of the organization through reducing staff morale which in turn will see lower levels of productivity an analysis of the employees emotional, attitudinal and behavioral responses to the redundancies that occurred will be examined. To help in deciding what research method(s) would be the most beneficial while also being the most efficient and effective, the following questions where taken into consideration:

Q: *What information is needed in order to help understand if a breach of the psychological contract occurred?*
A: In order to understand if a breach of contract occurred, employee's attitudes and personal experiences would be paramount. As well as and examination of any behavioral differences.

Q: *Of this information, how much can be collected and analyzed in a low-cost and practical way?*

A: Throughout the literature review, it was noted that organizations who fail to recognize the effect a redundancy situation may have on its employees, be it long or short term, they could face difficulties later on which will in turn affect the future success of the organization, through high levels of absenteeism or an increase in turnover. Therefore, any costs incurred will be out weighted by the benefits. The challenge faced is to influence management that survivor syndrome is real.

Q: *How accurate will the information be?*

A: The research gathered will only be as adequate as the research methods allow. Employees must feel that they can express their views and opinions confidentially as some may fear victimization or be concerned of being penalized if they are honest and may feel that by speaking on the subject they may be affected personally.

3. 2   Research method

In order to determine if survivor guilt is prevalent within this organization, the evaluation of employees not directly affected by the redundancy situation i.e. the survivors and how they perceive their relationship with the employer will be conducted. The purpose of the research was exploratory as it aimed to explore individuals' reactions to the redundancy process. As redundancies are deemed to be emotive for all involved with research suggesting that it may lead to job insecurity for those employees remaining as well as fear that they may be next, surveys, confirming confidentially will be the most conductive forum to gathering data for the following reasons;

"A survey can be defined as any process used for asking people a number of questions either general or specific to gain information (Schuman & Kalton). Surveys provide succinct answers which neither a focus group or interview can provide as both these tools

allow the participant to 'waffle' and a skilled facilitator would be required in order to control both these tools of investigation. In order to gain a true reflection of the perceptions held, anonymity is paramount particularly when dealing with such an emotive issue. Surveys can provide this, while on the other hand by using either a focus group of interview, social desirability may come into play. And those taking part may feel they should be politically correct in their views for fear of isolation from the group.

I chose not to interview employees because even if the interview is highly structured it should be remembered that the interaction is a social interviewer and responses may well be affected by the inferences drawn. Factors such as gender, social class, age and apparent motives are likely to have an influence on the data provided. 'Accuracy can be increased if the interviewer avoids stating her own views, phrases questions impartially and appears equally accepting of any answer (Moser and Kalton, 1971).' The only problem with this, is that the interviewee may feel the interaction is phoney and therefore become less prepared to cooperate.

3.2.1 Advantages of survey techniques

- It is an efficient way of collecting information from a large number of respondents.
- Surveys are flexible in that a wide range of information can be collected. They can be used to study attitudes, values, beliefs, and past behaviours.
- Because they are standardized, they are relatively free from several types of errors.
- They are relatively easy to administer.
- There is an economy in data collection due to the focus provided by standardized questions. Only questions of interest to the researcher are asked, recorded, codified, and analyzed. Time and money is not spent on tangential questions.

3.2.2   Disadvantages of survey techniques

They depend on subjects' motivation, honesty, memory, and ability to respond. Subjects may not be aware of their reasons for any given action. They may have forgotten their reasons. They may not be motivated to give accurate answers, in fact, they may be motivated to give answers that present themselves in a favorable light.

- Although the chosen survey individuals are often a random sample, errors due to non-response may exist. That is, people who choose to respond on the survey may be different from those who do not respond, thus biasing the estimates.

- Survey question answer-choices could lead to vague data sets because at times they are relative only to a personal abstract notion concerning "strength of choice". For instance the choice "moderately agree" may mean different things to different subjects, and to anyone interpreting the data for correlation. Even yes or no answers are problematic because subjects may for instance put "no" if the choice "only once" is not available.

3.3   Formatting and layout of survey

The main purpose of the survey is to obtain information from or about a defined set of employees. A short covering letter explaining the purpose of the research and why or how the respondents were selected will be provided (see appendix 1). The questionnaire will state brief instructions on how to complete it and approx time it will take. The survey will start with simpler factual questions followed by questions relating to opinions on values etc.

3.4   Comparison of data

The survey aims to explore the range of reactions, emotional, attitudinal and behavioural which were experienced by the survivors of a redundancy programme. Data was collected using an employee opinion survey both prior to the redundancies being

announced and three months after the completion of redundancies. An employee opinion survey (see appendix 3) was circulated to 141 employees in April 2008. Prior to the decision to downsize, the company experienced high levels of turnover mainly from employees with 18- 24 months service. In order to establish the reason behind this and indeed to minimize the numbers leaving, an employee opinion survey was circulated to this target group in April 2008, a total of 141 surveys were circulated and 82% responded. This survey covered topics on employees perception of information received, relationship with management, ability to contribute and take ownership of their role.

The decision to circulate staff surveys over interviews or focus groups was reached as the main purpose of the survey is to obtain information from or about a defined set of people or population which should provide an accurate observation of the current state of the business as I can directly compare the results from this survey to those gathered from the employee opinion survey conducted less than 12 months ago.

As part of the research and post redundancy, a survey to the 103 employees remaining from this target group to measure employee satisfaction post redundancy and compare attitudes to the survey conducted pre redundancy will get circulated. This tool will allow me to measure the change in attitudes of employees post the redundancy situation. In order to this, I will use questions from section 2, 3 & 4 from the Employee Opinion Survey to allow a direct comparison. I will review the number of employee complaints and grievances both informal and formal as well as absenteeism figures, has there been an increase and if so is this related to demotivation among employees?

The questionnaire aims to answer the following questions;
Analyse employee perceived relationship with their manager – from research shows that if employees value or perceived to have a strong relationship with their manager, symptoms associated with survivor guilt will not be present.
- What's the current situation within the organisation?
- Does it exist within my Company and if not, why not?

- Do employees feel less motivated in the current economic climate?
- Do employees perceive their job is at risk?
- Has a breach to the psychological contract occurred?

3.5   Additional Research

Figures and Statistics

In order to determine if staff morale has been negatively affected by the redundancies that have taken place, statistics of absent figures prior to the redundancy will be compared to current levels of absenteeism to determine if the redundancies have had an affect on levels of absenteeism.

As outlined in section 2.5.2, the equity theory states that employees who perceive themselves as being in an inequitable situation will seek to reduce the inequity either by distorting inputs or outputs or by leaving the organization. Through the justice fairness theories, turnover figures will be examined to determine if higher levels of turnover are present, while also taking into consideration, looking at data in relation to open vacancies within the industry.

3.6   Conclusion

This chapter explored the areas for examination, it identified the use of surveys as a research method and outlined both the advantages and disadvantages for using this method. In conclusion, this chapter laid the foundation for the paper to proceed with the gathering of information from the organization in an effort to determine whether or not survivor guilt is present among the remaining employees.

CHAPTER 4

4.   *Analysis of Results*

4.1   *Introduction*

This chapter sets out to examine the findings from research conducted within an organization that has recently downsized its work-force through a redundancy process by 25%. Summary of key findings show that during a complex change such as downsizing, an individual's need for information increases due to the reduced uncertainties it might bring. Research evidence as outlined in chapter two, tells us that if individuals understand the rationale for the downsize, that if they perceive the process as fair and were satisfied with the consequences that they accepted and adjusted to changes in the psychological contract more readily. Section 4.6 compares data gathered from an employee opinion survey conducted prior to the downsizing, with data from an employee opinion survey conducted post the downsize and questions if employees felt the exercise was legitimate, rational and fair.

It is understood from the literature review that if the reasons for the redundancies were clearly understood and employees were treated with both fairness and respect, they were more willing to increase their contribution to the organization in terms of commitment, innovation and flexibility. Research suggests that this can be achieved through effective communication and involvement, however, the research conducted within this Company has shown that transparent, two-way communication was not consistent across the organization, with some managers receiving a higher rating than others in this question. Chapter 5 will detail how to combat this. Analysis of the data examined throughout this chapter, suggests that employee's attitudes have shifted since the redundancy process took place and therefore would suggest that survivor guilt is present within the organization, , however, minimal.

4.2   Absence Records

Research suggests that where the psychological contract is perceived to be breached
employees will restore equity by increasing absenteeism. Statistics gathered and
compared from quarter one 2008 and 2009 show the following results:

	2008 Totals	2009 Totals	Difference	Comments
Working Days in Q1	61	64		
Average Attendance Rate	98%	99%	-1%	Attendance Rate Increased
Employee Numbers	428	321	-25%	25% Reduction in Workforce from Q1'08 – Q1 '09
Days Lost by Absence	458.50	229.50	-50%	50% Reduction in days lost due to absence
Total Absence Cost	€78,216.62	€39,701.07	-49%	
Average Cost of Sick Day	€182.75	€123.68	-32%	
Average Sick Days per EE	1.07	0.71	-33.26%	

Figure 4.1

From the above statistics, days lost due to absenteeism were reduced post redundancy
compared to the same period 12 months pervious. Taken the above data into
consideration, one could conclude that employees now feeling under threat of loosing
their job had 'buckled down by increasing attendance. However, other factors should
also to be taken into account. Most significantly, a formal attendance policy to include
return to work discussions was introduced in Q3 2008, and for the first time absenteeism
was being monitored formally throughout the organization which would have a
significant impact on attendance records being improved.

4.3   Staff Turnover

Industry statistics gathered from the Irish Funds Industry Association shows a decline in
industry growth as well as a decline in turnover:

- Currently 9,544 employed in Ireland within the Funds Industry
- Industry growth 1% in 2009 V's 58% since 2004
- Industry turnover 24% year end 2008 down from 28% year end 2007
- 68% Open Vacancies as at 01/01/09 V's 731 Open Vacancies at 01/01/08
- 3 -5% Decrease in employment forecast in 2009

Within this organization, a 25% reduction in the workforce has occurred over the past 12 months:
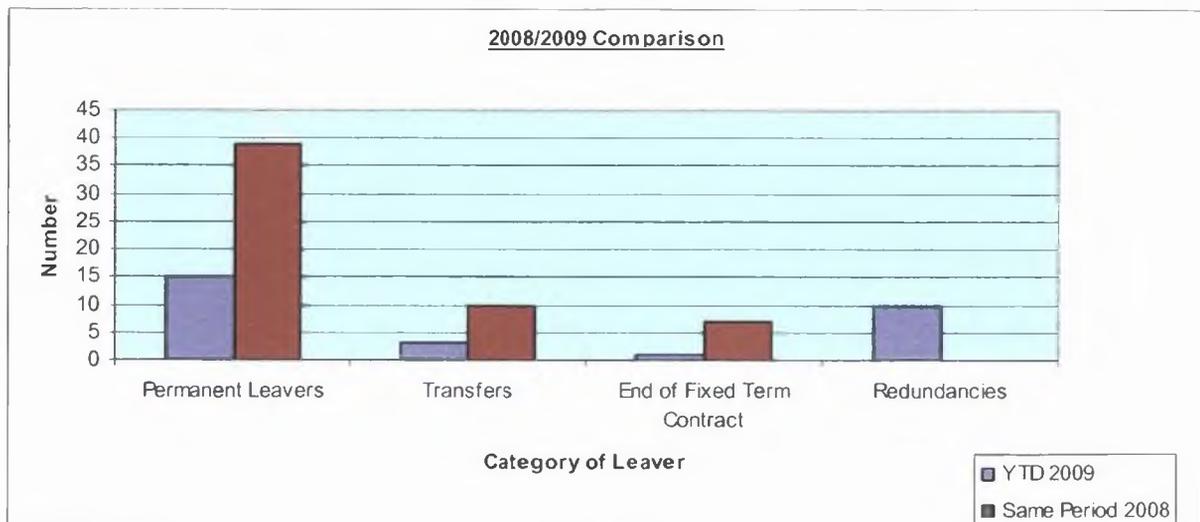
Figure 4.2

While the workforce was reduced by 25% as a result of the redundancy process, turnover for the other group of leavers i.e. transfers, end of fixed term contracts etc were down on the previous year. Most notably only 13% from this group left to work for a competitor.
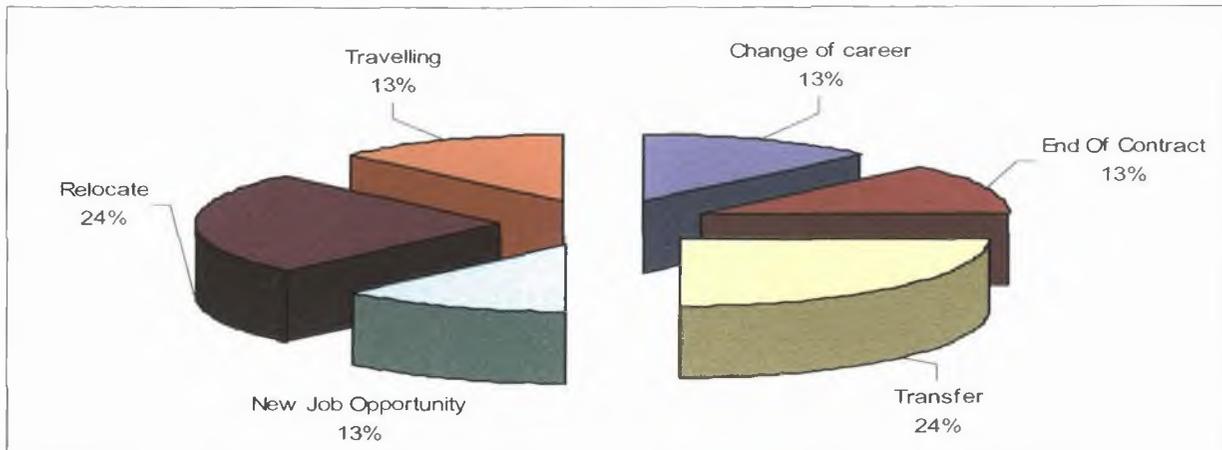
Figure 4.3

4.4   Findings from 2008 Employee Opinion Survey

Prior to redundancies being announced, an employee opinion survey was conducted. The survey, the first of its kind to be conducted within the Company, aimed to explore individual's opinions on how they rated the organization in a number of areas such as Manager, my job, the mission, purpose and opportunities for growth as well as if they felt respected etc. Overall, feedback was positive which included the following responses:

- "CFS has a nice working atmosphere and good opportunities"
- "I like the fact that there are promotional opportunities from an early stage"
- 93% of respondents understand how their work directly contributes to the overall success of the organization.
- 92% of respondents feel doing their job well gives them a sense of personal satisfaction.
- 87% of respondents think that the organization respects its employees.
- 27% of respondents believe they do not receive constructive feedback that helps them improve their performance.

- 92% of respondents confirmed that knew what was expected from them in terms of work performance:

I know what is expected of me at work
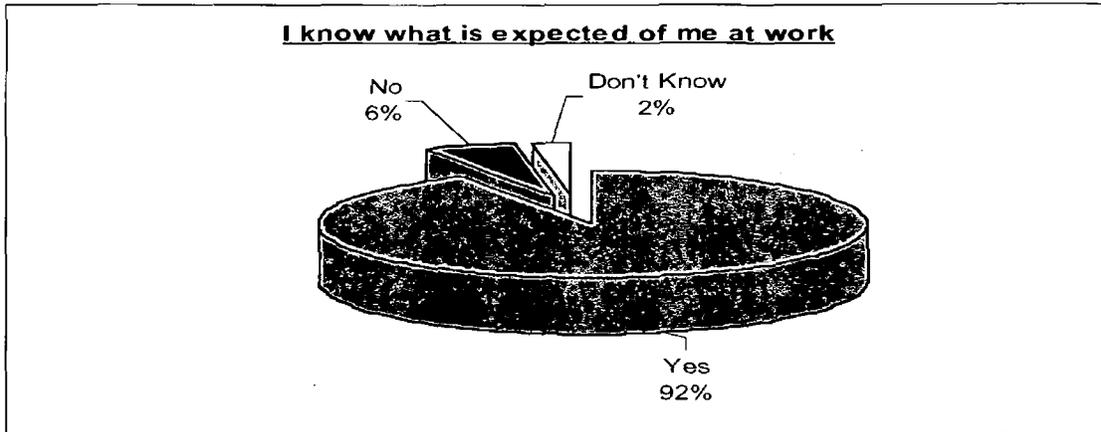
Figure 4.4

92% also felt that job satisfaction provided them with a sense of personal satisfaction also

Doing my job well gives me a sense of personal satisfaction.
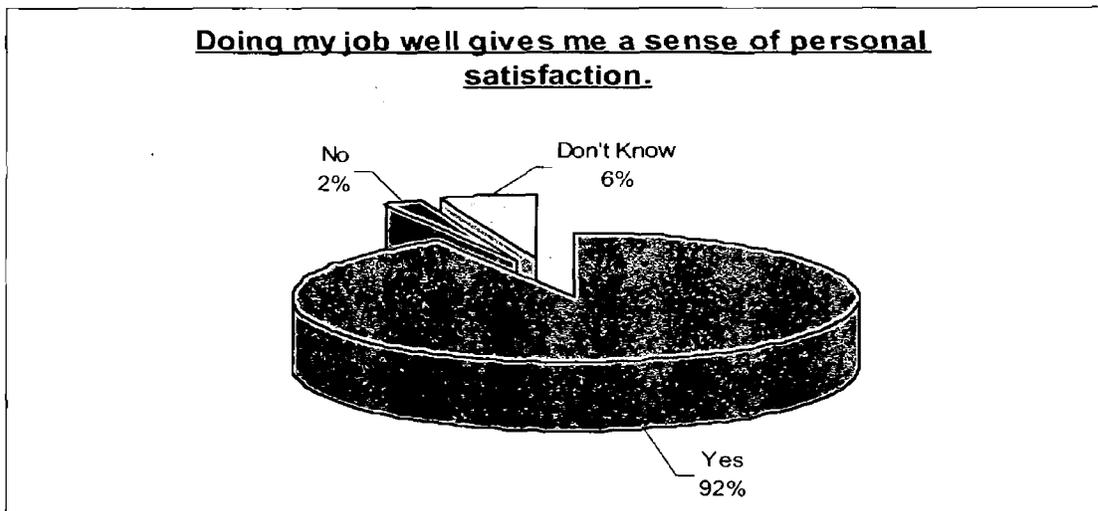
Figure 4.5

Information gathered from the employee opinion survey showed that employees rated their mangers highly.
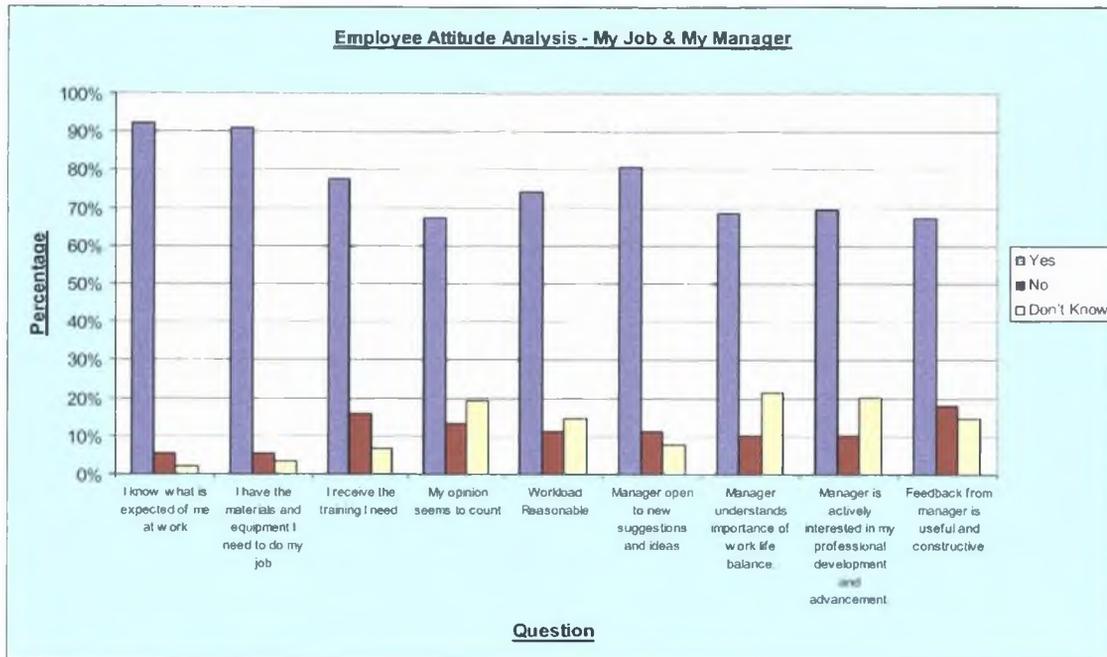
Figure 4.6

Feedback was also positive in the area of employees knowledge and understanding of the future direction and goals of the organization as outlined in figure 4.7:
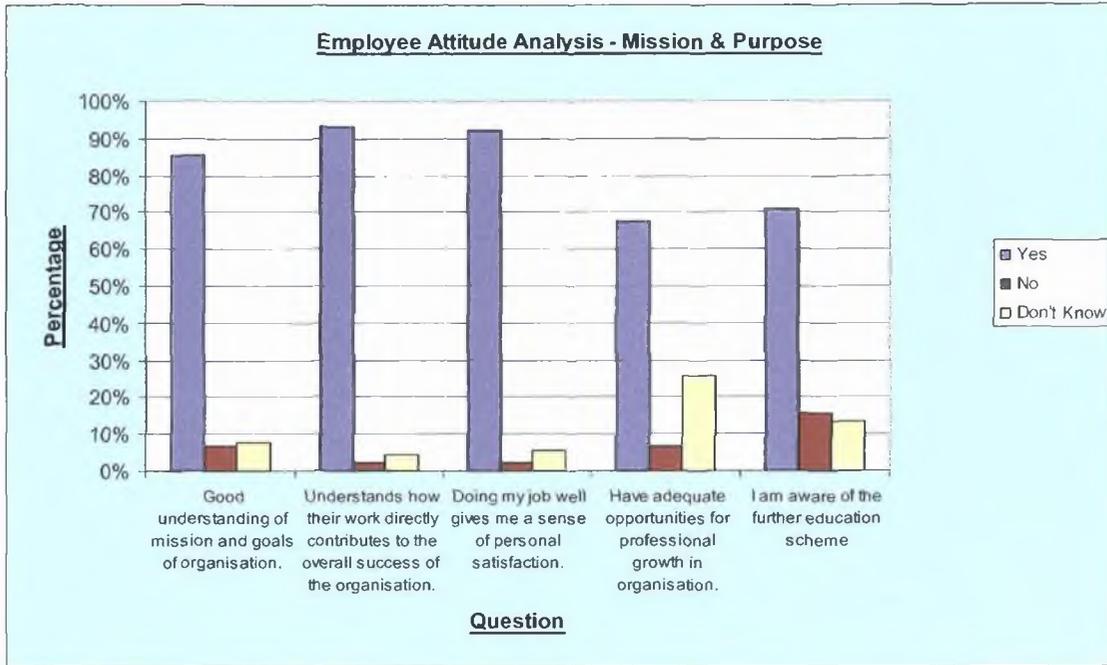
Figure 4.7

While figure 4.8 below, shows' that 67% of employees felt they had adequate opportunities for professional growth suggesting that this was an area of opportunity for the organization to improve upon.

Figure 4.8

4.5   Post Redundancy Survey Findings

The survey was circulated to 100 employees and received an 83% response rate, a summary of comments detailed below: Overall the findings from the survey were positive, however, there are always opportunities for improvement.

Positive feedback includes:

"The support for those leaving was excellent, but everyone was too busy to talk through the issues with the rest of us."

"The rationale behind critical decisions were explained through departmental meetings and I felt I was kept up-to-date of why and how this occurred".

"The redundancies in November were effectively communicated including the reasons behind them"

On the other side, negative comments included:

"I feel like a tragedy has occurred and I'm lucky to have escaped, I just don't know what to say to the person terminated."

"Poorly, there was no input from the employees before the process began and therefore nobody had a chance to suggest the best way to handle the communication of the redundancies."

"I don't think there is a clear vision or concensus on IT senior management as a whole so it's very hard to communicate the rationale behind critical business decisions as it seems to me that each team has a different idea of what is critical and what's not, and there is no unified process among the different teams"

"The rationale was not clearly outlined. Without details of Citco's operational costs, overheads and expenses how are we to understand how necessary or effective certain critical decisions are"

"I felt the way the redundacnies were communicated to all staff as a group was not done in a sensitive manner. I felt that it could have been handled much better, however once the process started i felt it was much better"

In section 1 of the survey, employees were asked to indicate their level of agreement with five statements relating to the decision and rationale for the redundancies. 71% of respondents agreed that the level of prior notification provided by management was adequate, however, only 58% of respondents agreed that the rationale to downsize was clearly and effectively communicated. From this section, it appears that employees felt the procedures in place to downsize, while there was room for improvement where in the most part fair.
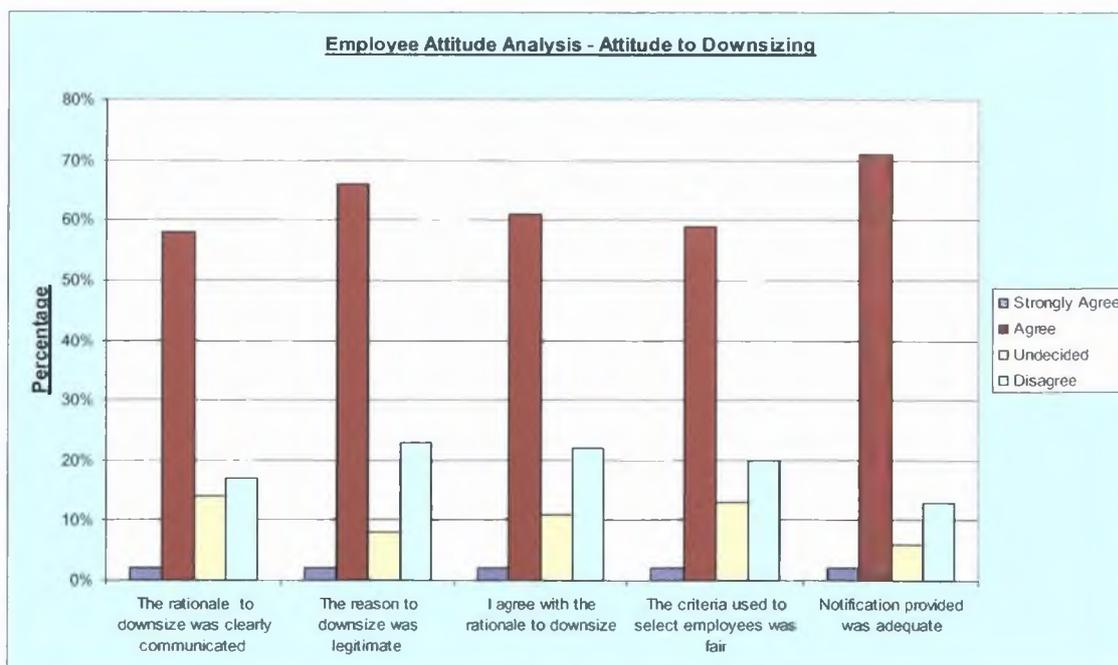
Figure 4.9

4.6   *Comparison of data from Questionnaire*

4.6.1   My Job & My Manager

Research suggests that were employees had a strong relationship with their direct line manager, the breach to the psychological contract would not be as strong as it would if that relationship was weak. When data is compared on how employees felt there is a reduction in positive responses.

2008 My Job & My Manager	Yes	No	Don't Know
I know what is expected of me at work	92%	6%	2%
I have the materials and equipment I need to do my job	91%	6%	3%
I receive the training I need	78%	16%	7%
My opinion seems to count	67%	14%	19%
Workload Reasonable	74%	11%	15%
Manager open to new suggestions and ideas	81%	11%	8%
Manager understands importance of work life balance.	69%	10%	21%
Manager is actively interested in my professional development and advancement.	70%	10%	20%
Feedback from manager is useful and constructive	67%	18%	15%

Figure 4.10

2009 My Job & My Manager	Yes	No	Don't Know
I know what is expected of me at work	79%	18%	2%
I have the materials and equipment I need to do my job	94%	5%	0%
I receive the training I need	76%	17%	5%
My opinion seems to count	64%	27%	6%
Workload Reasonable	63%	28%	8%
Manager open to new suggestions and ideas	76%	19%	4%
Manager understands importance of work life balance.	68%	17%	13%
Manager is actively interested in my professional development and advancement.	65%	22%	7%
Feedback from manager is useful and constructive	61%	18%	9%

Figure 4.11

4.6.2   Mission & Purpose and Opportunity for Development

Promotional opportunities were frozen indefinitely post the redundancy process, six

months on there has been no formal communication from management to suggest that

this will be re-instated. Historically, promotions occurred bi-annually. Data compared

from employees from post and pre redundancy suggest that an 11% reduction in

agreement to the statement 'I have adequate opportunities for professional growth within

the organization'. While employees felt they did not have a good understanding of the

goals and mission of the organization.

2008 Mission & Purpose and Opportunity for Development	Yes	No	Don't Know
Good understanding of mission and goals of organization.	85%	7%	8%
Understands how their work directly contributes to the overall success of the organization.	93%	2%	5%
Doing my job well gives me a sense of personal satisfaction.	92%	2%	6%
Have adequate opportunities for professional growth in organization.	67%	7%	26%
I am aware of the further education scheme	71%	16%	14%

Figure 4.12

2009 Mission & Purpose and Opportunity for Development	Yes	No	Don't Know
Good understanding of mission and goals of organization.	62%	31%	2%
2009 Understands how their work directly contributes to the overall success of the organization.	78%	12%	7%
Doing my job well gives me a sense of personal satisfaction.	87%	4%	5%
Have adequate opportunities for professional growth in organization.	56%	26%	13%
I am aware of the further education scheme	69%	14%	12%

Figure 4.13

4.6.3   Respect & Fairness

With respect to employees feeling that everyone is treated fairly within the organization, an increase of 6% occurred with employees strongly disagreeing. Evidence suggests that where employees feel that the treatment of colleagues was unfair, survivor syndrome will be present.

2008 Respect & Fairness	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree
Manager treats me with respect and values contribution	29%	51%	11%	8%	1%
Manager listens	25%	49%	19%	6%	1%
Organization respects its employees	24%	63%	10%	3%	0%
Organization values the contribution I make	14%	58%	21%	7%	0%
Manager treats all his/her employees fairly	21%	51%	15%	8%	6%
Organisation's policies for promotion and advancement are fair	11%	45%	32%	11%	1%
Manager is consistent when administering policies concerning employees	15%	61%	16%	7%	2%
I am always treated fairly by manager	25%	48%	17%	9%	1%
Everybody is treated fairly in organization	7%	39%	34%	16%	5%

Figure 4.14

2009 Respect & Fairness	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree
Manager treats me with respect and values contribution	25%	49%	16%	7%	2%
Manager listens	23%	45%	23%	7%	2%
Organization respects its employees	19%	59%	16%	4%	1%
Organization values the contribution I make	12%	56%	23%	9%	0%
Manager treats all his/her employees fairly	19%	47%	18%	6%	9%
Organisation's policies for promotion and advancement are fair	9%	43%	30%	16%	2%
Manager is consistent when administering policies concerning employees	13%	59%	14%	9%	3%
I am always treated fairly by manager	22%	56%	19%	1%	2%
Everybody is treated fairly in organization	4%	26%	37%	21%	11%

Figure 4.15

4.7   Conclusion

This chapter laid the foundation of the report and allows the paper to proceed with recommendations for the organization. Analysis of the data examined throughout this chapter, suggests that employee's attitudes have shifted since the redundancy process took place and therefore would suggest that survivor guilt is present within the

organization, if somewhat minimal. The challenge for the organization, is therefore, to ensure, it does not escalate and the organization is faced with employees who only remain with the organization because of limited job opportunities elsewhere.

Findings from this chapter will allow both conclusions and recommendations to be made. Results suggest that survivors reactions are particularly dependent on the interpersonal treatment they receive from both the management team and their immediate line manager or supervisor. Survivors who perceived they had a 'good' relationship with their line manager were less likely to react negatively to the redundancy programme, this corresponds to the research as outlined in chapter 2. The research indicates that the line manager holds a very important role in maintaining the morale and motivation of the remaining staff. The ability to maintain good communication and support to employees can help in the future success of the organization.

CHAPTER 5

5.   Conclusion

5.1   Introduction

As outlined throughout this paper, the importance of managing survivor syndrome within an organization is paramount to the future success of the organization as the perceived relationship between the organization and its employees in the current climate will determine where the company retains its best employees when the economy and job markets are more stable or whether they are lost to the competition. While it is easy for management to say that employers are assets rather than costs in good times, best in class companies will demonstrate that they mean it in difficult economic times.

As the market leader within the hedge fund industry it is essential that the organization demonstrates its commitment to its employees to ensure they remain in employment during the upturn. People make the difference to organizational performance and are the key source of competitive advantage. People often expected to be flexible, very hard working while tending to and taking responsibility for their own career development and yet in many organizations they are treated with a great deal of insensitivity.

In order for the organization to survive and prosper and continue to grow in the upturn, they must properly engage with their employees.

While it is common for executives to adopt the attitude that employees fortunate enough to survive a redundancy situation and remain in employment should check their emotions at the door and devote their energy to their jobs data gathered throughout this paper suggests that employees within the organization have experienced minimal effects of survivor guilt, however minimal there is evidence that it exists and it therefore needs to be addressed.

This chapter sets out to make recommendations to management as to how best to address the issues derived from guilt experienced by survivors. The challenge faced is to convince the management team that this is in existence and that failure to act on it will carry risks. In the first instance, it is essential that the Company addresses survivor guilt by recognizing that large-scale lay-offs represent fundamental organizational change. And to pay heed that an organizations, culture is formed during the worst of times more than during the best of times.

5.2   Recommendations

5.2.1 Introduction

Short term strategies alone will not be sufficient to sustain the organization in the long run. As part of the longer term strategy, the organization needs to ensure its employees are committed to the changes that have been made. Recent CIPD employee engagement research showed that 42% of employees felt that they are not kept well informed about what is going on in their organization, the issue of communication will therefore be addressed. As well as an introduction of a rebalancing programme as outlined in 2.2, suggestions on how to encourage employee involvement through performance management and training and development will also be explored.

5.2.2 Rebalancing

It is widely believed that people make the difference to organizational performance and are a source of competitive advantage a redundancy situation can unbalance the organization and destroy motivation, trust and commitment of the people whom the organization relieves upon. Therefore, rebalancing the organization after a redundancy situation is essential to the organizations survival and future success. There are several ways in which the organization can aim to rebalance:

- The vision for the future success of the organization should be communicated
- Support mechanisms need to be put into place for employees to help them adapt to their changing environment

If uncertainty or lack of knowledge of organizational direction exists, it may result in those remaining experiencing job insecurity and lead them to seek employment elsewhere, which will result in the loss of key skills and compromise the recovery of the organization. Therefore, in order to rebalance the organization after the redundancy process and in an effort to minimize the effect of survivor syndrome, the following areas will be considered:

- Communication strategy
- A policy of Dignity in the Workplace
- Employee Performance Management
- A focus on the T&D of surviving employees
- Employee Involvement

5.3   Communication Strategy

While it was viewed that communication throughout the consultation process was effective, clear and transparent, a communication strategy needs to be adopted to ensure the organizations vision and future strategies are known to all employees while also ensuring employees feel both secure in their roles and valued. Front line managers are key to communicating with employees. The organization must therefore ensure that their front line managers understand the message and are committed to it.

If front line managers are not fully engaged in both communication and change processes, any momentum gained by senior management will stall. Front line managers therefore need to be empowered to communicate to their staff themselves. Employees will look to their own manager to determine the effect that the change will have on them,

if the manager does not act as though the change is important: the employees will not believe that it will impact them.

5.4   A Policy of Dignity in the Workplace

Findings from the research conducted, suggests that were employees feel respected it will minimize any survivor guilt which may exists. In order to ensure a workplace that is free from harassment and where every employee feels respected, I propose that a Dignity at Work Policy is implemented. Under the Employment Equality Acts 1998-2008 and the Safety, Health and Welfare at Work Act 2005 employers have a duty to ensure the health and safety of their employees which includes the prevention of harassment in the workplace. In order to comply with the legislation and adhere to best practice I propose the following:

5.4.1   Launch a new 'Dignity at Work Policy:

Fulfilling our obligation under these acts, this policy, will set out the Company's commitment to creating and maintaining an environment, where all employees are free to work without fear of bullying and harassment from any source. The purpose of this policy is to prevent & deter bullying and harassment behaviour, and where it occurs to have effective procedures in place to address the matter. To ensure employees are aware of their responsibility under this act, a training module which all managers will attend will be designed. Once the training of management is completed, the policy will be launched company wide via the intranet site.

5.5   Employee Performance Management

Given the recent restructure within the organization, performance management must be addressed to ensure staff feel; the new demands are realistic in terms of the reduced staff resource. They also need to be clear what is expected of them in the downsized organization. Again, the employee's relationship with their line manager will have a

significant effect on how well they cope with downsizing. For line managers to support staff effectively at a time of difficult change they in turn have to feel as though they know how to handle queries and problems. A review of the current performance management system needs to be undertaken and training on how to conduct a performance review implemented. As the psychological contract is unique to each individual, one – one meetings with management should be encouraged and the scheduled mid-year review process should be used as an opportunity to allow for this to occur.

5.6 A focus on the T&D of surviving employees

As discussed in chapter 2, the industry in which the organization operates is set to change, with the regulation of hedge funds. The business will be faced with the challenge of surviving and may for the first time in its history / lifecycle diversify into other markets. This will result in the need of having its employees have a different set of core competencies. The training and development of employees is therefore, a key feature to the future success of the organization.

5.6.1 The effect on individual behaviour

The motivation theories that apply to the design of training modules focus on how to motivate people to attend the events and develop their skills and on how to design features into the events that will maintain a learner's motivation. Learning has to be perceived to meet a need in order for it to be motivating. This need has to be perceived by the individual. -

5.6.2 Goal Setting Theory

The goal setting theory is based on the principle that people are motivated to achieve the successful attainment of challenging goals. Locke's (1968) studies resulted in three main conclusions;

1) More difficult goals result in higher levels of performance than easy goals

By attending mandatory training courses that are not directly related to the individuals job it forces the individual out of his/her comfort zone thus providing a more difficult goal to successfully complete that particular module.

2) Specific goals produce higher levels of performance than general goals

By involving the individual employee in the design of his/her own training plan it helps to motivate them to attend and to perform well in the specific training modules which they themselves have chosen.

3) Behavioural intentions influence the choices people make

In setting goals i.e. participation in a training module, employees acknowledge that there is something to be gained on successful completion. On completion of the 12 mandatory training modules, employees are eligible to enter internal recruitment competitions which in turn can lead to promotion and an increase in salary and year end bonus.

5.6.3   The Expectancy Theory

The expectancy theory (Vroom) suggests that in order to be motivated people have to see a link between what they are learning and a worthwhile outcome for them in their situation. For an individual to be motivated the outcome or reward must be valued by the person and he/she must believe that additional effort will lead to higher performance and that the higher performance will subsequently result in greater rewards or outcomes.

Properly training employees for their jobs, clarifying managerial expectations concerning good performance, and attempting to increase an individuals level of self-confidence are some of the ways which this effort performance link can be strengthened. An annual performance review is carried out between an employee and his/her manager in an effort to set out goals and objectives for the coming year. In order to accomplish some of these goals formal training is required. By doing this an obvious link between training received

and an outcome of good performance i.e. achieving the goals and objectives set out is created.

The more learning can be designed to reflect the job itself the more relevance learners will see and the more motivated they are likely to be to learn. In order for the T&D policy to be successful and to tap motivational potential, managers must be able to relate to the needs of the employees involved and not just their own needs or assumptions.

5.6. 4 Motivation

Maslows theory emphasizes a contingency approach to motivation and suggests that managers and organisations should be flexible and able to tailor incentives to individual employees if they desire to maximize employee contribution. At the end of a training module each employee is required to complete an evaluation form or happy sheet (see appendix 1). At month end this information is analyzed and changes are made to that particular module if needed.

Studies have found that employees with a high need for achievement tend to

1) experience satisfaction from good performance
2) set higher goals than those with low achievement needs
3) be more effective in managing their time
4) improve their performance following feedback

Thus an obvious implication for managers is to draw out those individuals with a high need for achievement. However, McCellands argues that people can be taught to have certain needs. His theory suggests that motivation is changeable even in adulthood and rather than treating motivation as an independent variable, motivation becomes a dependent variable as the focus is on the antecedent conditions that develop a particular need. Therefore, training programs should be developed to increase achievement motivation in both managers and employees.

5.6.5 *Summary*

"While learning has always been a feature of working, learning at work has a new status in contemporary workforce discourse as learning is considered a part of everyday work. Learning becomes a cultural practice that is affirmed through the development of a mission and value statements, an identification of workers with corporate aims and the conceptualization of an organization" Solomon (1999). The purpose of investing resources into a more structured training and development plan is to ensure the company's workforce is one with skilled employees which helps the company to maintain its reputation as the leader in hedge fund services.

5.7   Employee Involvement

"Partnership involves common ownership of the resolution of challenges, involving the direct participation of employees or representatives and an investment in their training, development and working environment." (IBEC). In a bid to minimize survivor guilt and to maintain the psychological contract and minimize the decline in productivity associated with it, employees must feel that they are involved in the future direction of the organization. This involves a continuing commitment by employees to improvements in quality and efficiency; and the acceptance by employers of employees as stakeholders with rights and interests to be taken into account when decisions are being made about their employment.

The most well thought out business strategy will be executed effectively only when people are committed to achieving the goals of the organizations and when they posses the right set of skills demanded by the ever – changing market place. Under the constant pressure to improve results and stay competitive, the Company must seek ways to become more efficient, productive, flexible and innovate. In order to achieve this:

1) The vision for the future of the organization must be realistic and articulated to all employees. Show the remaining employees how the lay-offs are part of a larger re-organization that will eventually create a stronger company.

2) Involve the survivors in building a new company. Employees who are given greater development opportunities and decision making power after lay-offs feel more secure and confident in their positions.

5.8   Conclusion

Research carried out on this organization suggested that a shift in attitude of employees since the redundancy exercise has occurred. In order to ensure the future success of the organization, the main issues to consider are the levels of trust, commitment and involvement, fairness and recognition that present and future employers and employees have with each other. Breach in the psychological contract at best under strain, team work and productivity can collapse, while there is no evidence to suggest that this has occurred, it is important for the organization to implement strategies, policies and procedures to ensure this fact remains unchanged.

By implementing a communication strategy, investing in a training and development programme and empowering front line managers to conduct effective performance reviews, the company should succeed in keeping its best talent which will allow for the future success of the organization and for survival in the upturn.

CHAPTER 6

The following survey has been developed to help CFS Ireland better understand its employee's needs and concerns. All information gathered from this survey will be held in the strictest of confidence.

Section 1:Downsizing

Please indicate your level of agreement with the statements below by choosing an option in the drop down list

The rationale to downsize was clearly and effectively communicated?	Undecided
The decision to downsize was legitimate	Undecided
I agree with the rationale to downsize	Undecided
The critera used to select employees was fair	Undecided
The level of prior notification provided by management was adequate	Undecided

Section 2: My Job, Manager & Remuneration

Circle the rating that best corresponds to your current attitude for questions

I know what is exptected of me at work	
I have the materials and equipment I need to do my job effectively	Yes
I receive the training I need to do my job well.	Yes
At work, my opinion seems to count	Yes
The amount of work I am asked to do is reasonable.	Yes
My managers is always open to new suggestions and ideas	Yes
My manager understands the importance of maintaining a balance between work and personal life.	Yes
My manager is actively interested in my professional development and advancement.	Yes
I receive useful and constructive feedback from my manager.	Yes
I trust management in Citco to always communicate honestly	Yes

Section 3: Mission & Purpose and Opportunities for Growth

Circle the rating that best corresponds to your current attitude for questions

I have a good understanding of the mission and the goals of this organization.	
I understand how my work directly contributes to the overall success of the organization.	Yes
Doing my job well gives me a sense of personal satisfaction.	Yes
I have adequate opportunities for professional growth in this organization.	Yes
I am aware of the further education scheme	Yes
	Yes

Section 4: Respect & Fairness

Please indicate your level of agreement with the statements below by choosing an option in the drop down list

My manager always treats me with respect and values the contribution I make	
My manager listens to what I'm saying.	Undecided
This organization respects its employees.	Undecided
The organization values the contribution I make.	Undecided
My manager treats all his/her employees fairly.	Undecided
The organization's policies for promotion and advancement are always fair.	Undecided
My manager is always consistent when administering policies concerning employees.	Undecided
I am always treated fairly by my manager.	Undecided
Everybody is treated fairly in this organization.	Undecided
	Undecided

Section 6: About You

What department do you currently in?

Did you transfer to another department post the redundancy process?

Additional Comments

How do you feel the redundancy process was handled?

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Thank you for taking the time to complete this survey

Appendix 2

Employee Opinion Survey

Cover Letter (By E-mail)

The Company strives to ensure this is the best place you have worked. In order to ensure we live up to your expectations we'd like to know how you think the company is doing. Please take a few minutes to give us your candid opinion.

Your survey answers will be completely confidential and participation is voluntary. Your opinions will help your company improve and make it a better place at which to work.

Please do not spend a lot of time thinking about your answer to each question, your first impression is best as it most likely reflects the way you really feel.

Thank you for taking the time to complete his survey. If you require any clarification, please do not hesitate to contact me.

The following survey has been developed to help CFS Ireland better understand its employee's needs and concerns. All information gathered from this survey will be held in the strictest of confidence.

Section 1: The Organisation

Please indicate your level of agreement with the statements below by choosing an option in the drop down list

Information and knowledge are shared openly within this organisation.	Undecided
Communication is encouraged in this organisation.	Undecided
I am given adequate feedback about my performance.	Undecided
I receive feedback that helps me improve my performance.	Undecided
I have an opportunity to participate in the goal setting process.	Undecided
Employee performance evaluations are fair and appropriate.	Undecided
The organization has reasonable expectations of its employees.	Undecided
This organization supports a balance between my work and personal life.	Undecided
The pace of the work in this organization enables me to do a good job.	Undecided

Section 2: My Job, Manager & Remuneration

Circle the rating that best corresponds to your current attitude for questions

I know what is exptected of me at work	Yes
I have the materials and equipment I need to do my job effectively	Yes
I receive the training I need to do my job well.	Yes
At work, my opinion seems to count	Yes
The amount of work I am asked to do is reasonable.	Yes
My managers is always open to new suggestions and ideas	Yes
My manager understands the importance of maintaining a balance between work and personal life.	Yes
My manager is actively interested in my professional development and advancement.	Yes
I receive useful and constructive feedback from my manager.	Yes

Section 3: Mission & Purpose and Opportunities for Growth

Circle the rating that best corresponds to your current attitude for questions

I have a good understanding of the mission and the goals of this organization.	Yes
I understand how my work directly contributes to the overall success of the organization.	Yes
Doing my job well gives me a sense of personal satisfaction.	Yes
I have adequate opportunities for professional growth in this organization.	Yes
I am aware of the further education scheme	Yes

Section 4: Respect & Fairness

Please indicate your level of agreement with the statements below by choosing an option in the drop down list

My manager always treats me with respect and values the contribution I make	Undecided
My manager listens to what I'm saying.	Undecided
This organization respects its employees.	Undecided
The organization values the contribution I make.	Undecided
My manager treats all his/her employees fairly.	Undecided
The organization's policies for promotion and advancement are always fair.	Undecided
My manager is always consistent when administering policies concerning employees.	Undecided
I am always treated fairly by my manager.	Undecided
Everybody is treated fairly in this organization.	Undecided

Section 5: Top 10

Please choose from the list below your top 10 i.e. those factors which have the greatest influence over your continued employment with CFS

Access to further education	1
Availability of information	1
Benefits	1
Company Policies	1
Company reputation	1
Co-operation within your team / department	1
Job satisfaction	1
Openness to your views / opinions	1
Performance feedback	1
Promotional opportunities	1
Recognition	1
Salary	1
Systems / Technology	1
Training Courses	1
Utilization of skills	1
Working environment	1
Working hours	1

Section 6: About You

How long have you been working for the Company?	(....)
What is your job function?	Other
Where do you work?	Dublin

Please indicate your level of agreement with the statements below by choosing an option in the drop down list

I am happy with my current role in CFS	Undecided
I enjoy the people I have met through Citco	Undecided
I have someone to confide in at work	Undecided
I tell my friends/family that CFS is a good place to work	Undecided
I am able to satisfy both my job / family responsibilities / other activities	Undecided
I am not forced to choose between job and family obligations.	Undecided

Additional Comments

What do you like most about working with CFS and is there anything you would like to suggest to make CFS a better place to work?

Thank you for taking the time to complete this survey

CHAPTER 7

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