



The Influence of Organizational **Downsizing** on Organizational Performance

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ABSTRACT

Global headwinds of change have created a volatile, uncertain, competitive and ambiguous (VUCA) environment, which has perplexed business organizations now a days. With the backdrop of twisters like Global economic recession, Euro zone turmoil, Chinese recession and Brexit problem, organizations are nonplussed and are forced to reassess their business structures and strategies. Along with this the issues of fluctuating foreign exchange, fickle financial markets & soaring inflation are posing serious challenge to financial and operational issues in modern organizations. In an obscure scenario of weakening external demand, firms in IT sector especially, are striving hard to retain the foothold by arresting their soaring costs and plummeting profits. The fundamental assumption of 'consistency & congruence' for organizational performance are being blown to air and organizational downsizing has become the 'strategy of choice' for many of the big companies these days. The present study is about conflict & inconsistency arising from downsizing strategy adopted by Infosys which it

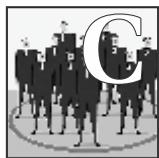
considered as desirable process for organizational performance. The impact of 'convergence downsizing' on organizational performance, as well as employees' organizational citizenship behavior (OCB-O) and performance has been studied in this correlational research. Exploratory Factor Analysis Technique has been used to identify the factors like Civic Virtue and Sportsmanship indicating Organizational citizenship behavior (OCB-O) which affects the employees' and organizational performance. Cronbach Alpha, AVE, Square Root AVE have been used to measure Reliability and Validity of constructs, whereas the relationship between these has been studied by Correlation and Regression techniques. Certain financial ratios like Operating Profit ratio, ROA, ROS and Value Added per Employee have also been assessed to adjudge the organization's financial performance.

Keywords : *VUCA Environment, Downsizing, Organizational Citizenship Behaviour, Civic Virtue, Sportsmanship, Organizational Performance*

INTRODUCTION

Global headwinds of change have created a volatile, uncertain, competitive and ambiguous (VUCA) environment, which has perplexed business organizations now a days. With the backdrop of twisters like Global economic recession, Euro zone turmoil, Chinese recession and Brexit problem, organizations are nonplussed and are forced to reassess their business structures and strategies. Along with this the issues of fluctuating foreign exchange, fickle financial markets & soaring inflation are creating state of misalignment in internal environment with external environment for modern organizations. The weakening external demand, especially in IT sector, is posing serious challenge for firms to retain their foothold by managing financial and operational issues. Fundamental assumptions of 'consistency & congruence' for organizational performance are being blown to air and organizational downsizing has become the 'strategy of choice' for many of the big companies these days to arrest their soaring costs and plummeting profits.

The present research attempts to study the influence of convergent downsizing practiced by the software services giant Infosys Limited, which employs around 1.5 lakh people. Infosys, often cited as "The Best Company for employees and shareholders" is an Indian Multinational Corporation offering Business Consulting, Information Technology and Outsourcing Services, since 1981. The phenomenon of frequent layoffs, especially after global recession of 2008 is overshadowing the organization's happy exterior. As per media reports Infosys laid off its 2100 employees in the year 2009, whereas in 2010 also a large number of Infosys employees (around 5%) faced designation corrections and demotions. There were no hikes & no promotions, rather 'salary freeze' and 'steep cuts to variable pay' (approximately 50%) were introduced in some top positions in the year 2011-12. In 2013 also up to 5,000 employees were laid off to cut costs and boost sales. The company intended to increase operational efficiency and handed over pink slips to those who "did not add value". Although company's robust performance management system encourages it to segregate "chronic underperformers" (approximately 10%) every year, as part of its routine staff management policy, but it is leaving a big question mark on employees as well as organization's performance.



CONCEPTUALIZATION AND LITERATURE REVIEW

Downsizing is defined as purposeful reduction in the size of organization's workforce (Casio, 1993). (Kozlowsky,1993) also viewed the organizational downsizing as "a deliberate organizational decision to reduce workforce with an intention to improve organizational performance. The economic perspective behind it rests on the assumption that management's actions are inherently rational and downsizing is undertaken with a view to increase an organization's future productivity and economic performance (McKinley, Zhao and Rust, 2000). There are many synonyms for the term 'downsizing' namely,

consolidating, rightsizing or de-hiring etc.; but the available literature generally articulates two distinct types of organizational change arising from downsizing: convergence and reorientation (Freeman and Cameron, 1993; Tushman and Romanelli, 1985). The 'Convergent downsizing' is an activity targeting reduction in costs through lay-offs or reducing headcount. It is also related to cutting employee benefit expenditures, decreasing facilities, salary freezes and designation correction or cut in employees' variable pay etc. In fact organizations under convergent downsizing aim at working more efficiently by reducing their operating costs and tend to serve the same markets with the same goods or services. On the other hand 'Reorientation downsizing' is sudden change from past strategies and proposes for a shift in organization's strategic focus with respect to products, processes, technologies and markets. It involves the redesigning in organizational structure, work flows and control systems through changes in technology or top management (Freeman and Cameron, 1993). In fact convergence suggests the organization to do the same things, albeit more efficiently, whereas reorientation calls for transformational direction, product lines, and markets served (McCure, 2009) to achieve organizational objective. The present research is about the convergent downsizing practices adopted by Infosys.

Many researchers (Bruton et al., 1996) have considered downsizing a step to improve internal dynamics of an organization. According to this concept it is a reactive response, in contrast with the proactive model proposed by (McKinley et al., 1995) which reiterates that organizations indulge in downsizing with an intent to improve their financial performance. It depends upon the approach, or the metrics to evaluate outcome of downsizing that makes different impact on organization's financial performance. It has been, however, supported by many studies. A study made by (DeMeuse et al., 2004) of Fortune 100 firms slashing the number of employees, concluded that firms laying off 10% or more of their workforce underperformed on financial variables like Profit margin and ROA. But (Gandolfi, 2008) in his study on the consequences of downsizing concluded that downsizing firms generally under-performed than other firms not engaged in downsizing. Another longitudinal study of 258 Korean firms (Yu and Park, 2006) clinched that downsizers outperformed non downsizers on various metrics like Asset turnover and operating income per employee and increase in stock price. In UK listed companies announcing layoffs, whereas profitability was not affected, but stock prices declined as per study of (Hillier et al., 2007). While making a research on Fortune 100 firms making layoff announcements (Love and Nohria, 2005) also concluded that overall downsizing has no effect on net profits, but larger firms and pro-active downsizers tend to perform better in the long run. (McClure, 2009) in his research resolved that reduction in headcounts by organizations lead to degradation in their performance rather than improving it. In a study made upon Spanish press (Bullon, Bueno, 2012) found an insignificant relation between downsizing and profitability, with a view that corporate performance is not only contingent on strategies

but on the means of strategy implementation as well. The downsizing strategy formulation and implementation captures an explicit tension between the organizational control of decision to downsize & uncertainty about its outcome; as well as an implicit tension between the potential impact of downsizing on retained workforce and impending benefit to the organization (Kurebwa J. 2011). If taken as a whole, it is difficult to portray a single, unified picture of the relationship between downsizing and organizational performance, as performance up to great extent, is an outcome of employees' behaviour, which ensure smoothness of activities within and outside the organization (Romle, Talib and Shahuri, 2016). The approach of 'cutting out the fat', especially through headcount reduction, for long-term improvements (Cascio, 1993) may impact upon human behavior, an important element of organizational performance. In an attempt to adjust with external environment and improve its position the strategic move taken by the organizations impacts its internal dynamics especially organizational citizenship behavior. The study made on large urban hospitals by (Chadwick et al., 2004) indicate that downsizing does not lead to improved organizational performance generally, as employee behavior and morale during layoffs is directly related to success of downsizing and financial performance. Up-front perfunctory shifts in the organization are not the only factors that decide its performance, rather employees' attitude and motivation also contribute to it. Several authors have studied the behavioral and cultural consequences of downsizing on the members of the organization. (Cameron et al., 1987) identified a number of dysfunctional effects such decreasing levels of trust, morale and communication as well as increasing levels conflict and threat-rigidity reactions. Other behavioural consequences are increased absenteeism, turnover and degraded organizational commitment (Allen et al., 2001; Cascio, 1993; Hallier and Lyon, 1996; Lewin and Johnston, 2000). Cascio (1993) suggests that the poor financial performance experienced by some organizations may be linked to certain behavioural consequences of downsizing. (McKinley, Mone and Barker, 1998) studied the consequences of downsizing on the individual employee as well as on the organization as a whole. Effects on the individual employee can be studied predominantly from a psychological and behavioural viewpoint with a focus on the surviving employees who remain in the organization after downsizing. Conducted under the assumption that downsizing splits relationships and destroys a firm's existing networks, the study revealed that survivors exhibited negative reactions to loss of friends but positive reactions to the loss of co-workers in similar structural positions since it improved their promotional and career opportunities within the organization. (Bhattacharya & Chatterjee, 2005). Few researchers have tried to locate the outcome of downsizing taking it as an event and differences in organizational culture or structure. The firms that opted to reduce headcount generally had a tendency to under-perform than those that sought new technologies or business practices. Moreover, downsizers tended to under-perform the firms that had stable employment. On the contrary several studies found either no effect on performance, or a negative effect,

stemming from downsizing.

In spite of the scarcity of research on the impact of downsizing on organizational economic performance, workforce reduction is viewed as part of the process necessary for long-term organizational improvements (Cascio, 1993). But, even though downsizing helps to enhance operational efficiency, researchers are yet to prove conclusively that downsizing results in improved financial performance of a firm (Bhattacharya & Chatterjee, 2005)

The relationship between downsizing and performance is quite ambiguous, whereas there is sufficient evidence suggesting a relationship between organizational citizenship behaviour and performance, This research tries to fill the gap between these studies by offering a model integrating these concepts, which incorporates a key organizational component 'organizational citizenship behaviour', to help in our understanding of the downsizing-performance relationship. Organizational Citizenship Behaviour (OCBo)

Organizational Citizenship Behaviour was propounded by Organ (1988), who differentiated five facets or factors: altruism, courtesy, conscientiousness, civic virtue, and sportsmanship. Three out of these five factors can be readily distinguished by managers: sportsmanship, civic virtue, and conscientiousness (Bell & Menguc, 2002& Hui, Lee, & Rousseau, 2004& Lam, Hui, & Law, 1999). In fact workers who go above and beyond the minimum requirements of their job description and reflect industriousness, affect organizational performance as they bring enhanced workgroup efficiency and decreased inter-group conflict which lets managers to focus on more pressing matters (MacKenzie et al., 2009). Sportsmanship describes employees who are willing to tolerate difficulties in the workplace that are intended to improve the organization, abstaining from unnecessary complaints and criticisms. Civic virtue refers the active involvement, interest, and participation in the life of their organization, such as functions, events, and meetings. Conscientiousness, sometimes referred to as compliance, reflects the genuine acceptance and adherence of workplace rules, regulations, and procedures (Moss, 2016). (Williams and

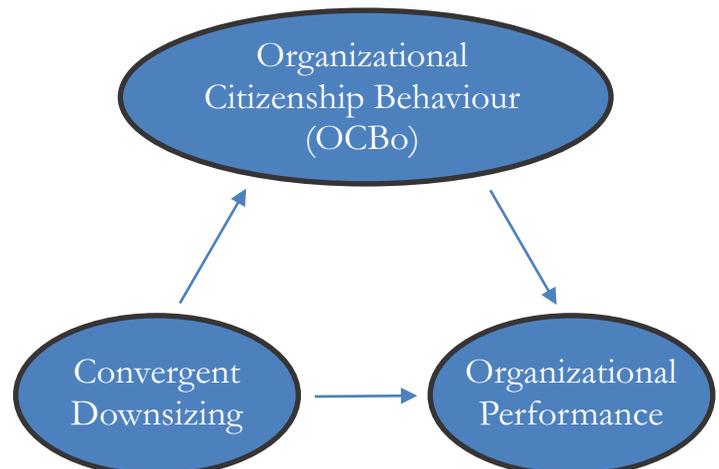


Figure 1

Anderson, 1991), suggested a different taxonomy differentiating behaviours directed towards individuals, called OCBI, and behaviours directed towards the organization, called OCBO. Sportsmanship and Civic virtue (Coleman & Borman, 2000& Hoffman, Blair, Meriac, & Woehr, 2007) reflect OCBO affecting organizational performance.

A review of respective literature streams reveals that convergent downsizing has been used as antecedent to study the consequences, i.e. organizational performance, either studied as financial performance through Return on Assets ratio, Operating profit ratio, Return on sales ratio and Value added per employee ratio, which assess profitability, operational efficiency and productivity. But a mediator variable also exists which represents a mechanism through which an independent variable influences the dependent variable (Baron & Kenny, 1986; Peyrot, 1996). This mediator i.e. OCBo explains how or why a relationship exists between the independent variable, i.e. convergent downsizing and dependent variable, organizational performance. The mediator is often an attribute or an intrinsic characteristic of individuals (Holmbeck, 1997; Lindley & Walker, 1993; Peyrot, 1996). The moderating effects are generally introduced when there is an unexpected weak relationship between independent and dependent variable. There must be a significant relationship between the independent and the dependent variable before testing for a mediating effect (Baron & Kenny, 1986), but relation between the independent and the dependent variable becomes insignificant after introduction of mediator variable.

Objective of the study:

The broad objectives of the study are the following-

- i. To analyze the influence of convergent downsizing on organizational financial performance
- ii. To ascertain the constructs related with organizational citizenship behavior (OCBo)
- iii. To find out the relationship between identified (OCBo) constructs and organizational performance



RESEARCH METHODOLOGY

The research aims at studying convergent downsizing approaches adopted by the Infosys which make impact upon organizational performance. The financial performance of Infosys has been observed through Return on Assets ratio, Operating profit ratio, Return on sales ratio and Value added per employee ratio from year 2008 onwards, which evaluate profitability, operational efficiency and productivity of the organization. Since organizational performance is the outcome of employees' performance, which again is the aftermath of employee citizenship behaviour; this research paper identifies the constructs associated with organizational citizenship behaviour. It also analyzes the relationship between identified constructs and employee performance. This study consists of two parts. The

first half consists of exploratory analysis based on literature and articles of various experts and researchers. This study is based on both primary as well as secondary data. The secondary data has been collected from various books, journals, business magazines, newspaper reports, published and unpublished business reports as well as company's website and annual reports. The second part of this study has more pragmatic approach as it deals with primary data. Primary data has been collected through semi-structured questionnaires distributed amongst Infosys employees to get information regarding constructs of citizenship behaviour and employee performance. Probability sampling procedure has been followed and to stratify the heterogeneity of population stratified random sampling has been used. Information has been collected from junior level employees and middle level employees. Reliability and validity of the constructs has been measured using Cronbach's Alpha, AVE, and the Square Root of AVE. Principal Component Analysis has been used to reduce the number of variables and to detect structure of relationships between variables. The Kaiser-Meyer-Olkin criterion to measure sampling adequacy and the Bartlett's test of Sphericity have been used. Correlation analysis has been used to locate the relationship between identified constructs and employee performance. The KMO value .714 indicates the presence of sufficient inter-correlations in the data set and appropriateness of factor analysis. Bartlett's test of Sphericity is significant at p=.000, which indicates that correlation matrix is not an identity matrix. Only factors with eigen value greater than 1 have been retained. To check the adequacy of the data for extraction of principal components, the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and the Bartlett's test of sphericity have been used.

Data Analysis

From financial data available on company's website the financial ratios, Return on Assets ratio and Operating profit ratio have been calculated on yearly basis from year 2008 onwards which reflect a meagre increase in profitability. As we see the ROS as well as ROA have dipped during 2010 to 2014, with a slow recovery in 2015 and 2016. Similarly the diving Operating profit ratio is also an indicator of deteriorating operational efficiency in the firm. But the Value added per employee ratio, which evaluates productivity of employees in the organization has shown a rising trend especially after 2014. This signals a different aspect of employees' behaviour, which has been explored with the help of mediating variable organizational citizenship behaviour i.e. Sportsmanship and Civic Virtue. The study tests the following null hypotheses:

Ho₁: There is no significant effect of convergent downsizing on organizational citizenship behaviour

Ho₂: There is no significant effect of organizational citizenship behavior on performance

Demographic Profile

Out of 180 questionnaires distributed to the respondents, only

TABLE 1

Year	ROS	ROA
2008	28.57%	33.14%
2009	28.72%	32.67%
2010	27.22%	25.84%
2011	25.38%	26.11%
2012	25.55%	22.30%
2013	24.80%	21.19%
2014	22.99%	19.34%
2015	25.72%	19.68%
2016	29.24%	21.69%

Source: Company's website, www.infosys.com

TABLE 2

Year	Value Added per Employee	Operating Profit Ratio
2008	13.7%	17.47%
2009	19.1%	39.15%
2010	20.6%	6.57%
2011	21.0%	14.32%
2012	22.8%	19.57%
2013	19.8%	9.48%
2014	23.0%	13.73%
2015	24.8%	11.46%
2016	25.9%	12.90%

Source: Company's website, www.infosys.com

137 complete questionnaires were returned, which gives a response rate of approximately 76 % percent. Amongst 137 respondents 116 were males and 21 were females, i.e. 84.67% male respondents and 15.32% female respondents. Approximately 81% respondents were in the age group of 23-32 years whereas 19% respondents were in the age group of 33-42 years. Only 19% respondents were middle level managers and 81% were junior level employee.

Reliability of constructs was checked firstly through loading of each construct as individual items and secondly through Cronbach's alpha. According to the quality of measurement model the loading of each construct was found to be

significant. Cronbach's alpha is another measure of reliability with the threshold limit of 0.7 (Hair et.al.). It is very evident from Table 4 that Cronbach's alpha coefficient for 'Conv DS' is .815, for 'Sportsmanship' .902, for 'Civic Virtue' .865 and for 'Performance' .726 respectively. Since all the constructs are above .7 so the measurement of this study is acceptable as per reliability. Validity of the constructs was verified by Average Variance Explained (AVE) and the Square Root of AVE. The measure of Average Variance Explained (Fornell & Larcker, 1981) is used to measure discriminative validity. To fulfil the condition of discriminative validity the square root of construct's AVE must be greater than the correlation between the construct and other constructs in measurement model. The square root of AVE for the constructs reflected in table 4 is .854, .827, .886 and .819 is more than the value of correlation between them observed in correlation table no.7, which proves there was an adequate discriminative validity between the constructs and the measure for the same is acceptable in the study. Similarly the value of AVE should be greater than the threshold limit of 0.5 to prove the condition of convergent validity in the data set. The Average Variance Explained for these constructs is .727, .684, .783 and .683 respectively, which happens to be greater than threshold limit of 0.5. So these results indicate adequate convergent and discriminate validity in the study.

Correlation table indicates the relationship between antecedent variable i.e. convergent downsizing, mediating variables i.e. Sportsmanship and Civic Virtue and dependent variable i.e. organizational performance. The study analyzes a moderately negative relationship between convergent downsizing and mediating variables namely Sportsmanship, $r = -0.393$ and Civic Virtue, $r = -0.302$; which signals a mild negative effect on citizenship behaviour in the organization. This is ultimately making a moderately negative impact on employee performance, i.e. $r = -0.271$ ($p < 0.01$) showing that 27.1% negative

TABLE 3 FACTOR ANALYSIS

1. Convergent DS	Items	Item Loadings			
There is reduction in employment by lay offs	CON 1	0.828			
There are employee pay-hikes on regular basis	CON 2	0.813			
There are systematic departmental promotions	CON 3	0.794			
2. Sportsmanship					
I am enthusiastic about my work	CIV 1		0.973		
I welcome change without any resistance	CIV 2		0.977		
I do not complain about insignificant things at work place	CIV 3		0.899		
I volunteer to take additional tasks at work	CIV 4		0.781		
3. Civic Virtue					
I try to avoid problems with my team-members.	SPO1			0.948	
I encourage my team members when they feel low	SPO2			0.897	
I try to resolve issues between supervisors and my colleagues.	SPO3			0.994	
4. Performance					
I am keen to perform my duties at job promptly	PER1				0.810
I come to my work every day on time	PER2				0.602
I follow rules of the firm while completing the task assigned	PER3				0.882
I have received recommendation from superiors for my good work	PER4				0.715

Extraction Method: Principal Component Analysis
Source: Author's Findings

TABLE 4 DESCRIPTIVE STATISTICS

Construct	No. of Items	N	Mean	Std. Deviation	Skewness	Kurtosis
Convergent DS	4	137	2.94	0.74	0.58	-0.634
Sportsmanship	4	137	3.13	0.95	0.62	-0.742
Civic virtue	3	137	3.75	0.91	0.85	-1.441
Employee performance	4	137	3.35	0.85	0.57	-0.453

TABLE 5 TOTAL VARIANCE EXPLAINED

Component			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
Eigen values	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
17.033	48.546	48.546	17.033	48.546	48.546	14.70	42.227	42.227
5.406	15.447	64.113	5.406	15.447	64.113	4.847	13.105	56.077
3.528	10.108	74.193	3.528	10.108	74.193	4.058	11.591	67.671
1.856	5.302	88.675	1.856	5.302	88.675	3.241	9.261	87.531
1.806	5.161	93.836	1.806					

TABLE 6 CONSTRUCTS' CRONBACH ALPHA AND AVES

Construct	Cronbach's Alpha	AVE	Square Root of AVE
Convergent DS	.815	.727	.854
Sportsmanship	.902	.684	.827
Civic virtue	.865	.783	.886
Performance	.726	.673	.819

TABLE 7 CORRELATION AMONG CONSTRUCTS

	Conv. DS	Sportsmanship	Civic Virtue	Performance
Conv. DS	1			
Sportsmanship	-0.393	1		
Civic Virtue	-0.302	0.645**	1	
Performance	-0.271	0.831***	0.718**	1

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

impact on employee performance. On the other hand findings reveal that 'Sportsmanship' is positively associated with employee performance with $r = 0.831$ ($p < 0.01$) indicating a significant i.e. 83.1% positive relationship with employee performance. Further Civic Virtue is also positively and significantly correlated to employee performance with $r = 0.718$ ($p < 0.01$) showing that it has 71.8% positive relationship with employee performance.

Hypothesis 1 (Ho1) states that convergent downsizing has no significant effect on citizenship behaviour. Findings show that coefficients of estimate which was significant basing on $\beta_1 = 0.302$ (p -value = 0.05 which is less than $\alpha = 0.05$). The null hypothesis is thus rejected and it has been concluded that convergent downsizing has a significant effect on citizenship behaviour in the organization. The effect of convergent downsizing was around five times the effect attributed to the error, this has been indicated by the t-test value = 5.003. Hypothesis 2 (Ho2) states that organizational citizenship behaviour has no significant effect on organizational performance. However findings indicate that coefficients of estimate which is significantly based on $\beta_2 = 0.383$ (p -value = 0.02). The null hypothesis is thus rejected, α being less than

0.05 and the t-test value 8.609 showing more than eight times standard error association with the parameter. So organizational citizenship behaviour has significant effect on organizational performance.

Multiple regression analysis offers a mean of objectively assessing the degree and character of the relationship between the independent variables and dependent variables (Sekaran and Bougie, 2013). In the given model first a direct and significant relationship between convergent downsizing and organizational performance has been established. After introducing the mediating variable organizational citizenship behaviour (OCBo) sportsmanship and civic virtue, the path between convergent downsizing and organizational performance becomes nonsignificant. However convergent downsizing now influences organizational citizenship behavior and OCBo (sportsmanship and civic virtue) influence organizational performance. This can be interpreted as convergent downsizing having an indirect effect on organizational performance through organizational citizenship behaviour. After establishing correlation amongst these three, multiple regression analysis has been performed. In the first regression the significance of path from convergent

downsizing to organizational citizenship behavior has been analyzed, which observes the value of Beta .302 at $p= 0.05$. In the second regression the significance of path organizational citizenship behavior to organizational performance has been examined using convergent downsizing and organizational citizenship behaviour as predictors of organizational performance, which shows the value of Beta .383 at $p= 0.02$. Finally in third regression the significance of path from convergent downsizing to organizational performance has been examined, which indicates the value of Beta .081 at $p= 0.05$. R square value is 0.345, implying that 35% of the variance is significantly explained and influenced by the independent variables. The simultaneous entry allows for controlling the effect of convergent downsizing, while the effect of organizational citizenship behavior on organizational performance has been examined. Similarly the effect of organizational citizenship behavior has been controlled, while examining the effect of convergent downsizing on organizational performance. The higher value of Beta i.e. .383 identifies organizational citizenship behavior to be more important variable influencing organizational performance.



CONCLUSION

To grasp and retain its position in the competition is the major concern of Infosys and organizational strategies devised for this objective have been put under litmus test in the study. The organization's choice of convergence downsizing primarily focuses on improving internal inefficiencies like productivity, profitability and operational efficiency. The financial ratios calculated on yearly basis since 2008, especially Return on Assets ratio, Return on sales and Operating profit ratio have shown a scanty increase in profitability and efficiency due to inward focus called convergent downsizing. As we see the ROS as well as ROA have dipped during 2010 to 2014, when sizeable layoffs were made, but had a slow recovery in the year 2015 and 2016. This goes in conformity with the study made by (DeMeuse et al., 2004) and (McClure, 2009). But the Value added per employee ratio, which evaluates productivity of employees in the organization has shown a rising trend especially after 2014, which is not in line with the observations of (Allen et al., 2001; Cascio, 1993; Hallier and Lyon, 1996; Lewin and Johnston, 2000) as well as (McKinley, Mone and Barker, 1998). On the contrary, it supports the observations made by (Bhattacharya & Chatterjee, 2005), implying layoffs stimulated employees to work harder as it offered promotional and career opportunities within the organization.

The employees' behaviour as a reaction to implementation of convergence downsizing strategies (Bullon, Bueno, 2012) and (Romle, Talib and Shahuri, 2016) cannot be left un-noticed by the organizations. This has directed the study towards mediating variables of OCB, and further focused on OCBo namely Sportsmanship and Civic Virtue, approving the observations of (MacKenzie et al., 2009) and (Moss, 2016). These two identified mediating variables are significant constructs to predict organizational performance, and have

strong positive correlation with organizational performance. This again conforms to the observation made by (Coleman & Borman, 2000 & Hoffman, Blair, Meriac, & Woehr, 2007). Multiple regression studies also indicate significant influence of these mediating factors on performance enhancement. Under given conditions the mediating variable OCBo represented by Sportsmanship and Civic Virtue is explain a strong relationship between downsizing OCBo and performance in comparison to a weak direct correlation between downsizing and performance. This goes in conformance with the studies made by (William and Anderson, 1991) and (Romie, Talib and Shahuri, 2016). For an organization finding itself in a position which calls for change in strategies this study offers an insight. Whereas there is no much evidence of improved financial performance due to convergent downsizing, but findings suggest that if done with consideration the elements of OCBo can improve performance. Since a drastic head count reduction strategy influences internal environment and employees' behaviour, it should be adopted with some caveats. Considering the relatively widespread use of this strategy and its intended effects on the organizations now a day, it is suggested that the set of relationships studied herein should be analyzed extensively to better devise the 'best practices' for organizational downsizing as a strategic option.

Limitations and future implications of the study

A larger sample size could not be taken up in this study. Along with it the research has been conducted only in one organization of IT sector. These are the major constraints of this research paper. But it can be extended to more organizations of Information technology as well as other sectors of the economy to get a deeper insight of the strategy called 'organizational downsizing'.

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CORRIGENDUM

All the readers are hereby informed that there have been inadvertent mistakes in the printing of article "Effect of Mutual Funds (MFs) Investments and Foreign Institutional Investors (FIIs) Investments on the Indian Stock Market: An Empirical Analysis" published in 25th Issue of DTR, (Vol. 13, No. 1)

- i. Graph to be shown in Fig. 1.2 has got replaced by equation 1.1 on page no. 12
- ii. Auto-regression expressions have printing error on page no. 12
- iii. The line, 'The critical values of the ADF at 1%, 5% and 10% levels are as represented in Table 2A.' has been replaced by repeated H1
- iv. References' APA format has not been observed.

Hence the aforesaid corrections have been made in soft copy uploaded on our website which may please be noted by all the readers.