

## Management of Economic Recession in a Non-Banking Sector in Lagos, Nigeria

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**Abstract:** The economic recession that hit the world global economy between 2008 and 2010 had considerable consequences for industrial organizations. Worse hit is the Banking sector in Nigeria where many lost their jobs through massive downsizing. While studies have been conducted on the trend in Banking sector, literature is diminished on the management of the recession in a non-Banking sector. Against this backdrop, the study focused on the management of the recession in a manufacturing sector. The study triangulated quantitative and qualitative tools. Simple random was used to reach 166 respondents comprising the top, middle and bottom cadres while qualitative data were obtained through in-depth interviews conducted with 3 management staffs and 3 employee staffs purposively selected. Results indicated that manufacturing sector employed internal mechanisms such as efficient planning and utilization of resources to cope with the recession crisis. Hence, staff layoff and downsizing were minimal. Consequently, the organization was stronger in its finances and productivity. Recruitment of professional and non-professional staffs as well as motivation for employees was also stable. Therefore, the quality of leadership that subsists in an organization is vital to its survival, especially in periods of economic crisis. Hence, organization should give preference to recruitment of professionals who are proficient in forecasting future certainty for sustainability. Distinct department should exist for such function.

**Key words:** Economic recession, organizational downsizing, organizational change, employees, motivation, Nigeria

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### INTRODUCTION

The consideration of economic recession is usually in the context of globalization. The fact is that the world economy is intertwined and interconnected such that any significant change tends to affect every segment connected to it. Thus, organization as centerpiece of economic stimuli responds to global downturn or recession in two forms; organizational downsizing and organizational decline (Lee, 2001). Organizational downsizing and organizational decline has been frequent phenomena in recent decades due to fundamental and structural changes in the world economy. Whereas organizational downsizing is an intentional, proactive management strategy, organizational decline is an involuntary negative consequence of non-adjustment to adverse environmental circumstances. However, both phenomena may be associated with a reduction of the workforce over time both by layoff of staff and attrition because employees leave for better job opportunities elsewhere (Freeman and Cameron, 1993).

Traditionally, research has focused either on macro or micro oriented issues and few contributions have tried to integrate the two approaches (Feldman, 1995; Bhattacharyya and Chatterjee, 2005). Macro oriented

research identified environmental and organizational characteristics associated with organizational shrinkage and pressure to downsize (Kimberly and Miles, 1981; Hambrick and D'Aveni, 1988) while the micro-oriented approach typically has studied the impact of organizational downsizing on individual employees (Markham and McKee, 1991; Mone, 1994). However, few studies are related to when staff reductions occur as a response to organizational decline associated with a general economic downturn or recession of the national or regional economy. In such a situation, there could be a need to integrate the macro and micro perspectives as the pressure to reduce staff may be more uniformly felt by organizations across industries (Cascio, 1993). At the same time, the general economic downturn provides specific circumstances for employees with less alternative job opportunities. On the other hand, organizations need to preserve their core competencies and hence must retain key staff members for organizational survival and post-crisis redevelopment (Allen *et al.*, 2001; Lee, 2001; Nutt, 2004).

There are questionable practices relating to the treatment of workers who are relieved of their jobs and those who survive downsizing during economic recession. Downsizing in and of itself has negative

implications from the perspective of lost wages and benefits for employees. However, there are organizations that provide little or no rationale as to why downsizing has taken place; organizations which display poor communication practices in terms of who is released; the poor treatment of employees who are dismissed and the poor treatment of those who remain within the organization that has significant impact on individuals both internally and externally (Mishra and Spreitzer, 1998; Allen *et al.*, 2001). Thus if it is not handled properly, those who are sacked could project a negative opinion of those organizations to society. Those who remain could become intrinsically demotivated and negatively affect productivity (Evans *et al.*, 1997).

Furthermore, the value of occupation is a major factor in organizational downsizing and decline during recession. Although, the recent economic recession has dislocated the equilibrium in many industrial organizations resulting in low productivity and negative consequences, however the impact had not been the same for every organization. The point is that while some organizations may have experienced the worst hit, others may have utilized the opportunities of the era as a brace up toward higher productivity, goodwill and motivation for employees. According to Elizur and Sagie (1999), the problem lies with indiscriminate laying off of staff with little or no premium placed on experience and requisite professional skill of staff. The danger of the consequence is often magnitude as such organizations may lack viable team of management to sustain productivity. The view of Hopkins and Hopkins is significant in the consideration of the problem. The central argument is organization that lays off staff tends to be confronted with ethical integrity. In other words, the image of such organization(s) is subject to public criticism due to unfair treatment of employees, particularly when no compensation is paid. The effect may be gross for organization, especially in the aspect of goodwill (Lee, 2001). Therefore, the central issue is that the survival of every industrial organization is strongly dependent upon qualitative leadership that is competent and sound in position and reposition the organization for future certainty and uncertainty. Hence, the foregoing problems in the study of economic recession on organizational have received little or no attention, particularly in the context of Nigeria. This is the gap in knowledge that necessitates the need for an empirical study. This study was guided by the following research question; what is the extent of strains of recession, motivation, and premium value placed on employees' skill during organizational downsizing in the study area. As well as what are the coping/survival strategies for organization and employees and ethical

consideration sustaining organizational downsizing in recession? The broad objective of the study was to undertake a critical examination of strains of financial crisis on employee management and coping strategies adopted by both organization and employees' to live out of recession in a manufacturing sector against what was visible in the banking sector. The study also examined the level of motivation and premium value placed on employees' skill across ranks during organizational downsizing.

The fact that economic recession is associated with series of restructuring both in human and financial resources of employment organization lend credence to the present study. It is important to note that structural changes of organization that is a reflection of global downturn often affect human resource in significant fraction as shown in the preceding literatures. Since, the perpetual existence of organization is largely dependent on employees, it follows that study on this segment of organization is considerably important, especially to address socio-psychological problem employment organization may face in period of recession. Moreover, this line of research is important because available literatures on economic recession focused on foreign countries. In other words, very little efforts have been made to evaluate the coping strategies of organization in the Nigeria context. It is noteworthy to mention that the recent world economic downturn hit Nigerian economy leading to colossal lost of resources worth billions of dollars, especially in the mainstream sectors (Wood *et al.*, 2000). Therefore, initiating an empirical study becomes increasingly significant to evaluate the coping strategies adopted by both organization and employee to overcome the challenges of the recession. More important, the significance of the study can not be overemphasized as it intends not only to add to body of academic knowledge but also serves as a reference document upon which human resource organizations can depend upon to solve management problem.

**Theoretical perspective:** McNamara's organizational change theory provides appropriate theoretical explanation for changes that occurs in an organization. According to McNamara, the concept of organizational change is about organization-wide change as opposed to smaller changes such as adding a new person or modifying a programme. Examples of organization-wide change might include a change in mission, restructuring operation (such as restructuring to self-managed teams, lay-offs and among others), new technologies, mergers, major collaboration, rightsizing, new programs such as total quality management, re-engineering to mention a

few. It follows that world economic recession brought about by globalization is a factor in organization-wide change. Some experts denote it as organizational transformation. Often, this term designates a fundamental and radical reorientation in the way the organization operates as a response to external factor.

Change does not occur for the sake of change. It is a strategy to accomplish some overall goal. Usually, organizational change is provoked by some major outside driving force such as substantial cut in funding, address major new market and need for dramatic increases in productivity services. Typically, organization must undertake organization-wide change to evolve to a different level in its life cycle such as going from a highly reactive entrepreneurial organization to a more stable and planned development. Transition to a new chief executive can provoke organization-wide change when his or her new and unique personality pervades the entire organization. Organization-wide change often goes against the very values held dear by members in the organization that is the change may go against how members believe things should be done, especially when there is an indiscriminate lay-off during recession. These account for why much of organization-change theories discuss needed change in the culture of the organization, including change in members' values and beliefs.

Change can be determined by measuring the same entity over two or more points in time on a set of dimensions and then calculate the difference over time in these dimensions. If the difference is  $>0$  then it is said, the organizational entity has changed (Poole and Van de Ven *et al.*, 2004) many organizational change literatures focused on the nature of this difference what produced it and its consequences. Salman distinguishes two types of change. These are content and process change. Content refers to what actually changes in an organizational entity while process examines how the change occurs. Content studies tend to focus on the antecedents and consequences of organizational change while process studies examine the sequence of events over time as change unfolds in an organizational entity. Thus, it means content traces the condition of organization before and after the recession while process focuses on trend of recession as it affects the organization.

According to Barnett and Carroll (1995), content change in organization can occur at various level of analysis including the individual, group, organization, population or networks of organizations even larger communities or societies of organizations. Understanding organization change therefore, requires careful focus on what level is being examined as well as what

characteristics or variables are used to measure change at each level. For example, these changes may include the following:

- Change in composition (e.g., personnel mobility, recruitment, promotion or lay-offs and shifts in resource allocations among organizational units)
- Change in structure (e.g., alterations of the organizations governance structure, centralization of decision making, formulation of rules, monitoring and control systems and inequalities of status or power among units or positions)
- Change in functions (e.g., organizational or subunit strategies, goals, mandates, products or services)
- Change in boundaries (as brought about by mergers, acquisitions or divestitures of organizational units; establishing joint ventures or strategic alliances; modifying membership admission criteria or organizational expansions or contraction in regions, market, products/services and political domains)
- Change in relationships among organizational level and units (e.g., increases or decreases in resource dependencies, work flows, communications, conflict, cooperation, competition control or culture among organizational entities)
- Change in performance including effectiveness (degree of goal attainment), efficiency (cost per unit of output) and morale of participant (e.g., job satisfaction or quality of work)
- Change in the environment (ecological munificence or scarcity turbulence, uncertainty, complexity or heterogeneity)

It follows from the foregoing that dimension of strains caused by world recession can reflect any or all of the above structural changes in the organization. The fact that change in any of these content area vary widely in an organization over time has led much distinction between incremental and radical change. Incremental (first-order) change channels an organization entity in direction of adapting its basic structure and maintaining its identity in a stable and predictable way as it change. Radical (second-order) change on the other hand creates novel forms that are discontinuous and unpredictable departure from the past. The latter tends to reflect transformation that marked many organizations during recession. Occasionally, difference may occur in all (or at least the core) components of the system, producing a radical transformation or mutation of the overall organization. This makes observer to treat the new organizational system as fundamentally different from the old one (Elangovan, 2001).

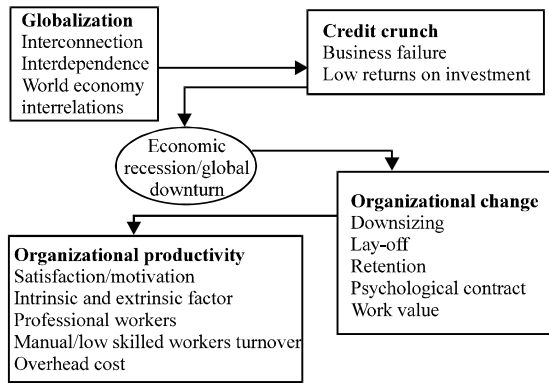


Fig. 1: Strains of economic recession on organizational management

As regard processes of organizational change, scholars have proposed and studied a variety of process theories that may explain organization change. Poole and van de Ven (2004)'s posited four different theories that are often used to explain how and why organizational change unfolds; life cycle, teleology, dialectic and evolution. These four theories represent fundamental explanations of organizational change in any of the substantive area listed in the foregoing. Each theory focuses attention on a different set of generating mechanism and causal cycle to explain what triggers change and what follows what in a sequence of organizational change.

**Conceptual framework:** This diagrammatical representation of the issues examined in the theoretical perspectives and objectives of the study synthesizes relevant aspects that relate with understanding of strains of economic recession on organizational management (Fig. 1).

Thus, the conceptual framework indicated above shows how globalization tends to enhance economic recession in the world economy. Since, there is interconnection and interdependence of world economies, it follows that whatever dislocation to the world economy every segment tends to be affected. Therefore, the credit crunch that brought about business failure and low returns from investment produces economic recession or global downturn. The effect of the downturn ultimately led to series of restructuring in organizational management. Hence, the product of such change is explained at the level of productivity. In other words when a change in the management system affects the satisfaction of employees in intrinsic value (integration, type of role responsibility) and extrinsic value (salary and fringe benefits); desire to migrate or quit such job if there is alternative is high. The consequence for organization

may be dysfunctional, especially if it involves professionals. Aside from employee perceptions, the effect of recession in organization may be negatively felt, especially when related to huge overhead cost, excess wage bill and high cost of production which affect organization's capability to produce optimally. This is may be due to low demand for goods and services coupled with relatively low price rate.

## MATERIALS AND METHODS

The research was conducted in Lagos state, Nigeria. The location was chosen because Lagos is one of the major industrialized cities in Nigeria with population estimates of 20 million people (National Population Commission in 2006). As one of the states in the Southwestern Nigeria, Lagos is a coastal region largely surrounded by oceans and water ways. The geographical arrangement of the city made it a centre of excellence and a commercial nerve centre of Nigeria. As a result, the bulk of industrialization in Nigeria is heavily concentrated in Lagos state. The industrial make-up of the city cut across banking, telecommunication, heavy duty manufacturing industries, sea ports and air travelling to mention a few. The city does not only drive industries, education also soars. Thus, Honeywell Flour Mills Plc, the study location is a renowned manufacturing enterprise specialized in the production of varieties of food consumption such as flour (bread), Honeywell pastas, semolina and wheat, etc. The organization is an international conglomerate that has been operating in Nigeria for over three decades. The staff members comprised both Nigerians and foreign nationals. The study made use of quantitative and qualitative data as it involved a triangulation of questionnaire survey and in-depth interview guide in the study area. Questionnaire survey consisted of information randomly obtained from 166 respondent comprising the top, middle, bottom cadres through a multi-stage sampling method. The questionnaires which included both close and open-ended questions were edited and codes worked out for the open-ended questions. The data were then machine-imputed using the SPSS data entry software. For the qualitative data, in-depth interviews were conducted with 3 management staffs and 3 employee staffs purposively selected. As part of the ethical practice, the identities of the respondent were concealed by the researcher.

Data analysis procedure involved descriptive analysis relating the strains of financial crisis on employees' management to a number of demographic characteristics which addressed the socio-economic variables as applied to the respondents and the coping

strategies for recession in a manufacturing sector. The qualitative data analysis involved translation and transcription of tape-recorded discussion and interviews. Both machine and manual analysis were undertaken with generated results complementing quantitative findings. In what follows, findings from both quantitative and qualitative data are presented jointly.

## RESULTS

**Demographic characteristics:** The demographic characteristics addressed the socio-economic variables as applied to the respondents. The importance of demographic features can not be underscored because they tend to influence and shape responses to substantial issues in research questions (Table 1).

Results in Table 1 show that the number of male respondents 83.1% in the study area was much higher than the proportion for females 16.9%. The difference attested to the views of Onyeonoru who argued that in every manufacturing sector, there are more males than females though such difference could be higher for female in the service sector such as banking. The distribution for age indicates that employees 51.2% whose ages ranged between 29 and 39 years constituted the majority of workers in the study organization. The workers 2.4% whose ages were <18 years constituted the least employees while there were very few employees 3.0% >50 years in ages. In this wise, it may be stressed that the vast employees in the study area were largely youth and economically active. The data analysis also revealed that respondents whose ages ranged between 18 and 29 years constituted 26.5% of the study population. This buttressed the foregoing conclusion.

Distribution for marital status showed that 66.3% of the respondents were married with stable family as few respondents 28.3% were single. The proportional difference between the married and the single in the study area may not be unconnected with the prevailing argument that married individuals with stable families tend to develop positive attitude and value system that is fundamental to stability and sustainability of their jobs though the validity of such argument is subject to further empirical debate, the fact may not be wholly refuted because the largest proportion of the study population were married. This means employees' turnover and job commitment is a function of marital status. The religious affiliation shows that respondents who were Christians constituted the largest proportion 67.5% in the study organization. The distribution for ethnicity shows that the majority of employees 55.4% were Yoruba while the least respondents 6.6% constituted the Hausa.

Table 1: Distribution of respondents according to demographic characteristics

Characteristics	Frequency	Percentage
<b>Sex</b>		
Male	138	83.1
Female	28	16.9
Total	166	100.0
<b>Age (years)</b>		
<18	4	2.4
18-28	44	26.5
29-39	85	51.2
40-50	28	16.9
>50	5	3.0
Total	166	100.0
<b>Marital status</b>		
Married	110	66.3
Single	47	28.3
Divorce	9	5.4
Total	166	100.0
<b>Religion</b>		
Traditional	6	3.6
Islamic	45	27.1
Christianity	112	67.5
Others	3	1.8
Total	166	100.0
<b>Ethnic origin</b>		
Yoruba	92	55.4
Hausa	11	6.6
Igbo	52	31.3
Others	11	6.6
Total	166	100.0
<b>Educational qualification</b>		
GCE/SSCE	13	7.8
OND/NCE	23	13.9
Professional certificate	91	54.8
Post graduate	39	23.5
Total	166	100.0
<b>Monthly income (naira)</b>		
20,000-30,000	1	0.6
30001-40000	11	6.6
40001-50000	16	9.6
50001-60000	21	12.7
60001-70000	19	11.4
70001-80000	36	21.7
≥80001	62	37.7
Total	166	100.0
<b>Duration of service (years)</b>		
<10	75	45.2
10-19	80	48.2
20-29	10	6.0
>30	1	0.6
Total	166	100.0
<b>Ranks/position</b>		
Senior staff	46	27.7
Intermediate/middle level staff	47	28.3
Junior level staff	50	30.1
Management staff	23	13.8
Total	166	100.0

Again, it is simple to conclude for ethnicity that since the study organization was located in the Yoruba heartland of Lagos, advantage for employment may be higher for indigenes than non-indigenes. The educational qualifications show that 54.8% had Bsc/HND certificate while 20.5% had post-graduate qualifications. However, those with OND/NCE certificate constituted 13.9>7.8% for

school certificates. The indication is that Honeywell organization placed preference for higher academic qualification in its recruitment process to drive its productivity.

Moreover for the employees' monthly income, 37.3% of the respondents received N80,000 and above as monthly salaries. This represented majority of respondents in this range. Only 0.6% of the respondents earned below N30,000. The remuneration package for employees in the study area may not be unconnected with the academic qualifications reported. It is assumed that there is a linkage between qualifications and income. Hence, majority of employees possessed higher academic qualification and this adequately reflected the pattern of remunerations. About 48.2% of the respondent had spent at least 10 years in the organization. While 45.2% had spent <10 years, only 0.6% had been with the organization for >30 years. The conclusion from these figures is that there is relatively job security and stability for employees in the study organization. This may be linked with financial stability of the organization to retain and motivate employees. Such stability of job may also be directly linked with the marital status of employees as the driving force.

The ranking position of employees in the study organization shows that 30.1% of the respondents were junior staff and 28.3% were in the category of intermediate/middle class staff. While 27.7% of the employees occupied the senior cadre, only few 13.8% were management staff. The obvious fact from these figures shows that there is very little margin in the proportions of senior staff, middle class and junior staff. This may be linked with academic qualification of employees that tends to brighten the chance for higher position. Aside from this point, the close margin between the proportions of ranks of staffs in the study organization was closely linked with organization culture that places emphasis on professionals and intellectual proficient. This was strongly upheld in the views of an employee.

**Strains of economic recession on employees management:** The goal of this section is to investigate how employees perceived their treatment in the organization, especially during periods of economic recession. This was necessary because in-depth analysis could reveal information vital to proffer alternative(s) which would cushion the negative impact of recession on employees (Table 2). The results in Table 2 show that organizational restructuring in terms of downsizing or organizational decline that is consequent upon economic

Table 2: Respondents' views on strains of recession on employee management

Questions	Frequency	Percentage
<b>Has your organization been restructured due to economic recession</b>		
Yes	76	45.8
No	76	45.8
Not applicable	2	1.2
I do not know	12	7.2
Total	166	100.0
<b>If yes was there sufficient consultation</b>		
Very sufficient	20	12.0
Sufficient	69	41.6
Insufficient	3	1.8
Not applicable	74	44.6
Total	166	100.0
<b>Which field of the organization do you work</b>		
Finance	21	12.7
Merger and acquisition products	5	3.0
	32	19.3
Personnel	22	13.3
Customer service	6	3.6
Marketing	27	16.3
Others	53	31.9
Total	166	100.0
<b>Was your department affected by the restructuring</b>		
Yes	69	41.6
No	75	45.2
I do not know	82	10.8
Not applicable	18	2.4
Total	166	100.0
<b>Was your position directly affected by the restructuring</b>		
Yes	44	26.5
No	99	59.6
I do not know	17	10.2
Not applicable	6	3.6
Total	166	100.0
<b>How will you describe the impact of the organization restructuring on your work</b>		
Very satisfactory	22	13.3
Satisfactory	60	36.1
Not applicable	70	42.2
Dissatisfactory	11	6.6
Very dissatisfactory	3	1.8
Total	166	100.0
<b>During the reformation process were there workers who lost their job</b>		
Yes	64	38.6
No	62	37.3
I do not know	33	19.9
Not applicable	7	4.2
Total	166	100.0
<b>Do you think employees now have job security in your organization</b>		
Yes	126	75.9
No	28	16.9
I do not know	5	3.0
Not applicable	7	4.7
Total	166	100.0
<b>Do you feel that your work is secured</b>		
Very secured	51	30.7
Secured	90	54.2
Not secured	15	9.0
Not applicable	10	6.0
Total	166	100.0
<b>How would you describe the restructuring process generally</b>		
Very successful	28	16.9
Successful	75	45.2
Fairly successful	3	1.8
Not successful	1	0.6
Total	166	100.0

recession was minimal. While 45.8% of the respondents attested to such restructuring in the organization. However, the same proportion of respondents rejected the existence of such restructuring in the organization. This was supported by qualitative interview by a management staff. According to him:

The recession has not really affected the organization. At the same time, it may not be out rightly ascertained that the organization was not affected by the recession because we patronize the global market. If there is recession in America as it was, definitely there would be recession in Nigeria because most of the raw materials were imported from America (IDIs/Management staff/Honeywell/2011)

The indication is that the study organization was partly affected by the recession, though the effect was not very pronounced as it may be experienced in other organizations. To substantiate the moderate effect of the recession in the organization, a respondent said:

The organization does not really have problem with the recession because we were able to manage it resistantly. Financially, we borrowed from banks. If the organization could be paying one billion naira while the recession was on going without closing down operation, I will say that we were able to trigger round the period and the effect was not much on the organization (IDIs/Employee staff/Honeywell/2011)

However, the moderate effect of the recession in the study organization may be closely linked with reason of financial buoyancy as emphasized in the research of Lee (2001). The point is that organization may be less hit by global economic disruption provided, there is substantial liquidity asset to absorb the adverse effect on the long run. The perceived restructuring undertaking in the organization was achieved through consultation of employees. In this sense, 41.6% of the employees attested to wide and sufficient consultations policy prior to any form of restructuring. Insignificant proportion 1.8% of the respondents contradicted the existence of wide consultation in the organization. Opinions against sufficient consultation preceding restructuring were only apparent for employees in product department. This means satisfaction with organizational change (either content or process) varies significantly among employees and is dependent on the units to which individual belongs. Significant proportion of the respondents 41.6% confirmed that the restructuring that took place in the organization affected their various departments, though 45.2% of the employees considered the restructuring inconsequential for their departments. The variation of the effect of restructuring was highest 19.3% for employees

in product department and lowest 3.0% for Merger/Acquisition. As put in the words of a female respondent:

There is no adequate consultation for every change that takes place in this department. It is only the most senior officers that are the alpha and omega. They do not border to consult other members priors to any decision (IDIs/Employee staff/Honeywell/2011)

Another respondent said:

The department is democratic. There is no restructuring without its due consultation. Though, the effect of the recession was not very severe, the department needed to step up its services and cut some expenses (IDIs/Senior staff/Honeywell/2011)

This means notwithstanding the relatively low effect of the recession in the study organization; the consequence for employees significantly differed across the levels of departments. In other words as the consequence of recession may vary across organization, it is also at variance within the organization. This fact corroborates with the analysis of Loscocco (1989) who argued on the implications of the variation that cut across departments in some organization(s).

Furthermore, 26.5% perceived the negative effect of the restructuring on their respective position in the organization, though considerable proportion 59.6% did not see negative consequence for their job position resulting from the restructuring. The unfavourable consequence of organizational restructuring varied among the employees across departments. While it was highest 6.6% for personnel, it was lowest 1.8% for customer service. The proportion for product department, 4.2% was among the highest. In the words of a respondent:

The downsizing in the organization did compound my job responsibility. I am being overloaded with responsibilities, though the situations will soon be addressed (IDIs/Senior staff/Honeywell/2011)

Another respondent said:

The restructuring in the organization has really motivated me to work harder. Based on my years of experience in the organization, I must commend that the level of motivation and job satisfaction is very high and the staffs are being appraised. The organization is trying its best (IDIs/Employee staff/Honeywell/2011)

Therefore, it may be concluded that the restructuring that took place in the study organization increased motivation for employees, though the motivation level varied for employees across departments. The impact of the organizational restructuring was largely described

satisfactory as 36.1% of the respondents attested to this fact. Very few respondents, 6.6% criticized the restructuring due to their dissatisfaction with the consequence. The variation across levels of departments shows that dissatisfaction with the consequence of the restructuring was only apparent for employees 3.0% in the product department, though marketing showed an inconsequential proportion 0.6%. The information revealed attested to the findings of Mone (1994) who opined that some departments are more vulnerable than others, especially during periods of financial crisis such as recession. The scholar identified two fields as Product and Finance/Accounting Departments. This may not be unconnected with the strategic position such units serve to the survival of organization.

The consequence for job loss resulting from organizational change or downsizing in the study area showed that 38.6% of the respondents confirmed termination of appointment for some employees, though such scenario of job lost was not pronounced as 37.3% attested to the limitation of the consequence. Again, the consequence for job was highest 12.7% for product department and lowest 1.8% for customer service and Merger/Acquisition. Finance department also recorded one of the highest 4.2% consequence for job lost. In the words of a respondent:

There was little or incidence of job lost in the organizations. We were able to recover quickly from the recession. The path to our recovery was the price review in products (IDIs/Senior manager/Honeywell/2011)

It follows that job loss consequent upon recession was very minimal in the study organization. The level of job security in the study area was high. This is indicated by 75.9% of the respondents while 54.2% of the employees perceived their individual work secured without fear or anxiety for uncertainty. There was variation across departments. The perception of no job security was highest 7.8% for products department while finance, merger and customer care considered the problem of job security as non existence. A respondent succinctly put:

There are lots of opportunities for staff growth. I started as a trainee and today I am one of the heads of department. There is job security. It is the security in my job that has kept me moving up (IDIs/Manager/Honeywell/2011)

It is obvious from the indication of the responses that job security was highest in the study area as job loss was lowest. Although, the period of recession is often

marked with job loss, massive downsizing and low productivity (Nutt, 2004), the case in the study area was different as productivity was constant. The restructuring that took place in the organizations rather boosted motivation and job commitment for employees. This is attested in the words of an employee:

The recession did not affect me on the basis of the truth that the organization was paying the staffs adequately as at when due and staff salaries were not reduced. There was no staff laid off. None of the entitlements was denied from us and that really made it possible for me as a person to cope in the period of recession (IDIs/Employee staff/Honeywell/2011)

This means the effect in the study area was relatively low and minute when compared to the experience in the banking sector. Subsequently, significant proportion of the employees 45.2% described the organizational restructuring as successful. This is closely linked to the fact that such changes had positive effect on motivation, satisfaction, job commitment and productivity. There was variation across departments as product was highest 10.8% and lowest 1.2% for customer service. Finance department also showed one of the highest 7.2% proportions as this was the same for personnel.

The description of success in the restructuring varied among employees. While some perceived the success in terms of promotion and job security, others conceived it in light of job commitment and work load reduction significant to escape from fatigue and stress.

#### **Evaluation of organizational motivation for employees:**

The purpose of the objective was to examine the prospect for job motivation in employees, particularly in the periods of economic recession. Studies have shown that the era of economic recession is a time for structural adjustment in both organization and employees Roe and Ester (2009). The consequence is that motivation and job satisfaction is lowest while downsizing and layoffs are highest. The data presented in the table below provides the confirmation of the validity of the argument, especially in the study area (Table 3).

Results in Table 3 showed that there was stability in the salary package of employees in the study organization. This is indicated by 48.2% of the respondents who attested to the consistency of salaries while 42.8% were of the view that the package was boosted to motivate workers. The variation across departments showed that only marketing 7.8% recorded relative slash in salaries package as this was non existence in other departments. As put in the words of a respondent:



Table 3: Distribution of respondents' views on employees' motivation

Factors	Frequency	Percentage
<b>Salary package</b>		
Increase	71	42.8
Remain the same	80	48.2
Decrease	15	9.0
Total	166	100.0
<b>Remuneration for overtime</b>		
Increase	48	28.9
Remain the same	94	56.6
Decrease	24	14.5
Total	166	100.0
<b>Allowances</b>		
Increase	69	41.6
Remain the same	77	46.4
Decrease	20	12.0
Total	166	100.0
<b>Level of job security</b>		
Increase	64	38.6
Remain the same	77	46.4
Decrease	25	15.1
Total	166	100.0
<b>Level of integration</b>		
Increase	81	48.8
Remain the same	74	44.6
Decrease	11	6.6
Total	166	100.0
<b>Opportunities to staff growth and development</b>		
Increase	86	51.8
Remain the same	65	39.2
Decrease	15	9.0
Total	166	100.0
<b>Work load</b>		
Increase	86	51.8
Remain the same	77	46.4
Decrease	3	1.8
Total	166	100.0
<b>Overtime allowances</b>		
Increase	66	39.8
Remain the same	88	53.0
Decrease	12	7.2
Total	166	100.0
<b>Job satisfaction</b>		
Increase	81	48.8
Remain the same	74	44.6
Decrease	11	6.6
Total	166	166.0
<b>Opportunity for staff promotion</b>		
Increase	76	45.8
Remain the same	70	42.2
Decrease	20	12.0
Total	166	166.0
<b>Access to medical facilities</b>		
Increase	52	31.3
Remain the same	103	62.0
Decrease	11	6.6
Total	166	166.0

There is no increase in salary, no incentives. But one thing that is very certain is that staffs get their pay as at when due and that alone is enough to keep staff of the organization going (IDIs/Management staff/Honeywell/2011)

Further, another respondent said:

Sincerely during the recession, there was nothing like benefits. Rather the only thing that was sure was staffs' salaries and job security (IDIs/Employee staff/Honeywell/2011)

However, preceding literature showed that the period of recession was the time for structural adjustment in the organization. This is usually characterized by job loss, slash in salaries and low productivity (Ryan, 2002). The case in the study organization was entirely different as there was stability in both salaries and motivation factors. Though, there was instance of salary slash in the organization, this was however inconsequential.

The remuneration for overtime was stable 56.6% as there was evidence for upward review 28.9% of the remuneration. Allowances paid to employees also remained stable 46.4% and instances for increment 41.6% were apparent. The variation across departments revealed that marketing 8.4% recorded the highest instance of cut or decreases in staff remuneration as there were such instances in product and personnel indicated by 1.8%. It can be stressed that motivation variables such as salaries, allowances, remuneration in the study organization were relatively encouraging and stable. During periods of economic recession, there were instances of substantial salary cut and de-motivation (Ryan, 2002).

The level of job security in the organization was relatively stable 46.4%, there were also perceived level of increase 38.6% in job security. Consequently, the record for employee integration was encouraging as this showed an increasing trend 48.8% in the organization. Similarly, 44.6% of the respondents reported the integration as stable and constant. While opportunity for staff development and growths was upward 51.8% for some employees, the trend remained constant 39.2% for others. Conversely, there were instances of increased workload 51.8% for employees while it remained constant 46.4% for others. The variation across departments showed that job security decreased 3.6% for product which represented the proportion as there was no instance of decrease in job security for merger. The personnel department showed highest proportion for decrease in integration and staff development 1.2% as there were no instances of decrease in staff growth for finance and merger. As put in put in the words of a respondent:

During the period of recession in the organization there was no reason for de-motivation considering the fact that no employee's salary was slashed unlike what happened in some other organizations where workers' salaries were slashed, some collecting half of their salaries. Such did not happen in this organization and with that the level of motivation and job satisfaction was stable (IDIs/Management staff/Honeywell/2011)

Another respondent said:

The level of motivation for various cadres has been impressive because there was no experience of downsizing or decline neither was there any instance for re-engineering. Rather, the organization was expanding and recruiting based on the fact that we write sized from the on set based on meritocracy (IDIs/Management staff/Honeywell/2011)

Hence, the indication is that the economic situation was stable in the study area and this played significant role for stability in motivation of workers. Allowance for overtime remained constant 53.0% in the study area as there was substantial evidence of increase 39.8% in the allowance. Job satisfaction was stable as there was relative increase in its level 48.8%. While job satisfaction remained constant 44.6% among employees, opportunity for staff promotion also increased 45.8%. There was relative constant level 42.2% in staff promotion while access to medical facilities remained stable 62.0% for employees. There was also increased level 31.3% for medical access. The variation across departments showed that only personnel department 1.2% recorded a decrease in job satisfaction as Product and Finance Department were >1.8% on decrease in opportunity to promotion. As succinctly put in the words of a respondent:

There was no recession in the own organizations instead of reorganizing and asking workers to quite, we had a very good economy and that actually gave rise to increase in salaries and promotion of workers. While other industries in Nigeria were laying off staffs like banking sector, we were recruiting and expanding. This is because we are able to manage our resources and the recession properly (IDIs/Management staff/Honeywell/2011)

It follows that the type of leadership that functions in any organization determines the stability and sustainability in periods of economic recession. This was the case in the area of study.

**The coping strategies adopted by organization in periods of recession:** The objective addressed the various pattern of management adopted in the study organization to withstand the pressure of recession. This is necessary in that many organizations tend to fold up due to weak management approach in periods of financial crisis (Wood *et al.*, 2000) (Table 4).

The data information shown in Table 4 showed that the level of recruitment for new staff in the organization remained constant. This is indicated by 50.0% of the respondents while 16.3% were of the opinion that the pace for recruiting new staff decreased. According to a male staff respondent:

Table 4: Distribution of respondents' views on organization's coping strategies

Strategies	Frequency	Percentage
<b>Recruitment of casual workers</b>		
Increase	56	33.70
Remain the same	83	50.00
Decrease	27	16.30
Total	166	100.00
<b>Recruitment of contract staff</b>		
Increase	48	28.90
Remain the same	80	48.20
Decrease	38	22.90
Total	166	100.00
<b>Outsourcing of staffs</b>		
Increase	26	15.70
Remain the same	100	60.20
Decrease	40	24.10
Total	166	100.00
<b>Embargo on employment</b>		
Increase	48	28.90
Remain the same	87	52.40
Decrease	31	18.70
Total	166	100.00

The recession did not have any form of effect on the organization. This is because the planning was right from the onset. We had the right management and were able to plan efficiently ahead. This made us to remain afloat. We were proactive to make the plans which gave us an edge. Once you plan well, recruit well, utilize resources well then there can be no issues or problem (IDIs/Management staff/Honeywell/2011)

Therefore, it can be inferred that the quality of human resources in the organization and the nature of services offered must be significant to sustainability especially, in periods of financial crisis. This is vital to stability of recruitment in the study organization. On the recruitment of contract staff, 28.9% of the respondents showed that the level increased for the organization while 22.9% was opposed to the views. The perceptions on outsourcing of staffs in the study organization showed that 24.1% of the respondents attested to its decreased level while 15.7% were opposed to the opinions. The embargo on employment indicated that 28.9% of the respondents confirmed the upward review in the organizations as 18.7% attested to its downward review. A respondent put his views thus:

Recruitment in this organization is strictly based on permanent staff and there is nothing like contract staff. Rather what we call such employees are project staffs. They are employees that the organization made use of when there is an expansion project ongoing in the organization. It is not in all cases that such employees are staffed. It could be possible that such employees are not retained after the execution of the project. They are called temporary staff but project staffs for the particular project (IDIs/Management staff/Honeywell/2011)

Furthermore, a respondent said:

The planning was right based on the fact that we did it right from the onset compared to other sectors who might not have done it right from the onset. That was the reason why they were victims of the recession owing to the fact that in a classroom of a thousand student one person must come first. It is simply because the student that came first did it right by planning ahead of time (IDI/Management staff/Honeywell/2011)

In the similar view, another respondent held that:

There was restructuring. However, in terms of the drives and motives for the restructuring, we had to look at the organization finances how the organization will be able to cope and also react to shifting/relocating some of the staffs, sourcing management staffs that will be good in different areas. The organization sourced for funds to ameliorate the effect of the lost and there was price review in the products. All these decisions were achieved through consultation and proper planning (IDIs/Management staff/Honeywell)

On the whole economic sustainability achieved in the organization was not unconnected with the quality of management team and the proactive spirit of good forecast which cushioned the consequence of the crisis. As a buttress to the conclusion, a respondent said:

In financial accounting, there is what is called provision and before the beginning of another financial year there is always a budget as regards what the organization intends to do for the year. For each month, there is a provision for either loss or any other thing else. When there is excess in profit made above the budget plan, the excess should be removed and kept aside for usage during time of lost and augmentation for short comings in the organization (IDIs/Management staff/Honeywell/2011)

This pattern of management must be significant in periods of financial crisis as evident in the study area.

## **DISCUSSION**

The strains and effect of economic recession in the study area was less felt as empirical evidence showed that the consequence was very minimal and insignificant. This is predicated on the fact that the organization had quality of management team that was able to utilize the resources of the organization in terms of its finance and human management as it is vital to the sustainability of the economic consistency recorded in the organization. Also,

the internal restructuring that took place in the organization repositioned it toward higher productivity and motivation for employees. However, the expectation was that the 2008/2009 financial crisis that hit the root of the world economic with severe consequence would have been replica in the study area. Studies such as Hambrick and D'Aveni (1988) and Freeman and Cameron (1993) have shown that the periods of economic recession were often marked by restructuring and staff layoff and low productivity (Siu, 2003). As put in the words of Ryan (2002), the restructuring that takes place in organization is usually massive in which staff strength is drastically reduced, recruitment of new staff almost non-existence and salary cut the ultimate options. Hence, preceding findings were disproved based on empirical data. This is not unconnected with management proficiency and quality of brilliant forecasting.

Although, the recent economic recession has dislocated the equilibrium in many industrial organizations resulting in low productivity and negative consequences however, the impact had not been the same for every organization.

The point is that while some organizations may have experienced the worst hit, others may have utilized the opportunities of the era as a brace up toward higher productivity, goodwill and motivation for employees. It cannot be underscored that numerous organizations were operating under panic, uncertainty and below break even point yet, it can be argued that the quality of personnel that subsists in some organizations were competent in the pathway of sustainability and productivity in the face of recession.

Therefore, the central issue is that the survival of every industrial organization is strongly dependent upon qualitative leadership that is competent and sound in forecasting in order to position and reposition the organization for future certainty and uncertainty. This is imperative for every industrial organization to operate within the ambit of brilliant forecasting, as it is essential for purpose of predicting the future certainty. Hence, to oil this crucial task, seasoned professionals must be recruited to constitute distinct department for organization.

Industrial organizations should also sustain motivation for employees, especially in periods of economic distress. Although, recession is marked with financial crisis yet for organization to break even and record stable productivity, the interests of the employees must be central in management decision by been fair in the treatment they give to employees. As it is essential that equity and justice are entrenched in management ethics in order to avoid suspicion which may hamper productivity.

## CONCLUSION

Lastly, organization should be flexible to accumulate and adjust to changes in the business environment. This is vital for purpose of survival in periods of uncertainty such as recession. The flexibility should also be applicable to employees in terms of household and financial budget. Cutting personal expenses during recession may prevent financial indebtedness for employees which can have psychological impact on their productivity.

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