RETRENCHMENT PROCESS AND THE COPING MECHANISMS OF EMPLOYEES FROM THE BANKING INDUSTRY IN GHANA: A CASE OF ADOT BANK GHANA LIMITED

KNUST

BY

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DECLARATION

I, hereby, declare that this submission is my own work towards the award of the Doctor of Philosophy in Management and that, to the best of my knowledge, it contains no material previously published by another person nor material which has been accepted for the award of any other degree of the University, except where due acknowledgement has been made in the text.

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ABSTRACT

Although there has been a great deal of work on retrenchment in other sectors like mining and general business, this has not been the case in the banking sector. This study attempted to fill this gap in the literature in Ghana. The study adopted a qualitative case study methodology employing in-depth interviews as its main data collection tool. Purposive sampling was used to select three (3) bank staff at the HRM Department of the case bank, and snowball sampling was used to reach thirty eight (38) retrenched staff. A Logical Positivist approach was adopted, employing the Social and Human Capital Theories as the mediating variables to explain the coping mechanisms of these retrenched staff. The researcher used the comparative content analysis to analyse the data. The findings showed that the retrenchment process of the bank under study had an implementation gap at the selection criteria and severance package level within the retrenchment process. There were also indications that retrenched staff suffered loss of self-esteem and change in status. Retrenchees also experienced a reduction in spending as well as emotional breakdown such as anger and crying at some point in time which were directly related to the retrenchment process. The study further revealed that retrenched staff coped differently due to varying family backgrounds and environmental situations. Moreover, the study found that retrenched staff coped with emotion and problem focused coping by Folkman and Lazarus (1984) and also resorted to coping with the knowledge, skills and capabilities they have as well as friends, family, social organisations and religion. In line with the findings of the study, the researcher had bridged the gap by providing a comprehensive study on retrenchment that looks at the retrenchment process through to the effects, coping mechanisms as well as the labour market reintegration of the affected employee. Again the findings of the study would be relevant for policy implementers in banks to look at issues within the retrenchment process especially at the selection criteria and severance package. The researcher therefore recommends proper negotiations towards the establishment of consensus between the employer and employee as well as the trade union on the selection of the affected employee to minimise the effects on the affected employee for a better coping.

DEDICATION

This thesis is dedicated to my mother, Madam Mercy Dwamenah, who went beyond her means to provide me good education. Mum, I hope that wherever you are, you will be happy smiling at me.

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LIST OF ABBREVIATIONS

ATM	Automated Teller Machines
SMS	Short Messaging Service
CIPD	Chartered Institute of Personnel Development
WARN	Workers Adjustment and Retraining Notification
PWE	Protestant Work Ethics
BSIC	Banque Sahelo Saharine Pour L"Investissemat et le Commerce
FAMBG	First Atlantic Merchant Bank Ghana
SG	Société Generale Ghana Limited
MBG	Merchant Bank Ghana

CAR	Capital Adequacy Ratio
NPL	Non-Performing Loan
NDA	Net Domestic Assets
GDP	Gross Domestic Product
BoG	Bank of Ghana
HND	Higher National Diploma
MoU	Memorandum of Understanding
CLO	Chief Labour Officer
MFI	Microfinance Institutions
HRD	Human Resource Department
CV	Curriculum Vitae
HRM	Human Resource Management

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CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

The banking industry worldwide, including that of Ghana, is being transformed. The worldwide strengths for change incorporate technological developments such as the introduction of electronic banking, the Automated Teller Machine (ATM) (Abor, 2004; Baba, 2012), the implementation of internet banking, telephone banking, Short Message Service (SMS) alerts, among others which are used to deploy banking services to the customers directly (Narteh, 2012).

In addition, changes in government regulations have led to deregulation of budgetary administrations at the national level and the opening-up of businesses to worldwide rivalry in most developing nations including Ghana. These progressions have expanded the aggressive burdens on banks in the emerging economies and have prompted profound changes in the banking industry (Barney, 1991; Christmann, 2000; Hawkins and Mihaljek, 2001; Bryson, Ackermann & Eden, 2007). With foreign based banks operating in Ghana, there is no doubt that these technological innovations have effects on Ghanaian banks, as well as their employees.

Furthermore increasing economic uncertainty and tough foreign competition have forced contemporary managers to implement a range of actions, including plant closures and cutbacks (Hardy, 1987). Workers are frequently viewed essentially as objects that are

either benefitting or costing the organization, and are, along these lines, either a fundamental cost or a money related risk (Kanaparo, 2010). Hence they are often retrenched when firms cannot withstand these competitive pressures.

Retrenchment is the situation in which the employer terminates an employees‟ employment as a result of for example economic downturn, takeover or mergers restructuring or technological change (Hammers 2012) cited in Meagher 2012. The term is also referred to as an expression used to describe what happens to an employee whose employment is terminated by reason of their jobs becoming redundant (Dhar, 2008). Retrenchment has several effects on both leavers and survivors. These range from reduction in employees‟ productivity, low morale to their non-commitment to the company (Littler, Dunford, Bramble & Hede, 1997). Again those influenced feel lost, get to be doubtful about their future and in addition experience low self-esteem (Kanaparo, 2010). The reality of reporting redundancies can perpetually have an unfriendly effect on assurance, inspiration and profitability (CIPD, 2003). The danger that looms over the practice of retrenchment is that there is the possibility for organisations to use it as their only way of cost reduction. According to Getz (2007), sometimes retrenchment is unanticipated; as such organisations cannot plan for it as a strategic exercise due to the abrupt nature of it.

Retrenchment is linked to loss of skills especially if it is due to technological innovations, it can make certain skills redundant. Some studies (for example, Harris et al., 1987) demonstrated that redundancy led to de-skilling, job-related demotion and, for some, permanent exclusion from the labour market. Redundancy‟s „losers‟ were identified as

those with low technical skills, skills made obsolete by technological change, or skills that were specific to a particular firm or process (Bosch, 1990).

In a number of developing nations, progressive influxes of basic change projects have prompted a decrease in the quantity of formal employment and pay cuts in both the general population and private areas. This has moreover, disintegrated the budgetary base of statutory social protection plans (van Ginneken, 2003) which raises the questions: How do these affected employees cope after retrenchment? How do they get reemployed in such economies? Who do they turn to? What factors help them to engage in another employment or become self-employed? It is to address these reasons that a research of this sort is conducted to investigate and to help understand the retrenchment process and the coping strategies of affected employees in the banking industry.

1.2 Statement of the Problem

The security of tenure of employment is quite pertinent to the individual. Any interruption or disruption to the continuity of employment has serious consequences for the daily life existence. Retrenchment can disrupt or interrupt the continuity of employment. In a developing country such as Ghana, retrenchment is a major problem as it is often linked to either short or long-term unemployment (MacKay and Reid 1972;
Hardy, 1986; MacKay and Jones, 1989; Jackman, Layard and Nickel, 1996;
O"Shaughnessy, 2011). Furthermore, the unemployment rate of Ghana which was 3.6 percent in 2006 rose to 4.2 percent in 2010 and 5.2 in 2013 due to the above mentioned

situation of a decreasing number of employees in particular from the formal public jobs (World Bank 2015).

Studies on retrenchment and coping strategies have been carried out separately by different scholars. Some studies concentrate on the effects of retrenchment on „survivors" (Appelbaum, Delage, Habib and Gault, 1997; Vemeulen and Wiesner, 2000; Worrall and Cooper, 2000; West, 2000; Wang-Bae, 2003). Others have considered the effects of retrenchment on both „survivors" and „leavers" (Udokwu, 2012; Imman, Quereshi and Khan, 2011), while others concentrate on the process of retrenchment (Maphosa, 2009; Lin and Leung, 2010; Munjuri, 2011; Hammers, 2012). What the studies do not entail is a comprehensive understanding of retrenchment, beginning from the retrenchment process through to the coping mechanisms. A study that documents the trajectory of the process of retrenchment through to how retrenchees cope is evidently required to discover whether the retrenchment process influences the retrenched staff coping options.

While the literature on retrenchment and labour market reintegration after retrenchment in the developed world where the studies indicate the existence of the provision of social security which covers personnel and their dependents against unemployment, health, and other risks (Dethier, 2006) is extensive (Levin and Rubin, 1980; Casterogiovanni and Braton, 2000; Lin, Lee, and Gibbs, 2008; Rotich and Muchiri, 2012; Dukelow and Considine, 2014; Weller and Weber, 1999; De Clercq, Sapienza & Crijins 2005; Armstrong, Bailey, de Ruyter, Mahdon & Thomas, 2008; Waters, 2007), there is relatively little literature from the angle of developing countries, where the situation is one of lack of social security provisions. The absence of social security provisions in a number of

developing nations intensifies the populace's powerlessness against monetary shocks (Hagemejer and Beherendt, 2008). Hence, when employees are retrenched in Ghana, and are not able to obtain social security support from the state, who do they turn to? How do they move on? These and many questions will be answered by this study.

Research indicates that more youthful and more exceptionally talented individuals have far superior chances of reemployment in the labour market than less established and less-gifted individuals. In a few circumstances, it is conceivable to view retrenchment as a minor interruption to an individual‟s vocation, in which the expense to the individual is just the loss of wages from retrenchment to the beginning of another employment (Weller and Webber 1999). But is this also the case in a developing country like Ghana?

Studies conducted on retrenchment show a negative effect on the individual which includes loss of self-esteem, being depressed, stressed, and unemployed, the expression of anger, shock, disbelief, denial, etc. which may later mean sentiments of doublecrossing, disdain, unreliability, and weakness (Hall and Goodale, 1986; Richard, Bransted and Milan, 1996; Modise, 2002). What these studies have not done is to look at retrenchment as an opportunity for entrepreneurial opening for the affected individual.

While some studies on retrenchment have adopted a quantitative approach (Peetz, 2005; Siyanbola, 2011; Wandera, 2013; Mupezeni and Pfebeni, 2013) which does not provide an in-depth understanding of how people cope with retrenchment, a few studies have been conducted on retrenchment with a qualitative approach (Cillie and WestermannWinter, 2007; Carter and Schwab, 2008). An addition to the qualitative approach which gives an

in-depth understanding of how people cope with retrenchment is very relevant to the literature on retrenchment.

1.3 Objectives of the Study

The main objective of this study is to examine the retrenchment process and coping mechanisms of retrenched employees in the banking industry in Ghana. To achieve the main objective, the following specific objectives have been formulated which include:

1. To ascertain the retrenchment processes within the banking industry in Ghana.
2. To explore the economic, social and emotional effects of retrenchment on the affected employees.
3. To investigate how the retrenched employees cope economically, socially and emotionally with retrenchment and why they cope in a particular manner
4. To explore the factors that enables the retrenched employee to be reintegrated into the labour market.

1.4 Research Questions

The main research question for the study is:

What retrenchment processes are used and what are the coping mechanisms of the affected employees?

For the study to answer the main research question, the sub questions below have been asked:

1. How is the retrenchment process like in the banking industry in Ghana?

2. What are the economic, social and emotional effects of the retrenchment on the retrenched employee?
3. How have the affected employees coped economically, socially and emotionally with retrenchment and why?
4. What factors support the retrenched employee to be reintegrated into the labour-market?

1.5 Scope of the Study

The study intends to investigate the retrenchment process within the banking industry in Ghana and the coping mechanisms of affected employees from this industry. The banking industry is selected for the study because it occupies a pivotal position in the global economy (Gentle, 1993) and the economy of Ghana is no exception. Specifically, this study is carried out within one of the universal Banks in Ghana. Adot Bank Ghana Limited is the name created for the bank for the study for the sake of confidentiality. The staff of the Human Resource Department at the head office of this bank was interviewed for information on the retrenchment process.

The main target group is the retrenched staff from this bank who lives in Ghana, and therefore, retrenched staff who had travelled outside the country have not been included in this study, since their coping mechanisms may be tied to the economic and social lives of the countries within which they now reside. Again, the study looked at the effects of the retrenchment process on the affected employees as well as how the retrenched staff coped emotionally, socially and economically.

1.6 Significance of the Study

A study on the retrenchment process of the banking industry and the coping mechanisms of affected employees is important for several reasons: Firstly, the work could help the retrenchment decision makers of the banking industry, by assisting them with information on what the retrenched staff go through so that they can formulate policies to deal with the impact of retrenchment on the affected employee. Hence, the results of this study could provide a guide for the implementation of retrenchment looking at how to make the process a smoother one.

Secondly, the study may provide the retrenched staff from the banking industry insights on how to cope with life after retrenchment. Thirdly, this study presents information on retrenchment from a developing country point of view which advances the literature in the area to show the extent to which the social and human capital support the unemployed or retrenched and help them cope with the situation. Fourthly the study gives policy implementers in Ghana an idea as to whether there should be the provision of unemployment benefits for the retrenched or how to support the society in their network support or consider formulating policies on alternative sources of retrenchment. Finally, the results of this study reveal the factors that may aid the retrenched persons from the banking industry in coping and gaining reemployment and the relationship between these factors and the kind of job they do after retrenchment from the bank which will be useful for the retrenched staff in the area of reemployment.

1.6 Brief Methodology

This research adopted the qualitative approach. Within the qualitative paradigm an exploratory case study was used to investigate the phenomenon being studied. Since the study was carried out within the banking industry, the case selection was based on a bank that has carried out a retrenchment activity for this study. A purposive sampling technique was also used to select the respondents from the Human Resource Department of the bank to provide information on the retrenchment process and the retrenchment policies in the Bank. A snowball also known as Chain Referral Sampling method was used to get to the retrenched employees for detailed information that was needed for the study, due to the difficulty in locating these respondents.

Data collection took place from April 2014 to October 2014. In-depth interviews conducted were tape recorded, with the consent of the participants who were given the assurance of anonymity. However, participants who refused to be recorded on tape but allowed written responses were also interviewed for the study. With the Abductive Approach, and the Logical Positivist Approach as the philosophy of science, data were analysed through the themes identified from the transcript with the Comparative Content Analysis method.

1.7 Definition of concepts

This research has been carried out around certain key concepts which the researcher wants readers to understand their usage in the thesis. These key concepts include: Retrenchment, Coping Mechanisms, Survivors of retrenchment, Leavers (affected),

Social Network, Social Capital, Human capital, Reemployment, Labour Market Reintegration. These concepts are explained below for the purposes of this study.

1.7.1 Retrenchment

Retrenchment can cover an extensive variety of releases that do not necessarily identify with the behaviour or capacity of the affected. These incorporate the closure of a processing plant, mine, or other working environment, with the aggregate or close aggregate loss of employments. Retrenchment as used in this study refers to any means by which an employee loses his job voluntarily or involuntarily.

1.7.2 Coping Mechanisms

Coping mechanism as used in this study implies how individuals manage or handle negative life events and situations. It also refers to any means that retrenched employees draw economically, socially, and emotionally to cope with retrenchment and get reintegrated into the labour market.

1.7.3 Leavers

Leavers in this study, refers to the victims of retrenchment Adebayo (2006), „lay-off victims" Brockner, Grover, Reed, DeWitt & O"Malley (1987, p. 527) or the bank staff who were affected by the retrenchment exercise. The term is used interchangeably with retrenchees, the affected, the retrenched employee and the victim.

1.7.4 Social networks

Social networks refer to the structure of relationships among a set of actors which is a complex process that occurs across two or more actors at different levels over time with significant exchanges that vary with the maturity level of the relationships Porter and Woo, (2015). In this study, social networks refer to the ties in the net of the retrenched employee which can be weak or strong to aid their coping and labour market reintegration.

1.7.5 Social capital

Son (2015), defining social capital referred to it as shared resources and diversity embedded in social networks. He recognized social capital at two levels; firstly the individual level and furthermore at the hierarchical level. At the individual level, social capital is an embedded resource that arises from interpersonal social networks. Social capital as used in this study alludes to the assets accessible in the family, companions, community and religious affiliation of the retrenched employee which can be drawn to aid their coping and labour market reintegration.

1.7.6 Human capital

Human capital is the „total information, aptitudes, capacities, and different capabilities of the association's workforce" (Ployhart, Weekley & Bughman, 2006, p. 661). Human Capital used in this study refers to the resources the retrenched employee has. These resources include the knowledge, skills, capabilities, education, experience and the likes

that can aid the retrenched staff to cope with retrenchment and get reintegrated into the labour-market.

1.7.7 Labour market reintegration

Labour market reintegration refers to a second chance that the retrenched employee may have to work again (Tuma 1994). In this study the labour market reintegration of the retrenched employee is seen from the reemployment (the restoration of a former employee to his or her previous position after unfair or unlawful dismissal, demotion, retrenchment or transfer) or self-employment (the decision to work for one‟s self) point of view. This incorporates destinations as a stream or example of results, where the diverse spells of vocation, unemployment and preparing are characterized as general classes of destination states, for example, 'stable work' or 'easy-going/irregular work'
Webber and Campbell (1997).

1.8 Organisation of the Study

The study comprises seven chapters. The first chapter, which is the introductory chapter, includes the background to the Study, the statement of the problem, objectives of the study, research questions, and the scope of the Study, the significance of the study, brief methodology of the Study, definition of concepts and the organisation of the study. The second chapter reviews literature that is related to the topic. The chapter also discusses information on the Theoretical Perspectives of the study. The third chapter discusses the research methods of the study which includes the philosophical assumptions of the study, research design and paradigm adopted for the study, sources of data, population and

sampling techniques of the study, data collection instruments, and data analysis techniques and the study area. The fourth chapter presents and analyses the results for the retrenchment processes whilst the fifth chapter presents the results and analyses the effects and coping mechanisms, of the retrenched staff respectively. Chapter six contains the discussion of the findings of the study. The final chapter (seven) then discusses the summary of findings, conclusion, contributions, implications and suggestions for further studies.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter provides an overview of retrenchment and its effects as a phenomenon in the world of work today, coping with retrenchment and reemployment as a coping mechanism for the retrenched employee. The literature review is aimed at providing an overview of the existing theoretical and empirical evidence of the decision to retrench, the effects of

retrenchment, how social networks are important parts of the coping mechanisms, the reemployment of the retrenched employees and how the human capital level of the retrenched employees supports their coping mechanisms strategies. The chapter also reviews the theoretical perspectives of the study and how they are applied including the explanation of the conceptual framework.

2.2 Defining Retrenchment

Retrenchment has been practised widely in organisations especially in recession or restructuring periods (Gulati, Nohira & Wohlgezogen 2010). Retrenchment, like any social phenomenon, has been variously defined and differently conceived by scholars. Some academics use the term retrenchment to portray normal reactions of firms to flags of pending monetary turmoil (Miller, 1977; Bibeault, 1982; Slatter, 1984; Gowen and Leonard, 1986; Hardy, 1987; D'Avcni, 1989). Different scholars have depicted retrenchment exercises as a strategy or a segment of operation arrangement (Schendel, Patton and Riggs, 1976; Schendel and Patton, 1976; Hofer, 1980), which is in contrast with the response to economic turmoil.

In their work, Geet, Deshpande & Deshpande (2009) defined retrenchment to mean a perpetual end of the administrations of a representative for financial reasons. Saharay's (2011) view on retrenchment is not materially distinct from the views expressed by Geet et al., (2009). However, Saharay approached the subject from the legal perspective and picked the definition of retrenchment from the world celebrated case of the State Bank of India vs. N. Sundara Money. It was held in this case that retrenchment is to cut down the number of employees. This definition, although similar to the one offered by Geet et al.,

(2009) failed to elaborately deal with reasons that may account for the termination of employees' appointment.

Van Greunen (1993) defined retrenchment as an administration choice to diminish the quantity of employees because of monetary decay or the poor money related execution of such association. Cooper (1987) likewise alluded to the term as being released or being laid off on a long haul premise for reasons of financial, auxiliary, innovative character, planned either to decrease the quantity of labourers utilized in the endeavour or to modify the synthesis of the workforce. This definition, though it included other situations that may lead to retrenchment, also failed to include the attitude of the individual which may also lead to retrenchment.

Retrenchment has attracted different interpretations (Standing and Tokman, 1991). Various terms taken as retrenchment incorporate resizing, declining, rebuilding, rearranging, re-designing, inclining up, streamlining, lessening in work power, rightsizing, scaling back, smearing, looking into, non-adjusting, uniting, authoritative change, downshifting and numerous others (Cameron 1994). Each of these ideas may impart a few implications to retrenchment yet may create diverse meanings and criteria for evaluation. Retrenchment ought to be unmistakably characterized with a specific end goal to be definitely comprehended and measured (Oundo, 2011).

Retrenchment has different interpretations due to its relationship with „termination".

When a worker‟s contract is terminated by an employer due to misconduct, it is termed as dismissal. On the other hand, when a workers contract is terminated due to redundancy or restructuring, it is termed as retrenchment (Anantaraman, 2004).

Whichever way retrenchment is used, there is a „termination of a contract‟. Retrenchment, according to the industrial laws of Malaysia, is the termination of a worker‟s contract of employment due to any reason (Act 177). This definition makes room for all reasons that may force employers to retrench employees and has therefore been adopted for this study.

2.3. Reasons for Retrenchment in Firms

The literature on the reasons for retrenchment has been reviewed since these reasons can speed up the implementation of the retrenchment process and also affect the coping mechanisms of the affected employee. When retrenchees are not clear about the reasons for retrenchment and still believe that there could be alternatives to retrenchment, they become very disappointed, feel cheated for a wasted time at work and express anger. Again they feel that the association is damaging the mental contract they have with respect to employer stability (Rousseau and Fried, 2001; Roehling and Boswell, 2004).

These emotions can go a long way to affect their coping mechanisms. This is confirmed by Leanna and Fieldman, (1998) and Bies, (1993) who observed that at the point when layoffs are implemented with clear clarifications of the explanations behind the layoffs and management seems, by all accounts, to be worried about the casualties, there is an apparent understanding from the affected employees.

Retrenchment has become a fact of life, representing one of the most challenging facts that business executives of organisations face (Cillie and Westermann-Winter, 2007). The factors influencing retrenchment in organisations can be external or internal. The external factors include globalisation (competition in one part of the world affecting the other), deregulation (an introduction of structural adjustment programs by governments), technological change, increasing business costs as well as mergers and acquisition (Ochieno, 2013). The reasons why a firm may retrench are to enhance execution and profitability, lessen cost, improve quality and enhance competitive advantage (Ochieno, 2013). The objectives of the retrenchment are eminent before the commencement of the process. For instance, the benefits organisations expect include lower overheads; less bureaucracy; faster decision making; greater entrepreneurship; smoother communications as well as increased productivity (Appelbaum Delgate, Labib & Gault 1997).

Despite these eminent objectives, organisations adopting retrenchment as a strategy may sometimes not achieve their objectives (Ochieno, 2013). For example, Cascio (2005), examining retrenchment and changes in occupation and monetary execution reasoned that, there was no backing for the reason that retrenchment prompts enhanced budgetary execution as measured by profit for resources. Managers might likely execute redundancies in one of the accompanying three ways. The primary is being an adhoc approach whereby there are no formally settled game plans, the second being a formal arrangement setting out their way to deal with being involved in administration when confronted with making redundancies formal understanding. Thirdly, setting out the methodology to be taken after when redundancies have been considered (Duncan, Sakwa

and Kirago, 2013). The implementation of retrenchment is guided by the laws of countries within which they are implemented. Whether or not an employee is dismissed or struggles on, the result is costly in both economic and human terms.

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The choice to retrench is normally a strategic one, embraced to diminish inefficiencies that aggregate in an association after some time. Aswathappa (2005) working on the reasons for retrenchment subscribes to the opinion that a determining reason for retrenchment is the adoption and use of modern technologies by organisations that hitherto relied heavily on manpower. The author is of the firm conviction that when technology advances, people are replaced with machinery which is more cost effective and easier to maintain. The usage of complex equipment, advanced computers, and general advancement in technology is a potent reason for retrenchment. Work which hitherto would have been done by men, are contemporarily done by machines due to technological advancement. This succeeds in retrenching staff since they are made redundant due to the taking over of their duties by machines. Succinctly put, the „termination of the appointment of employees can result from the replacement of labour by machines" (Aswathappa, 2005, p. 512).

Lall and Zaidi (2008) discussing the reasons for retrenchment hypothesised that the poorer the demand for products on the market, the likelihood for retrenchment and vice versa. They assert that in situations like this, a company will usually retrench staff members perceived as being redundant. The authors also contend that when a company realises there is an economically surplus staff, the remedy usually is retrenchment. They admit that in many situations, the economic and productive relevance of some employees run out of

need making them surplus staff. Employers identify these employees quickly and retrench them.

Another reason given by Aswathappa (2005) for retrenchment is not dissimilar to Lall and Zaidi‟s (2008) discussion on the poor demand for products. However, Aswathappa (2005) argues that there can be retrenchment as a result of the closure of a division because of proceeding with absence of interest for the items produced in that specific department of the company. The author argues that profit is the driver of business firms. Consequently when a department continuously suffers loses due to poor demands for products and it closes down, the employees of the said department risk being retrenched as well.

2.4 The Retrenchment Process

Suitable aptitudes, procedures and strategies are required in actualizing and overseeing retrenchment. This is on the grounds that retrenchment infers hierarchical change and change is usually resisted (Baguma and Matagi 2002). The retrenchment processes within every organisation are usually governed by the labour laws of countries within which they are implemented. Usually, the process starts when an organisation establishes valid grounds that certain positions are going to be redundant due to financial downturn, takeover or merger with a contender; rebuilding, or technological change, and ends when the employee leaves the organisation.

Hammers (2012), cited in Meagher (2012) establishing the process of retrenchment laments that when employers want to make positions redundant, then they must figure out which workers should be chosen for redeployment and/or retrenchment. He is of the

conviction that a six-step approach is needed to make the retrenchment process complete and suggests the steps as:

Step 1: the establishment of a fair selection criteria;

Step 2: the application of the selection criteria to each affected employee;

Step 3: the provision of procedural and substantive fairness;

Step 4: the consideration of redeployment;

Step 5: the possibility of the offering of voluntary redundancies; and

Step 6: the management of any retrenchments.

Maphosa‟s (2009) advice to employers on retrenchment in South Africa is not a suggestion guide to follow as was done by Hammers (2012) cited in Meagher 2012. The author rather stressed on procedures to minimise the effects of retrenchment and said that as soon as a firm contemplates retrenchment, there must be an issue of a written notice inviting potential retrenchees or their representative for consultation on a meaningful process of retrenchment which includes issues such as alternatives to retrenchment, and mechanisms to reduce the effects thereof. The author was of the opinion that in order to be procedurally fair, the employer must give reasonable prior notice to the supposed retrenchees on the commencement of consultation including other practical steps the employer may take over and above the legislatively prescribed notice (Maphosa, 2009).

Munjuri‟s (2011) comment on the process of retrenchment in Kenya was not on the notice to retrenches as declared by Maphosa (2009) but rather he placed emphasis on the criteria

for selecting the employee for retrenchment. He mentioned that the criteria for selecting an employee for retrenchment must not be on grounds of race or sex, neither must it be on the worker's proposed nor real union enrolment or exercises or in view of union non-participation but instead perspectives, for example, abilities and capabilities, guidelines of work, inclination and participation and disciplinary record may be considered as well as the conventional element of length of job. Konosuky (2000) stressing on the criteria for selection indicated that those criteria for selecting employees to be retrenched must be done in agreement with the organisation and the employee‟s representatives. Lewis (1992) warns that managers must have the capacity to shield the criteria picked to retrench an employee and the manner of application.

Pfadenhauer‟s (2009) view on the selection criteria is not different from what Munjuri(2011) and Konosuky (2000) said. The author explained that it is better for the criteria to be more objective than subjective. Using subjective criteria to figure out who stays and who goes has clear characteristic dangers and gives no solid premise to supporting choices and countering ensuing cases of separation (Pfadenhauer, 2009). Utilizing numerous criteria rather than a solitary measure enhances the quality and legitimacy of the choices made in figuring out which workers will be laid off especially when utilizing evaluations of execution which may be frail independently, different appraisal strategies (execution examinations, information from client input frameworks, 360-degree appraisals, aptitude assessments, group/peer assessments, and so on) expanding the quality and objectivity of execution rankings (Sullivan, 2001 cited in Pfadenhauer, 2009). Situations where certain employees are selected for certain personal reasons but not based on a genuine reason for retrenchment must be prevented.

Kandula"s (2009) contribution to the process of retrenchment was on severance pay. He believed that severance payment is the key instrument for mitigating the negative effects of retrenchment and that workers are entitled to severance pay when retrenched and this should be in accordance with international and national laws. Numerous nations have enactment which makes it exorbitant for firms to reject or retrench employees. In the USA, the Workers Adjustment and Retraining Notification Act (WARN) Act 1989 forbids businesses from uncalled for retrenchment and secure specialists, their families, and groups by requiring most bosses with 100 or more representatives to give notice inside of 60 logbook days ahead of time of plant closings and mass cutbacks.

Representatives qualified for notification under WARN incorporate chiefs and directors, and additionally hourly and salaried workers. Caution requires that notice ought to likewise be given to workers' agents; the chief labour officer, and the State Dislocated Worker Unit. Early notification gives workers and their families some more time to conform to the planned loss of vocation, to look for and acquire different occupations, and, if essential, to enter expertise preparing or retraining that will permit these specialists to contend effectively in the employment market. But this WARN Act is applicable only to firms with 100 or more employees (United States department of Labour 2014)

In the UK the past statutes, dating from the Contracts of Employment Act 1963, included the Redundancy Payments Act 1965, the Employment Protection Act 1975 and the Wages Act 1986. These acts deals with the rights that most employees can get when they work, including protection against unfair dismissal, the right to reasonable notice before dismissal, time off rights for parenting, redundancy and more. However for redundancy

to be genuine in the UK, the employer must prove that the employee‟s job will no longer exist (www.gov.uk assessed on the 10th October 2014).

In India, the Industrial Disputes Act, 1947, requires firms that utilize 50 or more specialists to pay severance to any worker who is to be retrenched. Furthermore, a revision to the Act, which got to be viable in 1984, requires firms that utilize 100 or more labourers to look for formal approval from the administration before saving specialists (Basu, Fields and Debgapta, 2000). In Ghana, the Labour Act 2003 suggests the procedure through which employers can follow to retrench employees.

Even though governments provide such laws to govern retrenchment, it is realised that most firms may have their own ways of implementing retrenchment aside seeking permission from the government. Datta Chaudhuri (1994) commenting on such permission noted that government seldom gives approval and places a lot of a priori limitations on the terms for hiring and firing workers (Mathur, 1989; Edgren, 1989 and Papola, 1994).

Fallon and Lucas (1993) undertaking an observational study on the anti-retrenchment laws in Zimbabwe and India espoused that as the work laws were fortified regarding making it more hard to lay off a specialist, there was an abatement over the long haul interest for workers by 25.2 per cent and 17.5 per cent, individually. A successful downsizing process must have an effective management of the human resource system, employee involvement, teamwork, communication and information sharing, rewarding, training,

articulating, a vision and administering of downsizing in a trustworthy and fair manner (Cameron, 1994).

2.4.1 Retrenchment Process According to the Labour Laws of Ghana

This section discusses the retrenchment process as required by the labour laws of Ghana for employers, as the phenomenon under study operates within these laws. In broadspectrum, the concept of law is tolerant and promissory in ensuring freedom and democratic rights replete with the logic of being tolerant (Visano & Bastine, 2003). Ghanaian labour laws have been engaged in refined forms of philosophical teaching, using concepts of "freedom" to disguise both the repression of fundamental labour rights and the erosion of cultural standards in order to suppress any forms of resistance (Visano & Bastine, 2003 p.2).

Section 65 of the Labour Act of Ghana (refer to appendix IV) suggests some processes to be followed by the employer, whenever there is a contemplation of retrenchment. These suggestions include a written notice to the chief labour officer and the Trade Union concerned not later than three months. Within this time the employer must ensure to minimise the effects of retrenchment by paying a severance that has been negotiated by the employer and a representative of the employee (Act 651, 2003).

These labour laws govern the retrenchment processes in Ghana and therefore make it difficult for employers to by-pass these laws in their retrenchment decisions. Although the internal processes of retrenching these employees may be different from different

organisational point of view, the aspects of the law which include for example informing the chief labour officer are the same for every organisation in Ghana and must be followed.

2.5 Effects of Retrenchment

Retrenchment has several known effects. These effects manifest in the organisations responsible for the retrenchment, the society or economy within which the exercise is taking place as well as individuals affected and their households. While a definitive long haul viability of retrenchments is hazy, there is a distinct human effect (Levitt, Wilson & Gilligan, 2008). This human level impact can be at the survivor level or the affected level. The next section discusses the economic, social and emotional effect of retrenchment on the retrenchees (leavers).

2.5.1 Economic Effects of Retrenchment on the Affected Individual

Does retrenchment have any implications on the economic status of the retrenched? This question was succinctly answered by Modise (2002) when she dealt with the effect of retrenchments on workers and measures to reduce it. She regretted that retrenchment leaves the influenced, particularly men, monetarily barren and therefore once the retrenchment bundle has been depleted, huge numbers of the men are not able to accommodate their families and are additionally not able to acquire pay, as the abilities they had picked up in their associations will never again be valuable. This, as indicated by her, has brought about their powerlessness to give training to their kids and the greater part of these youngsters wind up not completing school, due to their guardians not being

able to manage the cost of the payment of their school expenses or even purchase their uniform. As an aftereffect of this, some even fall back on wrongdoing.

Her views corroborated Gribble and Miller‟s (2009) position that some employees take the jobs they do as their all in all and a unique source of income to their families. Consequently, the loss of jobs due to retrenchment impinges drastically on the finances of the whole family. She concluded by attributing most of the social vices to retrenchment. Even though it was glaringly a difficult tangent to pursue, she successfully related the lack of adequate finances to meet basic human needs as a potent motivation to enter into crime. She conceded that although some retrenched employees are ready to get included in entrepreneurial exercises by opening their own particular organizations; the majority of these organizations fail because of the lack of skills and training regarding financial management and many aspiring entrepreneurs end up in debt with wholesalers.

2.5.2 Social Effects of Retrenchment

There is no doubt that retrenchment can affect the individual socially. An occupation is based on individual internal acknowledgment of meaning to most people (Ransome, 1995). It is not astonishing that the loss of a job distresses people to such a deep level of their identity. “The loss of personality is more significant for more seasoned specialists in light of the fact that they are ill-equipped monetarily and mentally for this change. The loss of trust in an organisation seems to make these workers address their own being subsequently (Stogner, 1995, cited in Gribble and Miller, 2009, p. 4). In retrenchment, the

agreeable character of having an occupation is stripped away. They concede that the retrenched rush to be denied of their social and financial status (Gribble and Miller, 2009).

Before retrenchment, the retrenchee is an essential individual with work and soon after retrenchment they are separated from everyone else and jobless. As the retrenched is no more with the corporate club, they can feel useless and rejected. Accordingly, the retrenched is presently an untouchable, outcast or even in a few cases the foe (Downs, 1995 cited in Gribble and Miller, 2009). This demonstrates how the loss of self-esteem happens and the manners of thinking behind the loss of personality. When a person is retrenched, he loses his self-esteem due to the social support system that can occur (Fieldman and Leanna, 1994). People have the capacity to constitute what characterizes them through their activities by acting in the social connection; along these lines, the loss of social collaboration as a consequence of retrenchment is a basic issue that impacts self-regard (Ransome, 1995). Baguma and Matagi (2002) had a top to bottom talk on the individual impacts of retrenchment. They espoused that retrenchment of individuals kindles psycho-social issues, for instance, diminished self-regard, general peevishness, stomach ulcers, inclination to carry out law violations, hypertension, coronary illness, money related anorexia and sorrow. Such distressing occasions are not restricted to low workers; but also supervisors are just as antagonistically influenced.

The loss of prestige through the departure of a vocation is thought to create stigma (O'Neill and Lenn, 1995 cited in Gribble and Miller 2009). The stigma of retrenchment depends on individuals‟ convictions, for example, “good individuals do not get retrenched” and “good individuals will dependably be compensated by the association”. These convictions,

saturated with the Protestant Work Ethic (PWE) can prompt disgrace being connected to the procedure of retrenchment (Gribble and Miller, 2009, p. 4). „Stigma is identified with the idea of self and the idea of self is delicate and taking into account how we trust society perspectives on us‟ (Gribble and Miller, 2009, p. 5). Burke (1988) found that, contemporary sources of stress, both administrative and professional, included hierarchical retrenchment and decrease in future employment, ambiguity and insecurity.

2.5.3 Emotional Effects of Retrenchment on the Affected Individual

There is no doubt that retrenchment has emotional effects. Research on retrenchment now focuses more on the enthusiastic reactions of the "victims" and "survivors" of the firm‟s demise (Bennett, Martin, Bies & Brockner, 1995; Blau, 2006). The expression of emotions after sad news is normal and these expressions may differ from person to person. Research demonstrates that the responses of leavers incorporate annoyance, shock, incredulity, refusal and so forth. These may later interpret into sentiments of betrayal, hatred, trembling, and weakness (Hall and Goodale, 1986; Richard, Bransted and Milan, 1996).

The issues of retrenchment and alteration are reframed so that an effective result is currently characterized as the individual‟s ability to adapt sincerely to the change required by the occasion, depends on paying little attention to the long or fleeting substantial effects of retrenchment. The factors contributing to emotional adjustment are associated with social rather than economic contingencies: the shock of retrenchment (Dowling, DeCieri, Griffen & Brown, 1987; Catalano and Dooley, 1988); opinions of injustice in the management of the retrenchment event (Brockner et al., 1994) or the intensity of

attachments to the retrenching workplace (Leanna and Fieldman, 1998) are all attributed to the emotional effects of retrenchment (Weller, 2007).

2.6 Coping with Retrenchment

This section begins with the explanation of the concept of coping and continues to equip the reader with information on how the retrenched employee copes with retrenchment emotionally, socially and economically. The section ends with the labour market reintegration of the retrenched employee through self-employment or reemployment as coping mechanisms.

The coping of the retrenched, according to this study, is derived from the Human Capital theory of Becker (1964) and the Social Capital theory of Bourdieu (2011) points of view. This is because the social capital‟s basic idea is that a man‟s family, friends, and partners constitute a critical resource that can be approached in times of emergency, delighted in for its own particular purpose, and utilized for material addition (Moser, 1996; Narayan, 1995) and the absence of social ties can have an essential effect on the person. It is consequently vital that the social capital living in a given system is utilized or utilized all the more proficiently (Woolcock and Narayan, 2000).

The human capital theory is also used to complement the social capital theory in explaining the coping and Labour market reintegration of the retrenched employee. This was confirmed by Schuller (2000) who stated that, people and their human capital do not exist in separation, in its place, the capacities‟ estimation and abilities of people rely on the

social and institutional connection inside which they are introduced. Lisakka and Alanen (2006) recognized a strong relationship between education and social capital and so did Nieminen, Martelin, Koskinen, Simpura, Alanen & Härkänen, (2008). Lisakka and Alanen‟s (2006) research discoveries uncovered that an increment in trust and participation, which are two noteworthy components of social capital, is associated with an increase in the level of education. Caplan and Choy (1992) established that people who participate in educational matters create and foster a social network, and, as a result, build social capital. This also means that individuals trying to cope from any stressor will adopt either a social capital concept or a human capital concept.

2.6.1 The Concept of Coping

Coping is conceptualised as an individual level concept and a characteristic of a person (McCrae 1984). Over the years, coping has acquired a variety of conceptual meanings, and it is commonly used interchangeably with such concepts as adaptation, mastery and defence (White 1974). Coping alludes to the things that individuals do to abstain from being hurt by life strains (Pearlin and Schooler 1978). Coping is regularly characterized as endeavours to forestall or release dangers, damage and misfortune, or to decrease related trouble. Coping strategies embody the approaches taken by an individual to manage job loss. The presence or absence of coping resources makes individuals more or less prone to harmful effects from job loss and this is expected to influence the choice of coping strategies (Kinicki, Prussia & McKee, 2000).

According to Piko (2001), a great deal of research has been invested in the identification of the basic dimension of coping. The coping strategies applied by different people are characterised by a great variety of ways of coping. Endler and Parker (1990) arrived at a three dimension coping strategies labelled as task-oriented coping, emotional oriented coping and avoidance oriented coping. To the author, a task oriented coping adopted by an individual refers to the strategies used to solve a problem, conceptualise it (cognitively) or minimise it. On the other hand an emotion oriented coping refers to the person oriented strategies that include emotional responses, self-preoccupation and fantasising reactions. Whereas the avoidance oriented coping strategies include a person or task oriented coping measures where an individual can avoid a stressful situation by choosing to be with other people or by engaging in a substitute task (distraction). Avoidance is an important mechanism for coping with stress as it serves as a form of get away from the hostile stressful situation (Endler and Parker, 1990, p. 5).

Unlike Endler and Parker (1990), Folkman, Lazarus, Dunkel-Schelter, Delongis & Gruen, 1986) recommended that coping has two noteworthy measurements which have problem-focused and emotion-focused dimension. The qualification between these two coping procedures are that, the problem-focused coping, endeavours to straightforwardly oversee or change the issue bringing about the trouble, whilst the emotion-focused coping endeavours to direct the passionate reaction to the problem (Lazarus and Folkman, 1984). One or both of these may be engaged in response to job loss (Kinicki and Latack, 1990). Folkman and Lazarus (1980) explained that the problem-focused coping is aimed at problem solving or doing something to alter the source of stress whereas the emotion focused coping is aimed at reducing or managing the emotional distress that is associated

with the situation. They argued that most stressors may elicit both types of coping but problem focused coping tend to dominate when people feel that something constructive must be done about the situation. In the same way, the emotionfocused coping tends to dominate when the individual feels that the stressor must be endured.

Carver and Connor-Smith (2009), working on coping argued that the individual using the problem-focused coping takes steps to remove or to evade the problem at hand.

They gave the example that if layoffs are expected, an employee‟s problem-focused coping might be to save money towards times of need, look for a job or obtain training to enhance his opportunity to be hired. On the other hand, the individual in the emotionfocused coping takes steps to reduce the distress involved in the situation. Here the individual seeks emotional support, tries to relax, or escape stressful situations by talking to someone.

Coping mechanisms as used in this study alludes to the things that individuals do to abstain from being hurt by life strains (Pearlin and Schooler, 1978). As in the case of the retrenched employee, anything that the retrenched employee will do to avoid the stress on them whether emotionally, socially or economically is acceptable as a coping mechanism resource.

There are differing scholarly opinions on coping with retrenchment. Retrenchment causes psychological, economic and social traumas. People trying to cope with job loss constantly try to change their cognitive and behavioural efforts to manage specific intimal or external demands that exceed their resources (Folkman and Lazarus, 1984). The coping construct

plays a significant role within models of job loss and stress (Latack, Kinicki & Prussia, 1995; Leanna and Fieldman, 1988). Coping resources embody the personal and situational characteristics which the personalities can draw upon when coping with job loss. The presence or absence of coping resources makes individuals more or less prone to harmful effects from job loss and is expected to affect the choice of coping strategies. Coping strategies embody the approach taken by an individual to manage job loss (Kinicki, Prussia and McKee-Ryan, 2000). In this study the coping resources of the retrenched employees are looked at from the economic, social and emotional point of view and are discussed in the sections below.

2.6.2 Coping Economically with Retrenchment

Adjusting to the financial turmoil and the uproar of the retrenched has been dealt with by Corduff (2009). The author emphasizes that retrenchment can be obliterating for those included regardless of what phase of life they are in. For youthful persons, it can incorporate the weight of all of a sudden having no wage notwithstanding the huge money related responsibilities. In middle vocation, it can prompt loss of professional status, self-assurance and salary. For those drawing nearer retirement, it can mean the loss of key wage combined with the truth of attempting to re-enter the workforce when the vitality and responsibility may have scattered and consistent dismissal taking into account ageism is the standard.

Research indicates that most jobless people attempt to end this ill-fated state as soon as possible by searching for a new job (Koen et al 2010). Corduff (2009) admonishes victims of retrenchment to introduce moderation in their expenses by drawing up budgets to cover

their costs. He is convinced that a budget can help the retrenched employee to work out how much money he or she will need to cover costs while going through the financial difficulty resulting from retrenchment. Corduff (2009) continued by entreating victims of retrenchment to make contacts with their banks as soon as they learn of their retrenchment.

In order to have some control over their financial situation, the retrenched employee should make contact with the bank or the organisations that he or she owes money as soon as practicable to renegotiate loan repayment terms to avert any future troubles and/ or embarrassment. Most of these organisations will have policies about assistance for customers who are experiencing financial hardship. It is again the proposition of Corduff (2009) that societies have several stress mitigating institutions that can be of immense assistance to victims of retrenchment. He recommends that such institutions be fully utilised by employees affected by retrenchment for the redress of their financial problems.

2.6.3 Coping Socially with Retrenchment

Retrenchment can pose a lot of social effects to the individual (Baguma and Matagi, 2002; Ransome, 1995 cited in Gribble and Miller, 2009; Modise, 2002). How do retrenched employees mitigate these problems in society? Leidner (2006) explored this expansively. According to him, a sociological theory suggests that consumption rather than production has become the sphere in which people define their identities; consequently retrenchment would naturally affect the survival of affected workers. Coping with this, the retrenched employee must build capacities to influence selfdevelopment, social ties, status and consciousness. He contends that the realisation of the social problems associated with retrenchment should itself provoke the ability to cope.

Garrett-Peters (2009), commenting on social coping of the affected employee, contradicts fundamentally, the views expressed by Leidner (2006). He examined how retrenched workers repair damage to self-concepts. Through participant observation and intensive interviews with 22 members of job search groups, Garrett-Peters (2009) found that workers achieved positive self-concepts through five main strategies: redefining the meaning of retrenchment, realising accomplishment, restructuring time, forming accountability partnerships and helping others. The author concluded that, while social capital has been shown to be important for finding jobs, it is also important for surviving the loss of a job.

2.6.4 Coping Emotionally with Retrenchment

There is no doubt that the shock associated with one hearing that his or her name has been included in a retrenchment list is enormous. Research indicates that individuals trying to cope with shock get to the denial state, which is a refusal to acknowledge the data and the truth exhibited by the circumstance (Kübler-Ross, 1969, p. 9). It is a resistance component (Chapman, 2009) which helps people to manage the misfortune, making space for perseverance. Denial or if nothing else incomplete refusal is utilized by all people in the wake of getting surprising or stunning news (Kübler-Ross, 1969). Denial serves to pace sentiments of sorrow (Kessler, 2010). After denial, there is a swing to outrage (Straker, 2005), which can show in distinctive ways. People managing passionate misery can be furious with themselves as well as with others, especially those near them (Chapman,

2009). This resentment is frequently joined by an inclination to accuse others and lash out (Willis, Joy & Kaiser 2010).

After anger, the obviousness of the situation hits the individual, and he or she reluctantly tries to accept that it is unavoidable (Straker, 2005). At this point, the individual is arranged and is effectively included in proceeding onward with his or her life (Straker, 2005). This acknowledgment changes as indicated by the person‟s circumstances, however it is for the most part a sign that there is a level of enthusiastic separation and objectivity (Chapman, 2009). Although the affected parties may never like the new reality, they eventually accept it (Kessler, 2010).

2.7 Retrenchment and Labour Market Reintegration

Labour market reintegration refers to a second chance that the retrenched employee may have to work again. The manner, in which labour market history in the middle of retrenchment and re-employment is conceptualized, has an extensive effect on the investigation‟s results (Tuma 1994). This conceptualization concentrates on the move to the first occupation after retrenchment. Research illustrates that the issues surrounding labour market reintegration extend beyond merely providing jobs or job opportunities for displaced workers to job quality as well as income security (Armstrong 2008). Webber and Campbell (1997), in their investigation of post-retrenchment professions have perceived that a significant „grey area‟ exists between the conditions of unemployment and full-time work. People regularly move between quantities of distinctive conceivable labour market sector states including withdrawal from the labour force, cooperation in

retraining courses or short courses (Weller and Webber, 1999, p. 5). Gonas and Westin (1993) distinguished lasting full-time work as the main legitimate reemployment result.

In contrast is the view of Webber and Campbell (1997), who decided to view labour market destinations as a stream or example of results, where the distinctive spells of business, unemployment and preparations are characterized as general classes of destination states for a stable work or easy going discontinuous work. In this study the labour market reintegration of the retrenched employee is considered from the reemployment or self-employment point of view. The sections below discuss reemployment and self-employment as labour market integration mechanism for the retrenched employee.

2.7.1 Reemployment as a Labour Market Reintegration Mechanism

Munro (2008), contributing to the meaning of reemployment when he dealt with redundancy, referred to the term as the restoration of a former employee to his or her previous position after unfair or unlawful dismissal, demotion, retrenchment or transfer. He concedes that reemployment is mostly confused with reinstatement, clarifying that, unlike reinstatement, re-employment, usually means a loss of earnings and accrued entitlements for the period between the original dismissal and the date the employee was re-employed.

Research on reemployment after retrenchment in Australia indicates that involuntary job failures confronted longer times of unemployment and had poorer reemployment results

than other employment washouts (Weller, 2007). Research also indicates that workers with limited education have a higher rate of job loss than those with better-education (Farber, 2005; Munnell, Marric, Mauricio & Sass, 2006; Rodriguez and Zavodny, 2003). However, the recurrent pattern of job loss is weaker for workers with more than a high school education, whose displacement rates do not increase as much during economic slowdowns, as those for less-educated workers. Again, job loss has been increasing for well-educated workers, but not for those with education lower than a high school diploma (Farber, 2005; Munnell et al., 2006). Zhang, Huang, & Rozelle (2002) contributing to research on reemployment after retrenchment indicated that education increases the probability of unemployed workers finding reemployment.

A group of academics that tracked the coping mechanisms of unemployed individuals found that reemployment reverses the negative effects of unemployment (Kessler, Turner, and House, 1988; Vinokur, Caplan, and Williams, 1987 in Vinokur and Schull 2002). In their work on job search as a mediating process to reemployment, Schwab, Rynes, and Aldag (1987) in Vinokur and Schull (2002) found that unemployed individuals with higher self-esteem and confidence engage in more intensive job-search efforts and are more likely to find a job.

Education appears to increase the likelihood of the retrenched employee becoming reemployed after a layoff (Farber, 2005; Munnell et al., 2006). Wan and Zhang (2008), on their state-run reemployment programmes, argue that training enhances the competitiveness of unemployed people in the labour market. In contrast is the work of Bidani, Goh & O"Leary, 2004) in Shenyang, which found that training rather dampened

reemployment prospects. Obviously, the concept of reemployment has not generated so many differing views relative to its meaning. Carlier, Schuring, Lötters, Bakker, Borgers & Burdorf, (2013) affirmed this by defining it in a similar fashion as Munro (2008). They see reemployment as the act or an instance of being employed again. It means regaining employment at a former workplace if, within a certain period of time, labour is needed there again. Reemployment as used in this study refers to the act of being selfemployed or a return to formal employment. Here, it does not necessarily mean a return to the original employer as opined by some academics (Munro, 2008) but to other formal sectors apart from the banking industry.

A discussion of reemployment and formal employment cannot be cogent if the meaning of formal employment is glossed over. An overview of it is therefore pertinent. The International Labour Organisation (ILO) (1998) defines formal employment as jobs that encompass ordinary hours and customary wages and are perceived as wage sources on which pay charges must be paid. In a formal business, a worker has a formal contract with the business, has predefined work conditions and employment obligations, gets a guaranteed and nice altered pay with advantages and motivating forces, has settled terms of work time, a piece of a sorted out gathering of individuals working in the same environment and is legitimately and socially mindful of the rights the work offers.

De Witte et al., (2004) compared the convenience involved in employing a new job seeker and a retrenched employee. The authors argued firmly that re-absorbing former employees is hugely advantageous to the growth of organisations because of their inexhaustible fund of experience, compared to employing a new job seeker. Since the mid-1990s, a scope of

evaluation studies, concerning effective re-integration of the retrenched has demonstrated a reasonable positive impact on their re-livelihood. De Witte et al., (2004) established in their study that the employability of the affected in the formal sector after their retrenchment is higher than that of new entrants into the sector.

Finding a job after retrenchment has a multivariate underpinning influence. Unlike De Witte et al., (2005), Weller and Webber (1999) placed so much unparalleled relevance on the job experiences of the retrenched as a potent insurance to readily reemployment. Even though the authors endorsed the potency of job experience in job search, they widened the scope of their analysis to encompass several other considerations. According to them, reemployment after retrenchment is not swift and immediate. The retrenched, despite their reserve of job experience, regularly spend precious time in job hunting. "The probability of re-employment for retrenched workers is firmly identified with boss enlistment inclinations, and numerous retrenched workers do not look for some kind of employment in light of the fact that they do not have the individual qualities that businesses yearn for. Skills at retrenchment are less significant predictors of re-employment prospects than the characteristics of the workers and their local labour markets. But skills are an important determinant of outcomes because they influence the range of options for retraining available to each retrenched worker" (Weller & Webber, 1999:p. 123).

Another key factor outlined by Weller and Webber (1999) as having an influence on the employability of a formal employer is the age of the affected. They established the fact that older workers face considerable difficulty finding new employment after

retrenchment. Armstrong et al., (2008) working on reemployment after redundancy rather employed a pessimistic approach to the employability of the retrenched employee.

Unlike the clearly optimistic stance adopted by De Witte et al., (2005), they admit that the skills of retrenched employees though valuable and inalienable, do not secure them reemployment in the formal sector after retrenchment. According to the authors, retrenched workers go through a wide range of difficulties from finances to emotional and in many instances, social, in their quest to re-enter formal employment. Consequently, some are left with no option than to seek solace in voluntary retirement (Armstrong et al., 2008, p. 353).

Interviewing 273 retrenched workers in the UK, Armstrong et al., (2008) came to the conclusion that in most circumstances, handsome retrenchment packages are given to the retrenched even though these packages were found to be unable to cater for the numerous devastating effects of retrenchment. "Even in the UK case, where more funding assistance was offered, majority of workers reported a decline in earnings and a rise in job insecurity". They concluded by advocating the retraining and re-skilling of workers affected by retrenchment to increase their competitiveness in their search for other jobs.

Knight and Shi (2006), gave a conclusion similar to that of Armstrong et al., (2008). The authors held the opinion that even though retrenched workers possess inexhaustible reserve of experience and skills, their absorption into formal employment becomes a difficulty. Their study proved how successfully the few ones who secure formal reemployment perform but decried the difficulties in getting reemployed. In agreement with Armstrong et al., (2008) survey, Knight and Li (2006) concluded that reemployment

earnings after retrenchment are also found to be inadequate to ensure meaningful lives, which consequently leaves retrenched workers financially and emotionally burdened.

2.7.2 Self-Employment after Retrenchment

Retrenchment, which is the cessation of employment, leads to redundancy that is disruptive to individuals. Studies conducted by (Blau, 1987; Blanchflower and Meyer, 1994) have suggested that augmented retrenchments leading to redundancy will lead to an increase in start-up activity. Retrenchment, the scaling down of job opportunities in the formal sector, equity and high redundancy lead to people becoming entrepreneurs out of necessity (GEM 2012). The risk of retrenchment is a dislodging occasion that may trigger entrepreneurial expectations, as it may compel individuals to think past business (Rotich and Muchiri, 2012). Most often, the idea of entering into entrepreneurship is a necessity or an opportunity for the retrenched employee. The Global Entrepreneurship Monitor (2012, p.31-32), a data on entrepreneurial intentions, distinguishes between "opportunity entrepreneurs" and necessity entrepreneurs. The "opportunity entrepreneurs" are the individuals who exploit a business opportunity, and "necessity entrepreneurs" are the individuals who have no better options for work however need to attempt and begin their own little organizations. Kayne (2005) is of the opinion that the necessity entrepreneurship tends to be higher in developing countries than the developed countries.

Acs, Desia & Hessels, 2008), commenting on the subject opine that displacement events are like „push or pull" events. The push factors are negative connotations and may confine opportunities for business enterprise (Kirkwood, 2009). The draw variables are rather

positive and may motivate individuals to start businesses (Rotter, 1966). Shapero (1982) cited in Rotich and Muchiri, (2012) did not dispute the opinions of Acs et al., (2008) but further maintained that a displacement event should happen to translate intentions to start a business into action or behaviour. Hence events like retrenchment may be the push factor for the retrenched employees to face their economic reality head on and decide to start a venture (Kayne, 2005). Losing a job could be a stimulus for an employee to start a business. Entrepreneurship as an economic development strategy may develop in response to the loss of employment (Rotich and Muchiri, 2012).

The profound difficulties which are characteristic of securing reemployment in the formal sector after retrenchment have led many retrenchees to resort to selfemployment. This is the dominant theme explored by McGowan (2013). He is of the firm conviction that retrenched workers unnecessarily avail themselves to a lot of traumatic devastations without exploring the numerous opportunities self-employment offers. Retrenchment is an opportunity, even though a lot of people are knocked off their feet without giving considerations to the establishment of their own businesses. According to him, retrenchment removes the safety net and makes people assess their options. He gives several instances of people who suffered retrenchment, went into selfemployment and enormously succeeded. He advises that, for a great many people, being made excess gives their certainty a battering, most definitely. In this way, the initial move towards beginning independent work after retrenchment is reasserting one's selfconviction. It is that changed feeling of worth and capacities that will push your thought forward and make it a reality.

Armstrong et al., (2008) outlined that many retrenchees start their own businesses after retrenchment, whilst some remain hopeful to re-enter the formal wage-earning sector. The authors lauded the need to seek solace in self-employment as McGowan (2013) did but conditioned it on the final and technical capacity of the individual to do so. Closely related to the arguments for self-employment after retrenchment is the position held by Down (2010). He admitted that even though self-employment becomes a difficult pursuable option for most retrenched employees, it remains the viable option to alleviate economic and status degradation. He buttressed this by citing Brooksbank (2006) as postulating that self-employment of all kinds had increased in most Western countries because of a number of convenient reasons. According to him, it is easy to enter, one takes responsibility of his own retirement arrangements and savings, resounding success is guaranteed if one works for himself and lastly, there exists greater autonomy in selfemployment**.** Working for oneself is extremely unlike working inside of another person's business. A considerable lot of those distinctions are colossal advantages, and help clarify why 500,000 individuals start up their own particular organizations every year.

Parker (2009) digressed from the position of Down (2010) and McGowan (2013). His point of disagreement is their insistence on the ease and desirability of self-employment compared to formal or wage employment. He is of the opinion that given the opportunity, many employees would opt for wage employment instead of selfemployment. He indicates that evidence has shown that longer unemployment durations are associated with significantly higher probabilities of transitions into self-employment. It is not the desirability of self-employment over formal employment. According to him,

unemployment duration rather than inconvenience with formal employment is what drives changes in aggregate rate of entrepreneurship.

2.7.3. Retrenchment as an agent of Unemployment

Unemployment can be a stressful depressing and literally sickening experience (Paul and Moser 2009). Unemployment is a growing problem worldwide and has a growing concern on the consequences of worker displacement. In India, firms that employ more than 100 workers require government permission for any retrenchments they wish to make; with respect to plant closings, organizations utilizing more than 100 workers requires government authorization before any conclusion; the administration may allow or deny consent for such an end, regardless of the possibility that the organization has economic problems or is losing money on the operation (Basu, Fields and Debgupta, 2000). Research in the UK has found that unemployment rises from redundancies rather than from unemployment due to other reasons (Arulampalam, 2001). Gregory and Jukes (2001) examined that unemployment, whether voluntary or involuntary, conveyed an income punishment of 10% inside of the first year of retrenchment, tumbling to fewer than 4% following two years after retrenchment. This means that the duration of unemployment has a great effect on the earnings of those affected. The next section discusses the theoretical perspectives of the study.

2.8 Theoretical Perspectives of the Study

This section discusses the social and human capital theories used for this study and how they are applied in the work. In this study, the social and human capital theories are used

to analyse retrenchment coping mechanisms and labour-market reintegration of the affected employee. Theory is a foundation for human action (Oquaye, 2004). It is an arrangement of presumptions, recommendations or acknowledged certainties that endeavour to give a conceivable or reasonable clarification of circumstances and end results or causal connections among a gathering of observed phenomena. The theories help in the understanding of the principles on which adjustments to retrenchment coping mechanisms and consequent reemployment could be explained and they put the problem into its right perspective for analysis.

The social and the human capital theory can be seen as resource-oriented theories linked to capital that is needed to generate economic returns. The social capital concept has become gradually popular in a wide range of social science disciplines, with a growing number of sociologists, political scientists, and economists examining the concept in search for answers to a broadening range of questions being confronted in their own fields (Adler and Kwon, 2002). In much the same way, the human capital concept has received great attention from many scholars in various countries and in different organisations (Zhao, 2008).

These theories have been deemed relevant to the work because the basic idea of social capital is that a person"s family, friends, and associates constitute an important asset, one that can be called on in a crisis, enjoyed for its own sake, and leveraged for material gain (Moser, 1996; Narayan, 1995) and the absence of social ties can have an important impact on the individual. It is therefore important that the social capital residing in a given network is leveraged or used more efficiently (Woolcock and Narayan, 2009). Once the

study deals with the coping mechanisms of the retrenched employee in an economy where there is the absence of government support such a theory is relevant.

The human capital theory is also relevant to this work because the social capital theory is insufficient in explaining the concept of coping and the reemployment of the retrenched employees as a mediating variable. Again, part of the work looks at the factors that can aid the retrenched employees to be reintegrated into the labour market. These two theories have been used for the work, because there is a relationship between the two, and that is, one complements the other for successful results (Schuller 2000). The author espoused that people and their human capital do not exist in disengagement rather; the capacities' estimation and abilities of people rely on upon the social and institutional connection inside which they are installed. Lisakka and Alanen (2006) identified a strong relationship between education and social capital and so did Nieminen et al., (2008). Lisaka and Alanen's (2006) research discoveries uncovered that an increment in trust and cooperation, which are two noteworthy components of social capital, is connected with an increment in the level of education.

This study treats the social capital theory and the human capital theory as to a great extent covering speculations that give reliable yet somewhat distinctive bits of knowledge into the elements that contribute to or aid the individual to cope and be reemployed after retrenchment. Although there may be differences in the theories, in this situation it is seen not as a competition for explanation but as interpretation of different factors at different levels. As this study is intended to explain the social networks available within the social capital theory to aid the individual with re-employment, it draws upon the human capital

theory in determining the knowledge, the skills and the capabilities the individual needs to move to another employment in other industries or, better still, entrepreneurship.

2.8.1 The Social Capital Theory

The "social capital" theory has caught the attention of an extensive variety of researchers and experts in various orders and practical arenas. Social capital has generated multiple definitions, conceptualisations and empirical measurements. "Social capital is defined as resources embedded in one‟s social networks, resources that can be accessed or mobilised through ties in the networks" (Lin, 2001, p.21). Within such social relations in general, an actor may borrow or capture other actors‟ resources for example their wealth, power or reputation. These social resources can then generate some benefits for the actor. The fact that social capital is network-based is recognised by most scholars who have contributed to the discussion on its usefulness (Bourdieu, 1980, 1983,
1986; Lin, 1982; Coleman, 1988, 1990; Flap, 1991, 1994; Burt, 1992; Erickson, 1995; Putnam, 1993, 2001; Son 2015). Woolcock and Narayan (2000, p. 3) explaining the social capital concept, said "It‟s not what you know, it‟s who you know". It is astuteness resulting from our experience of the way that picking up membership to selective clubs requires inside contacts and that nearby rivalries for employments and contracts are normally won by those with "companions in high places". When we fall upon tough times, we know it is our loved ones who constitute the last "safety net".

Two clear dimensions of the theory will normally suffice in this context; individual and collective conceptualisations. The individual persuasion of the theory typified by Coleman

(1988, p. 101) and White, (2002) shows that social capital exists between individuals and can be studied at the individual level. Social capital resides in the relations among the nodes, and just as physical and human capital facilitates productive activity, social capital also facilitates productive activity. Woolcock (1998) asserts that social capital is an expansive term that incorporates the "standards and systems encouraging aggregate activities for common advantages" (Woolcock, 1998, p. 155). This is not a take-off from White (2002), who considers it to be an idea that depends on the reason that social relations can possibly encourage the accumulation of monetary or non-financial advantages to the individual (White, 2002).

In contradiction to the individual level persuasion is the collective level conception of the theory. Here, the social capital theory can be seen to reside in the relations and not in the individuals themselves. Social capital is context-dependent and takes many different interrelated forms, including obligations within a group, trust, intergenerational closure, norms and sanctions, with the underlying assumption that the relationships between individuals are durable and subjectively felt. The relationships themselves form a complex web of interactions and communications (Fukuyama, 2001; Lin, 1999; Putnam, 1993; White, 2002). For instance, the voluntary participation of the members over lunch break to discuss various social or organisational aspects, which benefit all the participants, could be an example of social capital (Qureshi, 2006). Comprehensively, Social Capital can be measured from five points: the first is the networks-lateral associations that vary in density and size, and occur between individuals and among groups; second, is reciprocity and expectation that in the short or long terms, kindness and services will be returned; third, is trust and the willingness to take initiatives (or risks) in a social context based on the

assumption that others will respond as expected; fourth, is the social norms and the unwritten shared values that direct behaviour and interaction; and fifth, is the personal and collective efficacy that is the active and willing engagement of citizens within a participative community (Bourdieu, 1983; Coleman, 1988; Onyx and Bullen, 2000; Paxton, 2002). These five measurements show themselves in different blends and shape the collaboration amongst the individuals from a gathering, association, group, a general public or just, a system and can be examined through different points of view.

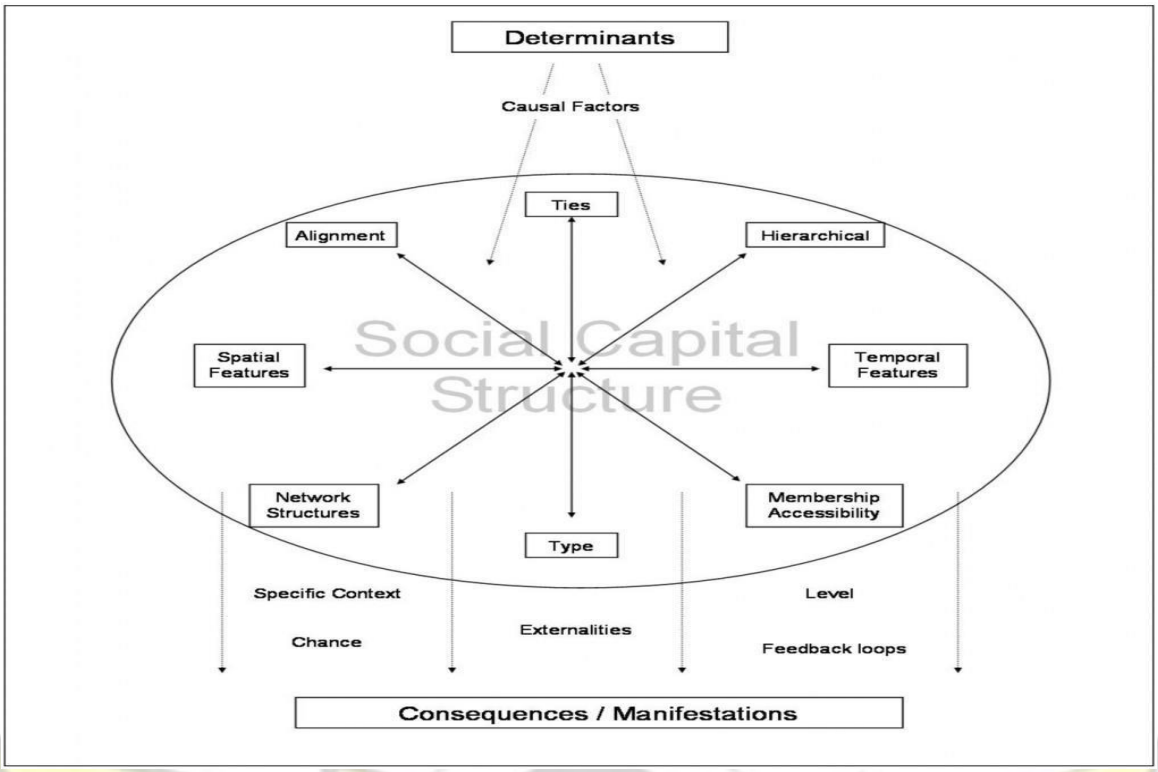
2.8.2 Schematic Conceptualization of the Social Capital Theory

Various aspects of the social capital structure are identified in Figure 2.1 below. These could be referred to as the components of the social capital theory. Ties are a fundamental component of social capital which describes the type of social relationships that can be strong or weak. Hierarchical refers to the distribution of vertical and horizontal ties. Temporary features are identified as a component as time has a considerable impact on other components of social capital. There is a significant change in the nature of social capital over time, particularly with relationship depreciation, reinforcing ties and other network which can cause a change of different norms over time. The norms relate to both trust and reciprocity. Norms of networks associated with ties are expected to decrease over time with a decrease in membership accessibility. These norms should be separate from norms associated with membership or belonging which may or may not include a social tie unless properly aligned. Social capital is a dynamic relationship between its components that evolves constantly on spatial and temporary scales. Each social

connection between performing artists has colossal and flighty results to the structure and outcomes for the social capital at different levels.

Comparable structures can have altogether different externalities and finishes however the part of time, space, input circles and risk can further outline the multifaceted nature of the dynamic connections included. It is especially imperative to recognize the causal elements and the particular setting as these are most basic in deciding the basic components and the results or indications of social capital.

Figure 2. 1: Schematic Conceptualization of Social Capital Theory



Source: Claridge, (2004)

2.8.3 Different Perspectives of the Social Capital Theory

The current literature on social capital began in the 1980s from the work of Pierre Bourdieu, James Coleman and Robert Putnam (Carroll and Stanfield, 2003). On a broader perspective, it must be emphasised that the popularisation of the social capital theory is premised on three different perspectives (Bourdieu, 2011). Gauntlett (2007) contends, by way of background, that Pierre Bourdieu (1930–2002) studied the ways in which society is reproduced, and how the dominant classes retain their position.

Gauntlett (2007) comes to the conclusion that offering economic explanations alone to this phenomenon will be incongruous, hence his proposition of the social capital theory as:

„The sum of the resources, actual or virtual, that accrues to an individual or a group by virtue of possessing a durable network of more or less institutionalised relationships of mutual acquaintance and recognition" (Bourdieu and Wacquant, 1992 in Gauntlett 2007, p. 119).

Bourdieu"s original work on social capital was analysed within the context of his critical theory of society. This differed from the normative approach of Putnam (1993) and Coleman (1988). Of the three authors on social capital, Bourdieu"s work contains the least empirical analysis with only fragments of reference to it (Adam and Roncevic, 2003).

James Coleman, a sociologist with strong connections to economics through the rational-choice theory (Jackman and Miller, 1998; Li, Yaojum & Andrew, 2003; Schuller et al., 2000), combined insights from sociology and economics to his definition of social capital. He said

„Social capital is defined by its function. It is not a single entity, but a variety of different entities having two characteristics in common: they all consist of some aspect of social structures, and they facilitate certain actions of actors – whether persons or corporate actors – within the structure" (Coleman 1988, p. S98).

The above definition was a shift from Bourdieu"s individual outcomes to outcomes for groups, organisations, institutions or societies.

Robert Putnam, a political scientist propagating the idea of social capital through the investigation of metro responsibility in Italy, cited Coleman‟s (Routledge and Amsberg, 2003) and defined social capital as:

> „Referring to features of a social organisation, such as trust, norms, and networks can improve the efficiency of society by facilitating coordinated actions‟ (Putnam, Leonardi & Nannetti, 1993, p. 5).‟

The authors explored the differences between regional governance in the north and south of Italy, with the explanatory variable being the civic community.

2.8.4 Summary of the perspectives of the social capital theory

This section has dealt in detail the different perspectives of the social capital theory and has shown the different levels (Individual and collective) at which the resources available in the networks can be used by the retrenchee. This study holds the position that, the ties in the networks available for the retrenchee can be drawn from both levels (individual and collective) by the retrenchee for a better coping and labour market reintegration. This position relates to the work of Jenkin‟s (2002) definition of the social capital which has been adopted for use by this study. The perspectives of the social capital theory are summarised in Table 2.1 depicting the work of Bourdieu, Coleman and Putnam.

Table 2.1: A Summary on the Different Perspectives of the Social Capital Theory.

Theorist	Level of Analysis	Characteristics	Definition

Bourdieu 2001	Individual	Titles/Names Friendship/Association Membership/Citizenship	Social capital is the sum of the resources, actual or virtual, that accrue to an individual or a group by virtue of possessing a durable network of more or less institutionalised relationships of mutual acquaintance and recognition
Coleman 1998	Family/Community	Family Size Parent‟s presence in the home Mother‟s expectation of child‟s education Family mobility Church affiliation	Social capital is defined by its function. It is not a single entity, but a variety of different entities having two characteristics in common: they all consist of some aspect of social structures, and they facilitate certain actions of actors – whether persons or corporate actors – within the structure‟
Putnam 1993	Community/ Region	Membership in voluntary organisations Voting participation Newspaper readership	„ Social capital refers to the features of social organisation, such as trust, norms, and networks, that can improve the efficiency of society by facilitating coordinated actions‟

Source: Adapted from Clarridge, (2004)

2.8.5 Criticisms of the Social Capital Theory

The social capital theory is not without criticism. For example, Jenkins (2002) laments the over-reliance on social capital and only sees it as a fundamentally heart-warming network of social connections; and Bourdieu uses it to explain the cold realities of social inequality. Here, social capital reflects the very worst side of the saying, „It‟s not what you know, it is rather *who* you know‟ (Woolcock and Nayaran 2000). His term points

towards a world where the best jobs go to the high-class men who went to the exceptional schools and had established good social links. Bourdieu could well be right as studies of social mobility continued to show that to varying degrees (Gauntlett 2007).

Jenkins (2002, p. 91) criticising Bourdieu, argues that he "tends to assign so much influence to the social context that his universe eventually rests unique on which things happen to people, rather than a world in which they can intervene in their individual and collective destinies". His version of social capital lands in this context, offering an explanation of the ways in which those at the top of social hierarchies can hold onto their position through a range of subtle techniques which cumulatively form an iron grip. This is unappealing to those who would like to have some optimism about the possibilities of social change, although that does not mean it is wrong.

Although Bourdieu‟s conception of the social capital theory is in sharp contrast with Coleman‟s, Gauntlett (2007) maintains that their approaches were different. Coleman, in his perspective, linked social capital with economics, but in an obviously different way from Bourdieu. He sought to combine the insights of sociology and economics theories, seeing social capital as a way of making sense of the overly rational and individualistic models of traditional economics. In particular, he used it to give a human and more collective social face to rational choice theory, which seemed to offer a grand predictive model of how things work. Coleman‟s approach leads to a broader view of social capital, where it is not seen only as stock held by powerful elites, but notes its value for all kinds

of communities, including the powerless and marginalised. He opens two broad intellectual streams in the description and explanation of social action (Coleman, 1988, p. 95). The first is the sociological approach, which sees the individual in a social and cultural environment, subject to norms, rules, and obligations. The second is the economic approach, which is about self-interested, independent individuals seeking to fulfil their goals. He says that the problem with the first one is that if the actor is a product of their environment, then they have no internal springs of action and any individual drive or purpose.

Perhaps, Robert Putnam is perceived as the most popular public face of the „social capital" theory. Putnam makes a distinction between two kinds of social capital: bonding capital and bridging capital. Putnam, (2001) in his book *'Bowling Alone'* argued that bonding occurs when one socialises with individuals who are of the same age, same race, same religion, so as to make serene social orders in a various multi-ethnic nations, one needs to have a second sort of social capital bridging. Bridging is your main event when you make companions with individuals who do not care for you, for example, supporters of another football group. Putnam (2001) contends that these two sorts of social capital, holding and bridging, fortify one another. Therefore, with the decline of the bonding capital, definitely comes the connecting's decrease capital prompting more prominent ethnic pressures.

Although Bourdieu (2011) and Putnam (2001) seem to disagree in a good number of respects, glaringly they can be seen to go ahead, and grow further, the thoughts of two

restricting sociological customs and apply these thoughts to current issues of common society. Putnam's work jams a large portion of the human science‟s thoughts of

reconciliation. His ideas of social capital and trust are coordinated to addresses about systems that reinforce the values‟ combination of society, and solidarity and harmony; and those that make agreement and maintain the steady advancement of society, that is, the moving balance. As has been built up, it is hard to manage clashes or restricting intrigues utilizing Putnam‟s methodology.

On the contrary, Bourdieu‟s (2002) fundamental theoretical interests are in the examination of social clashes or battles about the stakes in diverse types of force or brutality and types of control and hardship. Trust as in the Putnam‟s (2001) wisdom has no place in Bourdieu's theorisation. In those areas where the two approaches overlap, as in the cases of social exchange, recognition and trust, the visual angles adopted are almost oppositional. In this study the social capital of the retrenched employee is seen from Bourdieu‟s point of view where the affected person draws from the individual and group sources for a better coping and labour market reintegration. Bourdieu‟s (2002) perspective is adopted over Coleman and Putnam‟s view because his level of analysis is at the individual level and my work is also looking at the coping mechanisms of the affected employee at the individual level.

2.8.6 Social Capital and Coping with Retrenchment

Does the social capital theory have any relationship with coping with retrenchment? Leidner (2006) answers this in the affirmative and contends that coping with retrenchment

can be disastrous in isolationism. Retrenchees risk compounding and protracting their retrenchment difficulties when they try to solve their predicaments on their own. Consequently, exploring and relying on one‟s social networks, undoubtedly, becomes the viable option to pursue. He argues that retrenched employees can build capacities to influence self-development, social ties, status and consciousness. He also contends that the realization of the social problems associated with retrenchment should itself provoke the ability to cope.

Social ties can alleviate the psychological as well as financial problems the loss of jobs normally brings. Belonging to a caring social group or family is one tested way to remedy the problems of retrenchment. Social capital, then, in any context, relies on people looking beyond themselves and engaging in supportive or helpful actions, not because they expect a reward or immediate reciprocal help, but because they believe it is a good thing to do (Leidner, 2006).

Corduff‟s (2009) placement of relevance on the capacity of social networks to alleviate the problems of retrenchment has been endorsed by Baker (2000). He thinks that social capital alludes to the numerous assets accessible to us in and through our own and business systems. These assets incorporate data, thoughts, business opportunities, money related capital, influence, passionate bolster, goodwill, trust, and collaboration. According to him, social networks are not only relevant for those affected by retrenchment to help them cope. Without well-built and well managed networks, these resources elaborated above remain hidden. He, on that basis, condemned isolationism and individualism. Baker (2000) asserts that several resources also remain hidden, if we want to be independent, imagining that

we are experts of our own destinies, or that connections truly don't make a difference. Indeed, even natural talents, knowledge, instruction, exertion, and fortunes are not individual properties by any stretch of the imagination; they are created, formed, and communicated by and through associations with others.

Baker (2000) wrote quite insightfully that in coping with retrenchment, social capital can lead to the acquisition of capital to begin a business after retrenchment. Social capital does not stop with the individual benefits; it is basic to the procurement of investment. Buttressing the significance of social capital to victims of retrenchment, he referred to a study led in the United States of America (USA) and uncovered that Small Business Administration in the USA supported a series of surveys to examine how start-ups and new businesses get venture capital. The discoveries are startling: seventy-five per cent of new companies and new organizations discover and secure financing through informal communities of capital seekers and speculators.

Capital seekers and suppliers discover each other by means of companions, partners, colleagues, and all around joined business partners, for example, lawyers, protection specialists, and bookkeepers. This “casual capital business sector” is evaluated to be large to the point that the measure of capital it gives is much more prominent than the financing supplied by means of the expert funding business sector. This is an opportunity that can be fully exploited by retrenched employee in coping with the financial troubles associated with retrenchment. He argues that retrenched employees with strong social networks hardly suffer the twinge of retrenchment.

Baker (2002) is of the opinion that relationships also play a critical role in financing for financially-troubled retrenched employees. People who develop personal relationships with their bankers get financing with ease with few or no troubles at all compared with people who maintain arms-length relationships. He asserts that one might even be more surprised to learn that social networks play a major role in decisions to purchase the stock of giant companies, too. The effects of retrenchment are known to inflame psychosocial problems, like reduced self-esteem, general irritability, unhappiness, stomach ulcers, the tendency to commit crimes, high blood pressure, heart disease, financial emaciation and depression (Modise 2002, Gribble and Miller, 2009 and Baguma and Matagi, 2002). Certainly, these problems can be mitigated by building and maintaining strong social networks. Baker (2000) argues that social capital can enhance the quality of life after retrenchment.

Baker (2000) narrates that he finds that two variables matter more than whatever else that is significant to work and the nature of associations with others. New social theories of brain research contend that an essential inspiration in life is interest: development and advancement regarding others. Creating interpersonal organizations prompts bliss, development, fulfilment, and a significant life even after conservation. Baker (2000), proposes that the health-enhancing effect of associations have been recognized in a multitude of studies, ranging from reduced risk of serious illnesses to freedom from the common cold. Among people who become ill, those with solid support networks recover faster, equated with others who are remote or alone.

2.8.7 Social Capital and Labour Market Integration

Getting a job is one of the best-known uses of networks. For instance, individuals in highly placed occupations, or those positioned on the organisational boundary, often engage professionally with other high-status individuals can be a good resource. These actors access resources of information, status, and influence by virtue of their positions in a stratified occupational hierarchy (Lin, 2001 in Benton 2013). These interpersonal networks then act as channels that organise patterns of patronage and opportunity hoarding (McDonald and Day, 2010; Tilly, 1998 in Benton 2013). This specifies one set of mechanisms through which individuals may access scarce resources and hoard opportunities: highly positioned actors have greater access to high-status alters. In turn, these arrangements allow privileged groups to hoard opportunities to enhance productivity in work organisations. Hierarchically embedded ties act as firm embedded mechanisms that help to reproduce economic inequality (Benton, 2013).

Stone, Gray & Hughes, (2003) working on social capital, analysed how family, friends and civic ties relate to labour market outcomes. They prefixed their arguments on the categorisations of social capital. The first type of social network which is classified as informal ties includes relationships with members of household, family and family inlaws, friends, neighbours, and workmates. The second type is generalised relationships, which are community based, and societal relationships people have with others they do not know personally, including local people, people in general, and people in civic groups. The third type of social network is institutional relationships, which are the ties individuals have with institutions including the legal system, the police, the media, labour unions, governments, political parties, universities, and the corporate world. On reemployment

and social capital, Stone et al., (2003) believe that there is evidence that informal channels as well as formal job search mechanisms are important in the process of job matching. They cite Holzer (1988) as examining the effect that different job search method choices have on the probability of receiving a job offer. He shows that the two most commonly used methods, „friends and relatives‟ and direct approaches to employers are also the most effective in terms of generating job offers. Job offers generated through „friends and relatives‟ also have a much higher acceptance rate than those generated by other search methods. They bring into prominence the inalienable function of social capital in reemployment.

Ioannides and Loury (2004) advance an argument for social capital and reemployment in a fashion not different from that of Stone et al., (2003). They make an analysis to the effect that the vast majority, (about 25 to 80 percent of people) do not find jobs through advertisements, head hunters, electronic bulletin boards or other formal methods. According to them, social network has come to be one sure way to securing reemployment after retrenchment. Even though they admit that other factors are potent, social capital as insurance to reemployment is supreme.

Piracha, Tani & Vaira-Lucero (2013) digressed from the earlier arguments to conclude that even though social capital is necessary in reemployment, it is only so in white collar jobs. They distinguish between white and blue collar jobs and hold the view that the only instance where social capital is necessary is the search for white collar jobs.

2.9 The Human Capital Theory

Human capital is the knowledge and skills that individuals obtain through education and training in a type of capital, and this capital is a result of astute venture that yields returns (Schultz 1961). Human capital is essential, in light of the fact that it is a wellspring of development and key restoration (Bontis and Fitz-enz, 2002). Wright, McMahan & McWilliams, 1994 p.703), working from an asset based point of view, contend that in specific circumstances, sustained competitive advantage can lead to „a pool of human capital‟. Beach (2009) suggests that the potential of human capital is closely linked to core competences and competitiveness of organisations, hence, organisations give credence to job seekers with high levels of human capital. It is therefore pertinent for the literature on the human capital theory to be reviewed as the stock in the human being that can aid the individual in a job loss.

The Human Capital Theory brings to the fore the stock of knowledge or the characteristics a worker has, either innate or acquired that contribute to his or her productivity (Shepherd and Dimov 2005). Dae-Bong (2009), on his part, wrote that the concept of human capital can be variously categorised by each perspective of academic fields. The first viewpoint is based on the individual aspects. He cites Schultz (1961; p.
8) as recognising human capital as „something akin to property‟ against the concept of labour force in the classical perspective, and conceptualises „the productive capacity of human beings vastly larger than all other forms of wealth taken together‟. Beach (2009), shares wholly in this position and has accepted the thought of seeing the human‟s limit being as the knowledge and skills installed in a person. Like his idea, a couple of analysts

demonstrate that human capital can be firmly connected to knowledge, aptitudes, education, and skills (Garravan, Morley, Gunnigle & Collins, 2001; Youndt, Subramanian & Snell, 2004). Rastogi (2002), in his contribution embraced Beach‟s (2009) proposition and conceptualizes human capital as knowledge, competency, disposition and conduct embedded in a person.

The second viewpoint on the human capital theory proposed by Dae-Bong (2009) stresses knowledge and skills obtained throughout educational activities such as compulsory education, postsecondary education, and vocational education. Even though this proposition appears straightforward, Alan, Altman & Roussel, 2008), in their study *'Employee Training Needs and Perceived Value of Training in the Pearl River Delta of China:* A Human Capital Development Approach‟ critiqued it, arguing that despite the extension of that concept, this perspective neglects the fact that human beings would acquire knowledge and skills throughout their own experience and not strictly by passing through formal institutions of learning.

The third is closely linked to the production-oriented perspective of human capital. Here, human capital is referred to as a fundamental source of economic productivity. Dae-Bong (2009) cites how Rosen (1999) sees human capital as „an investment that people make in themselves to increase their productivity‟. In corroborating Rosen‟s (1999) supposition, Frank and Bennanke (2007) write that human capital is an amalgam of factors such as education, experience, training, intelligence, energy, work habits, trustworthiness, and initiative that affect the value of a worker‟s marginal product. Considering the

production-oriented perspective, the human capital is the stock of skills and knowledge embodied in the individual‟s ability to perform labour so as to produce economic value. Furthermore, some researchers explain that human capital is the knowledge, skills, competencies and attributes an individual has that facilitate the establishment of personal, social and economic well-being (Rodriguez and Loomis, 2007). In this study the human capital is seen as the stock of skills and knowledge and experience embodied in the retrenched staff that have been acquired through education or training to enable him or her get reemployed after retrenchment.

2.9.1 Human Capital and Coping with Retrenchment

Do the skills, personal experiences and competences of an individual help him or her in coping with retrenchment? Sidorkin (2007) offers the most succinct of responses to this question. He believes that human capital has the possibility of broadening the human perspective and world view into the acceptance of unexpected situations. It also has the prospect of increasing individual incomes, resulting from the individual‟s productivity.

He is of the opinion that because of the increment of an individual‟s productivity on human capital, for the purpose of maximising organisational profits, most employers prefer to hire productive individuals. This feeling resulting from human capital is enough to have a consolation effect on the retrenched.

Furthermore, it is substantial that individual mobility increases owing to the improvement of productivity in the internal labour market. By the increase of productivity in the

workplace, the high-productive individual is recognised as the worker with much possibility to move to higher level in the internal market (Sidorkin, 2007).

When such an employee is retrenched, the likelihood of him or her being able to cope perfectly is higher than a colleague who lacks intelligence or is less productive. Bramley (2010) in Sidorkin (2007) does not differ in his opinion on human capital and coping with retrenchment. He argues that the development of a strong human capital through training and experience can aid retrenched employees in withstanding all the problems associated with the loss of job. According to him, with retrenchment, people develop fear, uncertainty and apprehension. Several questions like; „What will my friends think?" „Am I a failure?"" „What will happen to my children?" „What will happen to my relationship?" „Will my partner still love me?" come to mind and torment retrenchees. With a strong human capital, affected employees are able to clearly understand their situation and look for the opportunity to remedy it immediately. Masters of human capital will allow themselves to grieve, and through it all, be kind to themselves, and remind themselves of what they have achieved and take action to investigate new opportunities.

Again, proposing ways in coping with retrenchment using the human capital approach, Bramley (2010) recommends that it is essential for retrenchees to define clearly what they do well and what they can offer prospective employers. He counselled that they should immediately, after retrenchment start off by asking questions in relation to their skills and abilities, for example, „what am I good at?" „What skills come naturally to me?" „What do I enjoy doing that others need?" „Which of my skills are well developed and can be part of my offering?" among others. Once there are answers, proceed to ask questions around your interests and passions. „What are my interests?" „What kind of work content

gives me energy?" „What are my hobbies?" „What do I know a lot about?" „In what industry will I make my best contribution?" These questions will help point you towards the fields you want to work in. According to Bramley (2010), these questions are all intended to excavate the human capital of the retrenchee. Once these are fully established, the employee would have been half way through the solution to the retrenchment problem as the retrenched gets to know the kind of knowledge, skills and capabilities he or she has, which aids in knowing where to look in terms of reemployment.

2.9.2 Human Capital and Labour Market Reintegration

Do the knowledge, skills and capabilities of the retrenched have anything to do with reemployment? Grubb and Marvin (2004), answering that question contend that in the perspective of the individual in the external market, a retrenched individual"s human capital affects his or her job-seeking and employable opportunities. On the internalised human capital, an individual easily holds the possibility to access job-related information with high level of human capital, and thereafter he or she can easily obtain the occupational chances, compared to otherwise.

With respect to organisations, Beach (2009) proposes that the capability of human capital is firmly connected to abilities and aggressiveness of the organisation. He indicates that individual human capital can affect organisational human capital, such as collective competences, organisational routines, company culture and relational capital as well. Consequently, organisations give credence to job seekers with high level of human capital. Retrenched employee with high level of human capital therefore has an enhanced capacity

to secure reemployment easily. Beach (2009) contends that the social perspectives of human capital are the synthesis of individual and organisational perspectives. He depicts the possibility of human capital not only as a mechanism for cushioning those affected by retrenchment but also as capable of increasing their chances of securing reemployment smoothly. As indicated by Beach (2009), human capital can build social cognizance of constituents inside of a group. Consequently, the connection between human capital and social capital depends on the relationship bringing about social and individual advancement.

Sidorkin (2007) shares the same sentiments as Beach (2009) to the extent that he also promotes the ease with which a former employee with a strong human capital can secure reemployment. He believes that higher human capital produces self-confidence and selfassurance which are indispensable ingredients for securing employment. According to him, sound education, rich corporate experience and self-confidence are the primary benchmarks for reemployment. Consequently, a retrenchee who possesses these human capital qualities has increased potential of being reemployed.

2.9.3 The Relationship between the Social and Human Capital Theories

The Social Capital Theory and the Human Capital Theory are the theories used in this study. These theories are applied as complementary to each other to aid the retrenched employee in coping and getting reintegrated into the labour market. Coping strategies embody the approaches taken by an individual to manage job loss. When an individual copes well and gets reintegrated into the labour market with help from family, friends and the church; such an individual has adopted social capital for coping. In much the same

way when an individual copes and gets reintegrated into the labour market based on the knowledge, skills, capabilities, experience, education and the like, such an individual has adopted a human capital coping mechanism.

There is a significant relationship between the Social Capital and Human Capital hypotheses. Similarly Schuller (2000) notes that individuals and their human capital do not exist in isolation rather, the value of their capacities and aptitudes of individuals rely on the social and institutional connection inside which they are implanted. Kaasa and Parts (2008), however noticed that the refinement relationship between social capital and human capital is obscuring and exhibiting both to be encapsulated in individuals is not right. To the authors, the basic difference between human capital and social capital is that education and wellbeing can be typified in one individual and can be, accordingly, gained separately despite what other individuals do, while social capital comprising of systems, interpersonal trust and basic standards must be obtained by a gathering of individuals and requires a type of participation among them. Saraceno, (2002), recommends that an individual level, human and social capital can be seen as restricting one another and has been contended that, human capital which depends on individual accomplishment and rivalry is a key to social achievement, while social capital has just constrained significance for the welfare of minorities (debilitated or vagrants) who are, pretty much, disengaged from the more extensive society.

In contrast, however, Schuller (2000) is of the conviction that the two are closely related and actually complement each other. He argues that a person‟s accomplishments would be advanced, if he or she competed and cooperated with others through different networks

and common value systems. Again although human capital may include both social and technical skills, the amount of economic returns on these skills hinge on the social context within which those human skills are built, deployed and rewarded. In this respect, human and social capital should be considered as complements that reinforce each other‟s effect on economic welfare.

Another interesting dimension copiously explored by scholars is the effects of human capital on social capital and vice versa. Kaasa and Parts (2008), suggest that later studies have demonstrated how interpersonal organizations give the entrance to valuable work market data and along these lines help to discover better and lucrative employments (Loury, 1977; Bourdieu, 1980; Coleman, 1988; Burt, 1992). In that capacity, social capital empowers human cash-flow to understand its potential in the short-run, even without expanding its genuine stock.

2.9.4 Human Capital and Social Capital as Complementary Theories

The human capital literature concentrates on the attributes of the individual, such as education and experience which represent an asset at both individual and organisational level. Higher compensation is linked to further human capital as „Investing in human capital yields higher rates on return‟ (Becker, 1996, p. 24). According to Bourdieu (1983 p.249) social capital is 'the total of genuine or potential assets that are connected to an ownership of a tough system of pretty much standardized connections of common colleague and acknowledgment . . . an “accreditation” which qualifies them for credit, in the different faculties of the word‟.

Social capital is not a characteristic of persons, neither is it an asset. However, the level of social capital individuals can access is an outcome of their positions in social networks. Due to its relationship nature, social capital is an important resource for individuals and organisations, as it complements other resources that individuals and organisations control. The diverse form of human capital and social capital may interact to produce joint effects on productivity. Some people may have less human capital but more social capital, or vice versa. When individuals utilize their contacts to help tackle complex issues, social capital has added to efficiency contributed to productivity only if the dialogue associates are able to understand each other and together create new solutions. On the other hand, when people convey to tackle complex issues, we expect a cooperation impact in the middle of human and social capital so that much (low) human capital together with much (less) social capital builds (diminishes) profitability (Greve, Bennasi and Dag Sti 2010). This will depend how much of each theory is demanded for the said problem.

Human capital, which is picked up from formal education, is viewed as a wellspring of bland capacities, insight and aptitudes which produces a more extensive individual information base through subjective thinking, intellectual handling and critical thinking abilities (Bierly, Damanpour & Santoro, 2009).

Human Capital mirrors a motivational requirement for achievement (Hatch and Dyer, 2004), and prompts an augmentation in responsibility and exertion dedicated to further information seeking, obtaining and understanding (De Clercq, Sapienza & Crijns, 2005). Social capital, then again, alludes to the capacity of performing artists, both people and

associations to benefit from their social structures, systems and group based connections (Lin, Ensel & Vaughn, 1981; Portes, 1998). It is said that individuals with more elevated amounts of formal education are relied upon to be more open to new thoughts and change (Boeker, 1997). Consequently, to be interested in new thoughts requests an interest in social capital which gives further learning collection and impact perception which regulates securing absorption as well as abuse systems for more powerful and proficient future data handling (Bierly et al., 2009).

Bridging social capital or loose network associations with other specialists (weak ties) functions as an interface for the exchange of unavailable information and scarce resources. Holding social capital or relations with family and dear companions (strong ties) is established in interpersonal trust, and can furnish a person with lasting access to a restricted measure of particular assets for example exhortation or help (Davidsson and Honig, 2003; Granovetter, 1983). The exploration of the social capital theory by Granovetter 1983 shows that tie quality influences the advantages that can be gotten from a particular relationship. Zahra and George (2002), mostly advocate the significance of strong ties or holding social capital. On the other hand, Todorova and Durisin (2007) highlight the noteworthiness of weak ties or crossing over social capital, particularly, as for getting to novel data. Closeness, long length of time, continuous cooperation and more obvious or summed up trust are qualities of holding social capital (or strong ties) (Smith, Holton & Mitchell, 2011), while capacities, insight and aptitudes are attributes of human capital. Maybe, a suitable conclusion would be to expect that holding social capital enhances the information and collaboration, which expands a retrenched staff information base and can foster a better coping and reemployment.

In this study the human capital theory concept from Becker (1964) and the social capital theory concept from Bourdieu (2011) are considered as complementing each other to aid the retrenched employee to cope better with retrenchment and get reintegrated into the labour market. This is because the social capital theory alone cannot help the retrenched staff to be reemployed. Certainly an amount of human capital is required for labour market reintegration for the retrenched staff. Even though there could be a strong argument for these theories to stand alone to aid coping and reemployment, a combination of the two will speed up coping and reemployment better in a developing country like Ghana. Again each theory relates to different levels of coping. For example the human capital relates more to the individual level of coping whereas the social capital extends coping from the individual level to that of family and society level coping. Since all these levels are needed for better coping and reintegration, there is the need for both theories to be used for this study. The next section explains the conceptual framework for the study.

2.9.4 Summaries on reviews on the literature

This chapter has offered a critical review of the academic debates surrounding the process of retrenchment and coping mechanisms of retrenched employees through the lenses of social capital and human capital theories as the overarching theories applied in the study. The social capital theory consists of ties in the network which can be drawn upon by the retrenchee to cope with retrenchment and get reintegrated into the labour market. The human capital theory consists of the knowledge, skills, capabilities, education and training which can also be drawn upon by the retrenched employee to cope with retrenchment and get reintegrated into the labour market through reemployment and self-employment. In

the discussion the literature, the decision to retrench, the retrenchment effects and the management of the retrenchment process are fundamentally important to the coping mechanisms of retrenched staff as well as the labour-market reintegration. When the retrenchment process is done in the right perspective (according to the laws governing redundancy), it will go a long way to minimise the retrenchment effects and positively influence the coping and labour market reintegration of the retrenched staff. Much in the same way due to the environment within which the study is conducted, the social and human capital theories are needed to aid the retrenched to cope and be reintegrated into the labour market as these forms the focus of these theories. Again the discussion of the literature shows that when an employee is retrenched, and becomes affected economically, socially and emotionally or has no hope of getting a formal employment, becoming self-employed is an opportunity or a necessity for the affected. Moreover the literature shows that even though there is an opportunity for being young and reemployment, the reemployment of the young person depended on being highly skilled as an opportunity for reemployment.

The literature reviewed on retrenchment and coping mechanisms has been summarized in Table 2.1. Below which is divided into three columns. The first column identifies the main headings discussed in the literature and the main researchers into these areas. The second column identifies the features discussed by these researchers whereas the last column identifies the conclusions of the researchers in their area of study.

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Table 2.2: Summary from the Main Authors.

Authors	Main Features	Key Outcome
Retrenchment Process		
Cameron (1994)	Contemplation on retrenchment	Backed by laws within the countries of implementation.
Baguma and Matagi (2002)	Criteria for selection	Dependent on organisational criteria and process
Maphosa (2009)	Communicating retrenchment news	
	Severance Package	Negotiated by the Union and employee representative

Retrenchment Effects Blau (2006) Weller (2007) Gribble and Miller (2009)	 Emotional Social Economic	 Expression of Anger, disappointment and denial Loss of self esteem Reduction in finances
Coping with retrenchment Folkman and Lazarus (1980) Endler and Parker (1990) Koen et al (2010)	Problem-focused coping Emotion-focused coping Task-oriented, Emotion oriented and Avoidance oriented Seeing retrenchment as a problem to be solved	Saving up for the future. Looking for a job. Seeking for encouragement and comfort Searching for a new job
Labour Market Reintegration Weller and Webber (1999) McGowan (2013) Rotich & Mutchiri (2012) De Witt et al., (2005) Arulampalam, 2001	Reemployment Self-employment Unemployment	Tied to human capital and employers recruitment preference Retrenchment as a necessity or an opportunity for self- employment Unemployment rises due to redundancies

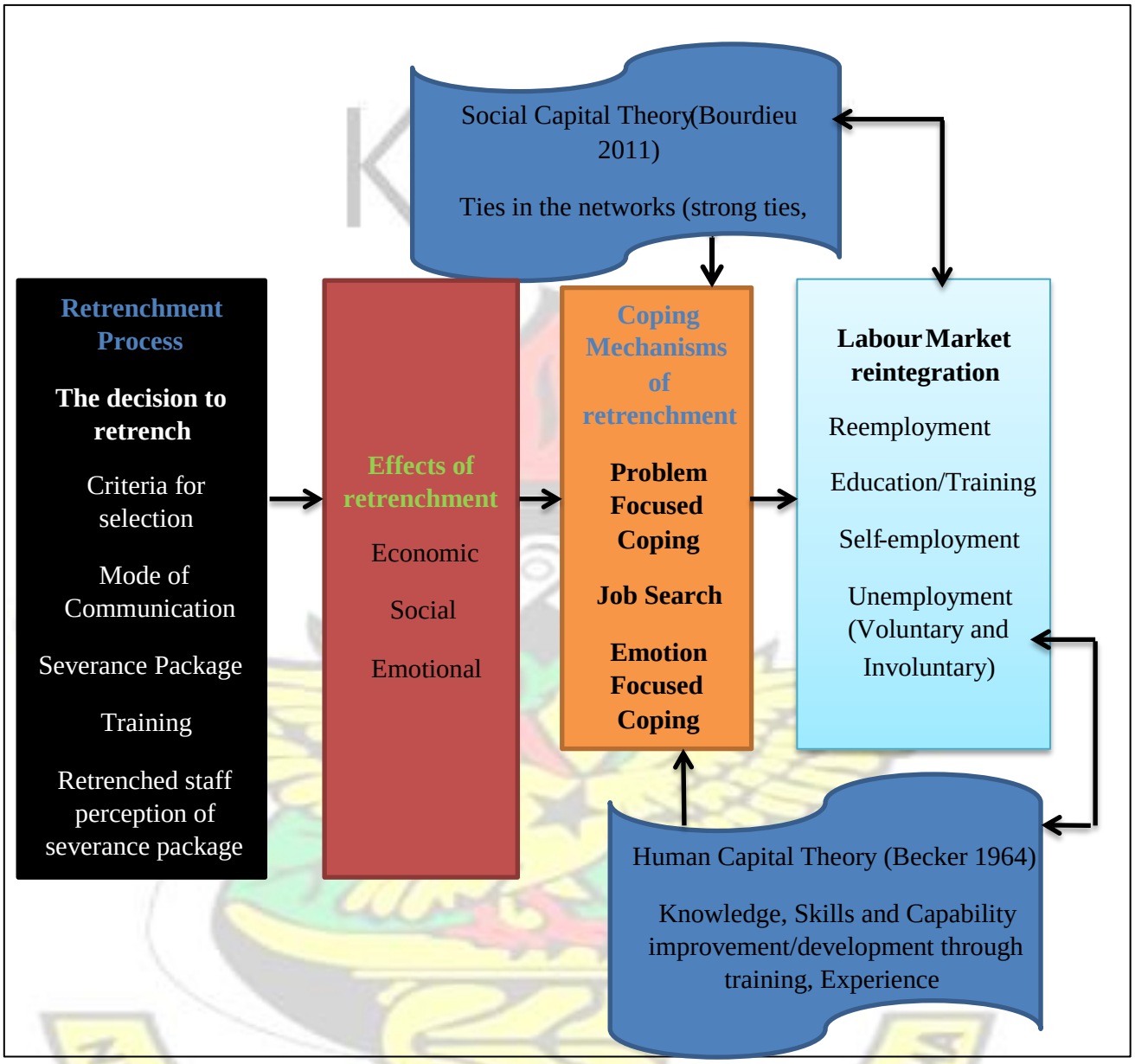
Source: Researcher's Construct, 2014

The next section depicts the conceptual framework of the study.

2.10 Conceptual framework

The concepts of the study that begin from the retrenchment process, to the effects and to the coping mechanisms of the affected have been presented in figure 2.2

Figure 2. 2: Conceptual Framework of the Study.



Source: Researcher's Construct, (2013-2015)

2.10.1 Conceptual Framework Explained

This study is guided by the Social Capital Theory (Bourdieu, 2001) and the Human Capital Theory (Becker, 1964). These theories are adapted to explain the coping mechanisms of the retrenched employee. In this study, it is conceptualised that the retrenchment process

will influence the retrenchment effects on the individual. In much the same way, the retrenchment coping mechanisms are influenced by the effects of the retrenchment on the retrenched employee. This process is incomplete without the mediating variables of social capital and human capital theories.

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The ties in the networks available for the individual will enhance the coping mechanisms as well as the labour market reintegration of the individual. However, social capital alone cannot enhance the opportunities for the individual to be reintegrated into the labour market. This is because although an individual may have strong ties in the network to aid employment the individual must have the kind of skills and capabilities needed to do the kind of job available. Hence, the human capital theory, which relates to the capital the retrenched employee may have in terms of education, skill training, etc., is used as a mediating variable between social capital and labour market reintegration to enhance the opportunities of the retrenched employee in getting reemployed or selfemployed.

The retrenchment process is studied from the decision to retrench, the criteria for selection, mode of communication, the training involved and the severance package involved. It is conceptualised that the process will influence the retrenchment effects. In other words, when the wrong person is selected for retrenchment, it will tell the kind of effect it will have on that person. The effects of retrenchment are seen from emotional, social and economic points of view. From the social point of view the environment within which the phenomenon is being studied plays an important role. In the African setting, the society continues to remain an important source of moral support and encouragement in times of need. The essence of community living to the African is at a level of interaction that

bridges the gap between the private, personal family and the great impersonal public sphere (Carter and McGoldrick 2005). Hence, both the family and the society could provide valuable support to the individual who faces a job loss due to retrenchment or other means, differently, which could minimise the effects on such an individual. It is explained that how the immediate family works together to support or encumber a member who suffers a job loss could strengthen or weaken the family bond. Where the family fails or is unable to provide the required support for an afflicted member such as one who losses a job through retrenchment, that family member will turn to the community for the required support.

The economic effect is also seen from the financial effects of retrenchment on the affected individual. Here, the main focus is on how individuals maximise their income consumption towards maximising satisfaction after retrenchment. Ferrie, Marmot, Griffiths and Ziglio (1999) explain that an individual‟s consumption is directly related to his income such that when his income falls, consumption falls too. The income of a person is very essential to their economic life. Arguably, the most important determinant of an individual‟s economic life is income, be it at the current income or the expected income in life. It is generally known that the main source of income is employment hence the state and condition of one‟s employment remains crucial to one‟s economic life.

Coping is seen from the problem-focused and emotion-focused points of view. Under the problem-focused coping, the retrenched employees make efforts to look for a job, and find a means of solving financial commitment problems. These are more economic ways to cope with retrenchment. On the other hand, when retrenched employees adopts the

emotion focused coping, they try to cope by talking to someone, seeking for encouragement which is more related to coping socially, as the individual tries to use the relationship he or she has, by talking to someone to cope socially (Catalano and Dooley, 1988; Dowling et al., 1987).

The labour-market reintegration of the retrenched staff is seen from the retrenched employee being reemployed in the same or another industry or start up something that may lead to self-employment. However, it may happen that no matter how hard these retrenched staff may try, they may not have gotten into any form of employment within the shortest possible time and this may result in unemployment.

CHAPTER THREE
RESEARCH METHODS

3.1 Introduction

The previous chapter dealt with the literature review and the conceptual framework of the study. This chapter discusses the methods used for this study. The chapter also expatiates on the philosophical assumptions, research paradigms and methodological approach to

this research which includes the case study approach and the case selection of the research. It also explains the justification for the adopted research methodology and further portrays the qualitative methods used for data gathering as well as the methods used for data analysis. Finally, it presents the criteria for assessment of relevance and usefulness of the research in terms of validity and reliability.

3.2 Research Philosophical Assumptions

Philosophical assumptions are concerned with questions on a particular view of the relationship between the development of knowledge and the nature of that knowledge (Saunders, Lewis and Thornhil, 2007). These philosophical assumptions that characterise and define any given world views are embedded in a position towards the nature of the reality (ontology), how the researcher knows what he or she knows (epistemology), the role of values in the research (axiology), the language of the research (rhetoric) and the methods used in the research process (methodology) (Creswell 2007). The next sub-sections discuss ontology and epistemology which underpins the philosophical assumptions of the current study.

3.2.1 Ontology

Ontology is related to the assumptions underlying the nature of reality and inquires whether different things actually exist in a real sense, or the nature of existence goes beyond the perception of social actors (Holden and Lynch, 2004; Bryman and Bell, 2007; Saunders et al, 2007). This means that ontology inquires whether different things actually

exist in a real sense and the nature of existence goes beyond the perception of social actors (Holden and Lynch, 2004; Bryman and Bell, 2007; Saunders, Lewis & Thornhill, 2007). The term is crucial to methodology because the relevance of a particular set of methods for a given problem turns on assumptions about the nature of the causal relations they are meant to discover (Hall, 2003).

3.2.2 Epistemology

Epistemology is a term that describes the nature of knowledge and the means of knowing "how we know what we know" or what we conceive as truth. The term is seen as the theories of knowledge that explain the information building process that is actively or consciously adopted by the researcher (Carter and Little, 2007; Pascale, 2010). These suppositions direct our choices about topics, research questions, theories, methods, analysis, and conclusions and help us evaluate the knowledge contributions of published work (Carter and Little, 2007; Hesse-Biber and Leavy, 2011; Pascale, 2010). Researchers demonstrate their epistemological engagement with the work through explicit discussion of their research paradigm or inquiry tradition, which is fundamental for rigorous qualitative research (Anastas, 2004; Marshall and Rossman, 2006).

3.3 Research Paradigms

Kuada (2012) explained that a research paradigm is characterised by a set of common understanding of what kind of phenomenon is being studied, the kind of questions that are useful to ask by that phenomenon, how researchers should structure their approach to answering their research questions, and how the results should be interpreted. In this study,

the logical positivism approach has been adopted. This approach has been used because grounded in logical positivism; the approach creates a meaningful and truthful knowledge based on the aim of the phenomenon being studied.

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The aim of the current study is to examine the retrenchment process and the coping mechanisms of the retrenched staff. The experiences of these retrenched staff will not be known unless it is verified from both the employer and the retrenched employee. By this, an objective way of describing the phenomenon and the explanation of the coping mechanisms is brought to bear when the coping mechanisms are verified, to contribute to the literature on retrenchment. Again, the researcher cannot make inferences on the coping mechanisms of these retrenched staff when there are no facts to back these inferences. Furthermore, with the logical positivist approach, the researcher is assumed to be independent of the objects being observed in the world and capable of studying the objects without influencing, or being influenced by them. When influence in either direction (threats to validity) is recognised or suspected, various strategies are followed to reduce or eliminate it.

With this in mind the stories of the retrenched staff no matter how sensitive or emotional they are, should not influence the researcher in the course of the research since that could lead to the researcher being biased. In the next section logical positivism which is the adopted research paradigm for this study is presented.

3.3.1 Logical Positivist Approach

Logical Positivism emerged from the Vienna Circle and the Berlin School (Bechara and Van de Ven, 2007). The theory places emphasis on epistemology by believing in the verification principle and adopting the verifiability theory of meaning, which states that understanding the meaning of a proposition consists of understanding the circumstances in which it could be true or false. According to the verification principle, "no statement is meaningful unless it is capable of being verified" (Moore, 1985, p. 54).

Logical positivism relates to ontology and epistemology. Ontologically, the logical positivist is objective and believes that there is no meaning to ontology as it relates to reality and the study of reality depends on the language being used (Van de Ven, 2007). This means that reality exists as an empirical world that is independent of the individual"s cognition. Therefore the retrenchment activities in Adot Bank Limited are investigated to reveal a reality that exists.

Epistemologically, logical positivism is also objective. This means that there is a stress on the correspondence between statements and reality through inductive verification and deductive falsification (Bechara and Van de Ven 2007). The epistemological and ontological considerations underpinning a research influence the orientation of the research design.

3.4 Research Design

A research design guides researchers in the process of collecting, analysing and interpreting the data. According to Creswell (2007), the term refers to the entire process of research from conceptualising a problem to writing the research questions and on to data collection, analysis, interpretation and report writing. The decision to select any particular design depends on the process relating to the research problem, through the research strategies and then, to the research methods (Remenyi, Williams, Money & Swartz, 1998; Creswell, 2009). This study adopted the qualitative research design which is explained in the next section.

3.4.1 Qualitative Research Design

In line with the logical positivist approach which opens up to the adoption of a qualitative research, a qualitative method was adopted for this study. The emphasis of qualitative research is on process and meanings. Techniques used in qualitative studies include in-depth and focus-group interviews and participant observation among others (Nolen and Talbert 2011). The adoption of the qualitative approach allows the researcher to get in-depth knowledge into regular or problematic encounters and the implications connected to these encounters of some selected people which are subjective explorations.

Denzin and Lincoln (2007) distinguished six exploration methodologies under subjective studies. These incorporate ethnography, grounded hypothesis, contextual investigation, life and account approaches, participatory examination and clinical exploration. These types of qualitative research had some attributes in common that result in their falling

under the concept of qualitative. However, they each have a somewhat different focus resulting in different variations in how the research question might be asked, in sample selection, data collection and analysis and write up.

For example, firstly, if the unit of analysis is a bounded system case, one would label such a study as a qualitative case study. Secondly, if a study seeks to understand the essence and the underlying structure of the phenomenon under study, it is labelled phenomenology. Thirdly, if a study seeks to understand the interaction of individuals, not just with others but also with the culture of the society in which they live, it is labelled ethnography. Fourthly, if a study seeks to comprehend as well as to fabricate a substantive hypothesis about the phenomenon of interest, it is labelled as a grounded theory; Fifthly if a study uses the stories people tell, and analyses them in various ways to understand the meaning of experiences as revealed in the story, it is labelled as narrative analysis; finally, if a story focuses on societal critique in order to raise consciousness and empower people to bring about a change, it is labelled as a critical qualitative research.

3.4.1.1 Case study research

The researcher through the case study approach explores in-depth a program, an event, an activity, a process, of one or more individuals. The case(s) are bounded by time and activity, and researchers collect detailed information using a variety of data collection procedures over a sustained period of time (Stake, 1995).

3.4.1.2 Phenomenological research

The researcher also uses the phenomenological approach to identify the "essence" of human experiences concerning a phenomenon, as described by participants in a study. Understanding the "lived experiences" marks phenomenology as a philosophy as well as a method, and the procedure involves studying a small number of subjects through extensive and prolonged engagement to develop patterns and relationships of meaning (Moustakas, 1994). In this process, the researcher "brackets" his or her own experiences in order to understand those of the participants in the study (Nieswiadomy, 1993).

3.4.1.3 Ethnography research

When a researcher uses the ethnography approach then the researcher studies an intact cultural group in a natural setting over a prolonged period of time by collecting, primarily, observational data. The research process is flexible and typically evolves contextually in response to the lived realities encountered in the field setting or group (Creswell, 2007).

3.4.1.4 Grounded theory research

The researcher in a grounded theory approach attempts to derive a general, abstract theory of a process. Action or interaction grounded in the views of participants in a study. This process involves using multiple stages of data collection and the refinement and interrelationship of categories of information (Strauss & Corbin, 1990, 1998). Two primary characteristics of this design are the constant comparison of data with emerging

categories and theoretical sampling of different groups to maximize the similarities and the differences of information.

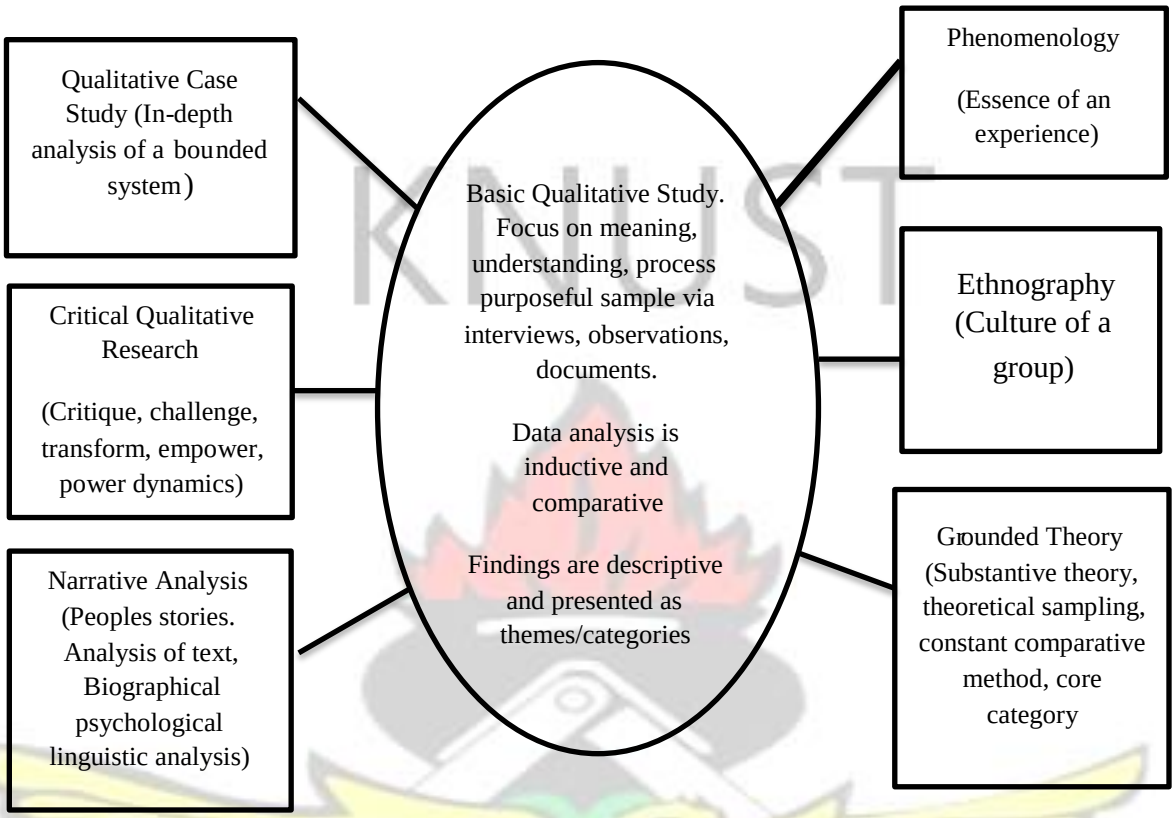
3.4.1.5 Narrative Analysis Research

The researcher applies narrative approach studies in seeking data about the lives of individual respondents. This involves asking one or more individuals to provide stories about their lives. This information is then retold or restoried by the researcher into a narrative chronology. In the end, the narrative combines views from the participant's life with those of the researcher's life in a collaborative narrative (Clandinin, 2000).

3.4.1.6 Critical Qualitative Research

In critical research the goal is to critique and challenge to transform and empower. Patton (2002) observes that what makes a critical research is that it seeks not to just study and understand society but rather to critique and change society. Critical research focuses less on individuals than on context and has become a broad term that covers a number of orientations to research, all of which seek not to just understand what is going on but also to critique the way things are in the hopes of bringing about a more just society. Critical research can be combined with other qualitative methodology (Merriam 2009). The types of qualitative research as described by Merriam (2009) is depicted in figure 3.1 below.

Figure 3.1 Types of qualitative research



Source: Merriam 2009

3.4.1.7 Qualitative approach adopted

This study adopted the case study type of qualitative research to ascertain the effects of retrenchment process on the coping mechanisms of the retrenched employees. This approach was adopted for the study because qualitative researchers are interested in understanding the meanings people have constructed, that is, how people make sense of their world and the experiences they have in the world (Merriam, 2009; della Porta, 2008) and how people manage certain situations (e.g. how people negotiate family life or relations with work colleagues) (Willig, 2001). Again, qualitative researchers tend to be interested in the meanings attributed to events by the research participants themselves

(Willig, 2001). Finally with qualitative research, it is difficult to manipulate the variables, which means that a natural development of the phenomenon being studied is provided. This is confirmed by Henning, Van Rensburg & Smith (2004), who argues that the qualitative methodology permits a natural development of the study to unfold without the researcher manipulating any form of variables. Thus it is very suitable for any discipline within the social sciences as well as management sciences involving human interactions. The case study design is explained in the sub-sections below.

3.4.2 Case Study Design

This study adopted the case study approach which relates to the concept of verificationism or in other words getting a deeper understanding of a phenomenon under study in relation to the logical positivist approach. Yin (2008: p.18) defines, "a case study as an empirical inquiry that investigates a contemporary phenomenon within its real life context, especially when the boundaries between the phenomenon and context are not clearly evident". Stake (1995) also observes that, a case study research is concerned with the complexity and particular nature of the case in question which includes a single community, a single school or a single organisation. This design is deemed to be relevant for the research and has been selected because the researcher is doing an in-depth study seeking to find answers to "why" the bank retrenched, "how" the retrenched employees cope afterwards and "how" they get reemployed. Case studies according to Yin (2012), should be considered when the focus of the study is to answer "how" and "why" questions. Again Henning (2004) argues that the strength of employing a qualitative research

methodology lies in its ability to give the much needed freedom to participants. Case studies have types which have been explained in the subsection below.

3.5 Types of Case Study

Yin (2012) identified three types of case studies, each of which corresponds to a different purpose for different typologies. First is the descriptive case study, which is a systematic description of the phenomena with no explicit theoretical intention and it describes the natural phenomenon as it occurs. This kind of research, he says is simply suggestive and he dismisses its social and scientific contribution. Second is the exploratory case study which investigates distinct phenomena characterised by lack of detailed preliminary research and sets to explore a phenomenon in the data that serves as a point of interest (reference). The third is the explanatory case study which is used for doing causal investigations and enables the researcher to examine the data closely both at surface and deep levels in order to explain the phenomenon being studied.

The current study adopted the exploratory case study approach to research. This type has been used because according to Yin (2012), the exploratory case study has methodological procedures that are done after field work when data collection has happened. Again, the researcher adopted the exploratory type of case study because the coping mechanisms of the retrenched employees are not known unless investigated. This is confirmed by Yin (2012), who maintains that a researcher may use the exploratory approach when there is no complete certainty on the major research elements such as the research questions and data collection, data analysis methods to be used. This calls for further inquiry into the

elements before the exploratory phase can be completed. Once the exploratory part has been done, the real case study begins from the start with a new set of elements that will inform the research design, the sources of information and a completely new set of data.

3.6 Selection of Case

The understanding of critical phenomena depends on choosing the case well (Patton 1990, Vaughan, 1992; Yin, 1989 in Denzin and Lincoln, 2000). Yin (2012) identifies the four types of case study. These he portrays as Single Case (holistic design), Single Case (embedded design) Multiple Case (holistic design), and Multiple Case (embedded design). There is the need for a decision prior to any data collection on whether one is going to use a single case study or a multiple case study. The study adopted the single case study design. This design is appropriate under several circumstances. For example, a single case is holistic[1] when it examines the nature of an organisation or a program of an organisation. On the other hand a single case may be embedded[2] when it examines a single organisation but the analysis includes other services, staff employed and even employee records. One major step in designing a single and conducting a single case is defining the unit of analysis.

This research is investigating the retrenchment process and the coping mechanisms of the retrenched employee from the banking industry and therefore falls within a bounded

[1] A holistic case refers to the study of a case in totality or comparing cases in totality

[2] An embedded case refers to the study of a unit or processes or projects within a single case or studying various units within identifiable cases.

system[3]. The study therefore adopts a single case study as the study involves an in-depth study into a single phenomenon in a single industry. The researcher adopted the single case study because it allowed an in-depth study into one bank that has retrenched over 130 employees within the last five years. Dyer and Wilkins (1991) state that single case studies enable the researcher to capture in much more detail the context within which the phenomena under study occur. Narasimhan and Jayaram, (1998) and Voss, Tsikriktsis, & Frohlich, (2002) explained that single case studies may be useful for longitudinal research and can be used if they are extreme exemplars or opportunities for unusual research access.

3.6.1 Justification of the case selection

The study is intended to find out the retrenchment process within the banking industry and the coping mechanisms of affected employees in Ghana. It is therefore prudent to provide information on the industry, in relation to Ghana. Today, a total of 27 different banks have been set up in Ghana (Ghana Banking Survey 2014 annual report). Table 3.1 provides information on the list of banks operating in Ghana and their sizes.

Table 3.1 Information on the Size of Banks Operating in Ghana as at 2014

Name of bank	Majority ownership (%)	No. of branches	Market share Loans and advances	Total Assets (%)	No of Employees
Access Bank	Foreign	39	1.0	1.3	1430
Agric. Development Bank	Local	77	5.1	5.7	1311
Bank of Africa	Foreign	20	1.8	1.8	363
Bank of Baroda	Foreign	01	0.1	0.4	16
Barclays Bank Limited	Foreign	70	9.3	9.0	1120
BSIC	Foreign	01	0.4	0.5	295

[3] A case which has boundaries, often bounded by time and place but also has interrelated parts that form a whole.

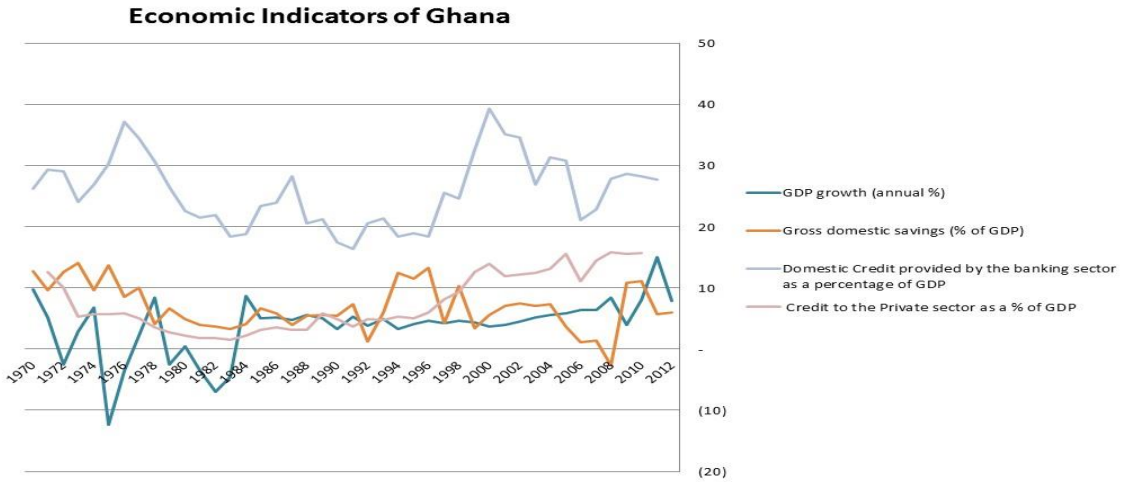
CAL Bank	Local	18	3.6	3.7	516
Ecobank	Foreign	52	10.7	10.1	890
Energy Bank Ghana Limited	Foreign	07	0.7	0.9	100
Fidelity Bank	Local	45	5.6	4.9	1489
First Atlantic Merchant Bank	Local	06	0.8	0.9	175
First Capital Plus Bank	Local	15	N/A	N/A	355
Ghana Commercial Bank	Local	173	12.8	11.6	2315
Guarantee Trust Bank	Foreign	21	1.6	2.1	332
HFC Bank	Local	26	1.7	2.0	303
Int. Commercial Bank	Foreign	12	0.9	1.2	335
Universal Merchant Bank	Local	22	N/A	N/A	400
National Investment Bank	Local	29	4.5	4.2	636
Prudential Bank	Local	31	2.8	2.6	800
SG Ghana Bank Limited	Foreign	38	3.9	4.0	720
Stanbic Bank	Foreign	22	6,0	5.4	580
Standard Chartered Bank	Foreign	23	9.2	9.3	1024
The royal Bank	Local	06	N/A	N/A	145
UniBank Ghana Limited	Local	13	3.0	2.7	670
United Bank of Africa	Foreign	26	2.9	2.7	480
UT Bank	Local	23	2.1	3.4	507
Zenith Bank	Foreign	26	3.6	3.3	599

Source: Compiled from Ghana Banking Survey 2012 and Banks Annual Reports, (2011/ 2014)

3.6.2 Contribution of the Banking Industry to the Economy of Ghana

The banking sector occupies an essential locus in the global economy (Gentle, 1993) and the economy of Ghana is no exception. Figure 3.2 Below shows the contribution of the banking industry in Ghana to the GDP of Ghana.

Figure 3.2: Economic Contributions of the Banking Sector in Ghana.



Source: Authors construct from World Bank data over the years, (1970 to 2012)

From figure 3.2 above, the domestic credit provided by the banking sector as a percentage of the GDP, generally, rose from 18% in 1996 to 25% in the year 1998. It further rose from 25% to 39% in the year 2000 in which the highest contribution was achieved. However, there was a decline from the years 2002 to 2005, but that was low. The contributions further declined from the year 2007 till 2012 of which much of the decline is attributed to the recession around 2007, which affected bank operations worldwide.

Again, according to the Quarterly Bulletin of Bank of Ghana (BoG) April-June (2012), in the second quarter of 2012, the nominal annual growth rate of banks‟ outstanding credit to public and private institutions increased on year-on-year and year-to date bases. The growth rate increased to 44.1 per cent (GH¢3,418.7 million) in June 2012 from 8.6 per cent (GH¢614.3 million) in the corresponding quarter of June 2011 and 17.0 per cent (GH¢1,357.7 million) growth in December, 2011. Outstanding credit to public and private institutions stood at GH¢11,171.8 million, at the end of June 2012.

3.6.3 Description of the Study Setting

Adot Bank Limited has branches in all the regional capitals of Ghana but was not well spread within the districts of these regions. In the year 2002, a huge competition in the banking industry coming from the proliferation of banks from neighbouring countries (e.g. Nigeria) and Non- bank financial institutions led to the bank expanding its services to include what these companies were doing. Branches were, therefore, opened in district centres as part of the bank"s expansion program to begin these services, and as a result, many employees were recruited to work in these branches. After four years of operations, the bank realised that these branches were not performing to the standards of the bank and therefore the bank had to close these branches to save the bank from much losses. As these branches were closed, the bank was left with no choice but to retrench these excess staff. Major retrenchment activities in the bank began from the year 2008 and continued to the year 2012.

The case study is a revelatory (the type of case that allows a researcher to assess information that has not been previously assessed by other researchers) case as the researcher accessed a situation in the banking industry that was previously inaccessible to empirical study. This is argued by Yin (2014), who said when researchers have similar types or opportunities and can uncover some prevalent phenomenon previously inaccessible to social scientists; such conditions justify the use of a single case on the grounds of its revelatory nature. This study adopted the exploratory type of case study because the coping mechanisms of these retrenched employees are not known to the researcher unless investigated. Again Yin (2003), specified that the exploratory type of

case study is used to explore those situations in which the intervention being evaluated has no clear, single set of outcomes.

3.7 Population

The target population for this study was 140 retrenched employees of the bank from the year 2008 to till 2012, as they were the main agents for this study who experienced the phenomenon being researched. The secondary target population was the employees of the Human Resource Management Department (HRD) of the Bank under study. The HRD was selected in the bank because it was the holder of the retrenchment documents of the bank and the implementers of the retrenchment process.

3.8 Selection of respondents

This research is a qualitative research and, therefore, uses non-probability sampling techniques for the selection of the sample (Wilmot, 2005). According to Streubert, Speziale & Carpenter (2003), the sample size is rarely pre-determined, instead, researchers aim to include as many participants as necessary to gain a comprehensive understanding of the phenomenon being researched into.

For the participants within the bank, a purposive sampling was used to select 3 participants, from the HRD that are deemed relevant to the research for a holistic view of retrenchment policies of the Bank. The reason for their selection was due to the fact that they were the only staff in the bank that dealt directly with redundancy issues in the bank.

For the identification and selection of retrenched employees, a snowballing technique, also known as chain referral selection method, where respondents tell the researcher about others they know with the same or specified characteristics, was used (Wilmot, 2005) to get to 38 retrenchees. Research indicates that snowball sampling is, arguably, the most widely employed method of sampling in qualitative research in various disciplines across the social sciences (Noy 2007) and is often employed as an effective tool when trying to obtain information on hidden populations or difficult to find respondents of which locating a good number, cannot easily be done except for the use of social networks (Bergeron and Senn, 1998; Sarantakos, 1998). Snowball sampling is applied for two primary purposes: first, as an informal method to reach a target population where the aim of the study may be exploratory, and as a formal methodology for making inferences with regard to a population of individuals that has been difficult to enumerate through the use of descending mythologies (Lewis-Beck, Bryman & Liao, 2000). This sampling method was used because this research specifically looks for respondents who are retrenched employees from the bank and were difficult to find. Again, even though the bank had the addresses of the retrenched employees, the bank did not give such list to the researcher. Furthermore, the retrenched staff that may be unemployed at the time of the interview may not be available. Finally these retrenched staff had travelled out of the regions they used to work and hence were scattered throughout the country.

A sample size of 41 respondents was used for the study. To the researcher, the use of 38 retrenched staff and 3 bank staff as respondents for the study was ideal because the study is a qualitative one and the researcher is not interested in how representative the number is, but rather focused on the richness of the data and got to a point of saturation in the data

collection. Bowen (2008, p. 5) explained that „saturation is reached when the researcher gathers data to the point of diminishing returns and nothing new is being added‟. This is buttressed by Strauss and Corbin (1990), who said that, theoretically, when a researcher gets to the saturation point, then, in effect, there are no new themes identified, and no new issues arise regarding a category of data.

The researcher adopted the interview method, which required the researcher to be involved in the data collection and get to interview the respondents personally.

3.9 Sources of Data

The study used both primary and secondary data. The primary data for this study were gathered from the staff of the HRD of the bank involved who were in the study and the retrenched staff from the bank. This was carried out with the use of interview guide and a recorded version of the responses from these participants, which were analysed for results. Observation by the researcher also served as a source of primary data, on which conclusions were drawn on the coping mechanisms of the affected.

3.10 Secondary Data

Apart from the primary data, the most used sources of secondary data for this study included documents on the retrenchment process from the bank for the study which helped the researcher to understand the Memorandum of Understanding (MOU) signed between the bank and the retrenched employees as well as website information for an insight into the phenomenon being studied. Again certain documents like published materials that

were very beneficial to the study were used. Furthermore, due to the exploratory nature of the research, the researcher had to use documents including memos and brochures on retrenchment from the bank under study.

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3.11 Data Gathering Instruments

The main research instrument used for this study was the semi structured interview guide. This type of guide was used for both retrenched staff and the bank staff and was considered to be relevant for the study as its use helped the researcher to go deep into the interview by asking probing questions when responses are not adequate for a question.

This is confirmed by Gray (2004) who said that unstructured interview guide gives the researcher the opportunity to probe for views and opinions of the interviewee where the probing is a way for the interview to explore new paths which were not initially considered. Again the need for such type of instrument was due to the exploratory nature of the research.

3.11.1 Research Instrument for the Retrenched Employee

The interview guide for the retrenched employees was divided into four sections represented by themes which were developed from the literature review. These included:

i. Participant‟s procedural experiences with the process of retrenchment for (section 1) ii. Participant‟s experiences with the immediate effects of the retrenchment for

(section 2) iii. Participant‟s personal experiences using social network for coping with retrenchment for (Section 3) iv. Participant‟s personal experiences with the use of the skills they had in

reemployment for (section 3)

Each of the themes was explored through a set of probing questions under each category (Refer to Appendix I).

3.11.2 Research Instrument for the Bank (HRM Staff)

The semi-structured interview guide for the bank staff was categorised under four themes. These included the:

i. The Bank‟s reasons for retrenchment, ii. The Bank‟s experiences in the procedures for retrenchment, iii. The Bank‟s experiences in the criteria for selecting the employee who goes

home and, iv. The Bank‟s experiences in the preparations for the employees selected for

retrenchment.

Again, under each category, there was a set of questions to probe into that theme. (Refer to Appendix II).

3.12 Data Gathering Method

Data were collected using multiple methods. In-depth interviews were the main source of data collection. Additionally, relevant documents from the bank for the study and articles

related to the study were read for the understanding of the phenomenon being studied. The use of these methods for data collection has been acknowledged by Yin (2014) and Creswell (2007) who said that in case study research, multiple sources of evidence including interviews, documents, observations, audio-visual materials and physical artefacts are used (Yin, 2014; Creswell, 2007). Darke, Shanks & Broadbent (1998) argue that researchers should study background information well and interview participants effectively with questions that are normally unobtainable through secondary information sources such as documents. A meeting was always arranged for the interview. Before the interview, the interview guide was given to the respondent 15 minutes before the start of the interview. This allowed the respondents to think about the kind of responses to give to the questions being asked. Anonymity was always emphasised each time a respondent was ready for the interview. The interviews were all tape-recorded except for a few that were written based on the respondent‟s choice and transcribed for the analysis.

3.13 Field Problems

i. Respondents were so difficult to locate as they were scattered all over the country and the researcher had to follow up wherever they were. To curb this limitation, the researcher had to rely on a list provided by the Retrenched Staff Association to locate 38 of them.

ii. The researcher anticipated recruiting 60 retrenched staff but could not reach the said number due to the difficulty nature of locating these respondents; the 38 retrenchees who were approached and recruited for the study were made to know the need for such

a research and how the outcome of this research can in the future prevent another staff from experiencing what they went through.

iii. Data collection had to halt for about a month as respondents felt that the researcher wanted to carry out the research without the notice of the bank. To assure these respondents, the researcher had to consult the bank to speak to the General Secretary of the Retrenched Staff Association who was also a respondent. Again, the researcher had to show the letter of consent that was given to the bank before data collection continued.

iv. Some respondents had a problem with the questions as they felt that the fact that they had not been forced to leave the bank, but rather they opted to leave does not mean they had been retrenched. Again, the researcher had to spend time explaining the two types of retrenchment to the respondents to make them aware of how their contribution to this work could go a long way to influence policy implementation for the banking industry and protect their relatives who are still working in that industry from such an experience.

v. Some respondents also felt they still had their health insurance intact with the bank and therefore, by speaking out, the bank might remove the health insurance which they continued to enjoy. Here, the researcher assured them of confidentiality and the bank‟s interest in this research which makes it even better to contribute to the research so that the bank can take a better look at the current insurance.

3.14 Ethical Considerations of the Study

Creswell (2007, p. 142) commenting on ethical issues on research argued that the researcher must explain to the participants the reason for the research and should not engage in any deception about the nature of the study. Due to the sensitive nature of this study, the actual name of the bank and the names of the respondents were not used. Instead pseudo names have been created to ensure confidentiality as agreed with respondents. Again there was an agreement with the respondents not to use the voice recorded version for any public purposes. For this reason only the transcribed version of the data were used for the study. Furthermore, respondents were made to willingly participate in the study and for that matter no respondent was under coercion to provide information for the research.

3.15 Research Validity and Reliability

„Validity in research refers to the accuracy and truthfulness of scientific findings" (Le Comple and Goetz 1982, p. 32). Validity can be in three types which are internal, external and construct validity. Internal validity refers to the extent to which research findings are a true reflection or representation of reality rather than being the effects of extraneous variables. External validity however, addresses the degree or extent to which such representations or reflections of reality are legitimately applicable across groups (Brink 1993). Construct validity, on the other hand refers to the degree to which inferences can legitimately be made from the operationalization of the study to the theoretical constructs on which those operationalization were made (Trochim, 2006).

To ensure validity in this study, and also in relation to the adoption of the logical positivist approach, member checking, also known as respondent validation was used.

In this strategy, the researcher solicited participant‟s views on the credibility of the findings and interpretations by taking the data analysis, interpretation and conclusions back to the participants for them to judge the accuracy and credibility of the account (Creswell, 2007; Merriam, 2009). Stake (1995), explains that, in member checking strategy, participants play a major role in directing the case study research. Another technique which was used by the researcher to ensure validity was the Rich Thick Description. This strategy allows readers to make decisions regarding transferability (Merriam, 2006). Adopting this strategy, the researcher described into detail the participants and the setting of the study which enables readers to transfer information to other settings to determine whether the findings can be transferred (Creswell, 2007).

„Reliability, on the other hand, is concerned with the consistency, stability and repeatability of the informant‟s accounts as well as the investigators‟ ability to collect and record information accurately‟ (Selltiz et al., 1976, p. 182). In other words, this refers to the ability of a research method to yield consistently the same results over repeated testing periods, with a researcher employing the same or analogous methods obtaining the same or analogous results every time he uses the methods on the same or analogous subjects (Brink, 1993). Reliability has some challenges when applying a logical positivist approach. This is because anything concerning human behaviour is not static. However, qualitative research is not conducted so that the laws of human behaviour can be isolated, but rather to describe and explain the world as those in the world experience it. The important thing is to find out whether the results are consistent with the data collected

(Merriam 2009). To ensure reliability in this study, the Audit Trail was used. With this method, independent readers can authenticate the findings of a study by following the trail of the researcher. In other words, a detailed description of how data were collected, how they were categorised and how decisions were made throughout the analysis of the research was portrayed at the methodology section for the benefit of readers to follow. The researcher believes that by following the methods closely, reliability was achieved.

3.16 Data Analysis Methods

Analysis means organizing and interrogating data in ways that allow researchers to see patterns, identify themes, discover relationships, develop explanations, make interpretations, mount critiques, or generate theories. It often involves synthesis, evaluation, interpretation, categorisation, hypothesising, comparison and pattern finding (Daymon and Holloway, 2011)

In order to communicate what had been learnt to others, the content analysis method was used. This method was adopted because the researcher wanted to provide knowledge and understanding to the phenomenon being studied and the goal of content analysis is "to provide knowledge and understanding of the phenomenon under study" (DowneWamboldt, 1992, p. 314). Again, the content analysis method was chosen, because content analysis describes a family of analytic approaches ranging from impressionistic, intuitive, interpretive analyses to systematic, strict textual analyses (Rosengren, 1981 as cited in Hsieh and Shannon 2011). The specific type of content analysis approach chosen by a researcher varies with the theoretical and substantive interests of the researcher and

the problem being studied (Webber, 1997). With this in mind, the constant comparison analysis was opted for this study. This type of content analysis was adopted because, when a researcher is interested in utilising an entire dataset to identify underlying themes presented through the data, a constant comparison analysis can be helpful. Again, the constant comparison analysis is a method of choice when the researcher wants to answer general or overarching questions of the data (Boeije 2002).

Constant comparison can be undertaken deductively (e.g., codes are identified prior to analysis and then looked for in the data), inductively (e.g., codes emerge from the data), or abductively (i.e., codes emerge iteratively). This study adopted the abductive type because the coping mechanisms of the affected employees were not known unless verified. From the field work, the verbatim notes and audio recording data were transcribed and read thoroughly. After doing so, the data was chunked into smaller meaningful parts. Then, each chunk was labelled with a descriptive title or a "code." An attempt was made to compare each new chunk of data with previous codes, and so, similar chunks were labelled with the same code. After all the data had been coded, the codes were grouped by similarity, and a theme was identified and documented based on each grouping and data were then analysed accordingly.

3.17 Summary of the chapter

The methods adopted for the entire study has been summarised in Table 3.2 below

Table 3.2: Summary of the methodology chapter

TOPIC	DESCRIPTION
Research Philosophy	Logical positivism
Research Approach	Qualitative
Research purpose	Exploratory
Study population	Retrenched employees and Staff in HRM department
Sampling Technique	Purposive and Snowball
Case selection	Single Case
Data types and sources	Primary: from respondents Secondary: Corporate documents, website information
Methods of Data Collection	Unstructured interview questions In-depth interviews
Field problems	Difficult to find respondents to find but several respondents
Ethical consideration	Pseudo name used for the bank due to confidentiality
Research validity and reliability	Validity: Member Checking and Rich thick description Reliability: Audit trail
Methods of data Analysis	Constant Comparison Content Analysis

Source: Researchers Construct 2014

The next chapter presents and analysis the data on the implementation process of retrenchment.

CHAPTER FOUR
DATA PRESENTATION AND ANALYSIS THE ASSESSMENT OF THE IMPLEMENTATION PROCESS OF RETRENCHMENT-THE BANK'S PERSPECTIVE

4.1 Introduction

This chapter presents and analyses the data on the implementation process of retrenchment with regard to the banking sector using the case study approach. Key issues explored were reasons why banks retrench and the processes involved in their retrenchment exercise. The process includes the decision to retrench, the criteria the bank employed in selecting the staff for retrenchment and how the retrenchment news is relayed or communicated to the affected staff. Data is also presented on the existence of a training package[4] and a severance package which serve as resources for coping with life after retrenchment. The chapter starts with a brief profile of the respondents.

4.2 Profile of the Respondents

This study deemed it imperative to explore the demographic characteristics of the respondents in order to ascertain relevant information in support of the study findings. These include; the most affected gender group, job tenure, marital status, educational level, among others. The three staff of the human resource department of the bank who

[4] Psychological talks/counseling, capacity building, health management training and training on finance and resource management

were interviewed have worked with the bank for a period of between 6-30 years and therefore have rich experience on the bank"s retrenchment procedures and activities, which are related to the phenomenon under study.

Table 4.1: Demographic Information on the Retrenched Staff Used For the Study.

Factors	Category	No.	%
Sex	Male	22	57.9
	Female	16	42.1
Age Retrenched	21-30	4	10.5
	31-40	6	15.8
	41-50	18	47.4
	51-60	10	26.3
Education	GCE „O" Level	2	5.3
	GCE „A" Level	7	18.4
	1st Degree	11	29.0
	2nd Degree	5	13.1
	Other qualifications[5]	9	23.7
	Not indicated	4	10.5
Position at Retrenchment	Branch Managers	6	15.8
	Middle Level Managers	12	31.6
	B1 Category[6]	8	21.1
	B2 Category[7]	7	18.4
	Non-Clericals[8]	5	13.2
Length of Service	Less than 1 year	2	5.3
	1-10	9	23.7
	11-20	4	10.5
	21-30	16	42.1
	31-40	7	18.4
Marital Status	Married	28	73.7

[5] Other qualifications like Higher National Diploma & Diploma in Business Studies from the polytechnics

[6] B1 is a starting grade for lower level clerks in the bank

[7] B2 is the next grade after B1 category through promotion [8] Non clericals are staff below the B1 grade who perform supporting functions like security, and drivers

	Single	7	18.4
	Widowed	2	5.3
	Divorced	1	2.6
Economic Dependents	1-5	26	68.4
	6-10	5	13.2
	None	7	18.4

Source: Field Interviews, (2014)

Overall, 38 retrenched staff constituting 17 involuntary and 21 voluntary retrenched staff participated in the study. Referring to table 4.1 above, the study revealed that males are the predominant and most affected gender group when considering retrenchment in the bank for the study. The study found that, even though staff below 30 years of age were retrenched, those in the age range 41-50 constituted the largest group. Considering their educational background, majority of the affected staff had second and first degrees including other educational qualifications like Higher National Diploma (HND), Diploma in Business Studies (DBS) from the Polytechnics. Concerning job tenure, the profile of the respondents revealed that most of the affected staff were middle level managers, followed by B1 category, B2 category and Branch Managers. Interestingly, non-clerical staff constituted the smallest group. Contrary to expectations, the profile revealed that the experienced staff who had worked with the bank for a longer time were the most affected group that were retrenched. However, 26 out of the 38 retrenched staff were married with a number of dependents. It is important to note that the information from table 4.1 above cannot be generalised to the entire group of retrenchees.

4.3 An assessment of the Retrenchment Process in the bank for the study

The sections below describe into detail the retrenchment process in the bank. This includes the decision to retrench, the bank‟s initial activities towards retrenchment, criteria for selecting the staff for compulsory retrenchment, mode of communicating retrenchment news, training available for the retrenched, severance package and the retrenched staff‟s perception of the severance package available.

4.3.1 The Decision to Retrench by the Bank

Information gathered on the decision of the bank to retrench revealed that branch closures, restructuring and non- performance of employee led to the decision to retrench. These branches were closed because they were not performing to the satisfaction of the bank. According to the Head of Redundancy at the bank, a branch should be able to make profit or break even. That is being able to, at least pay for the number of employees working in that branch. If a branch fails to do so, then it is termed as a nonperforming branch. Again, the bank had a restructuring exercise, which had to do with the removal of non-clerical positions from its organisational structure and by that those with such positions had to be retrenched. The non-clerical positions of the bank were the category of staff who were messengers, security personnel and drivers. The bank seeing the need to reduce staff implemented both voluntary and compulsory retrenchment within 2008 and 2011 to retrench 140 employees. A bank official explaining what led to the two major retrenchment activities carried out by the bank had this to say:

> *A branch has to, at least, make profit or break even. So, if you have sited a branch here and it's still not breaking even or making profit, then, of course, it's a non-performing branch. Because what we do is that we charge the cost, I mean the salary, everything to the branch. So you should be making money to cover that or, at least pay your salaries. If you are not*

paying your salaries and then you also have the fixed costs also, then, of course, you are a problem (A respondent from the HRM Department).

4.3.1.1 Bank's initial activities towards Retrenchment

When the bank contemplated retrenchment, the first thing they did was to inform the Chief Labour Officer and the Ministry of Labour and Employment. This had to be done in order for the bank to follow the legal demands of Ghana on redundancy according to (section 65 of the Labour Act 2003) which requires that the bank arranges for a meeting with the labour union, where the number of employees to be retrenched is determined and financial packages for the staff to be retrenched are negotiated. When a consensus has been arrived at, then the bank communicates to the entire staff their retrenchment contemplation. At this point, the members to be actually affected would have been discussed by management and the labour union. When there is an agreement, then letters are issued to the affected members informing them that they have been retrenched.

Again, in order for the bank to have a discussion on a fair retrenchment process and severance package, writing to the Chief Labour Officer is obligatory. Even though writing to the Chief Labour Officer must be done, the bank does not necessarily have to wait for a response from the Chief Labour Officer before the process begins. A bank official who worked in the Human Resource Department of the bank explaining the process the bank follows to retrench employees indicated that:

The first thing we do is to write to all the agencies that matter. As in the Labour Commission, we write to the Chief Labour Officer, we write to the labour unions informing them of the decision of the bank. That should be

three months before we even start anything. So, when we write to them, we also write to the Ministry Of Labour and Employment informing them of the decision. So, when that is done, we had a meeting with the labour unions to discuss the package for the colleagues who are to be retrenched. After we've agreed on all the modalities, then we communicate to the staff that this is what is going to be done in the near future then all colleagues are at least informed and sensitised just to minimise the impact. So based on that when the list is agreed between management and the union, letters are written and given to the colleagues who are affected and then their packages are equally communicated based on the letter that they would be issued. So, that is in a nut-shell, that's how the process works (HRM Department staff)

Another employee of the bank confirmed that the bank follows all legalities as contained in the Labour Act (2003) of Ghana adding that every negotiation is done with the labour unions, culminating in the signing of a Memorandum of Understanding (MOU) by the two parties. It is when this MOU has been signed that the process begins in the bank. He also stressed on the retrenchment activity as a bilateral activity and not a unilateral decision by the bank. Commenting on the issue he stated that:

It is clear, you follow the law. There is a process in the law that when you contemplate such an action, you should give notice to the officer and union. So long as you follow the process, and well I am basically responsible so I ensure that the process is followed. And you will not get the bank side stepping such a process, and we would negotiate with the union, we will sign an MOU to that effect on all the process that has been agreed. So it is not as if it is some process that the bank would unilaterally take to kick people off.
(HRM Department staff)

Based on the statements above, Adot Bank Ghana Limited followed the procedural laws according to the Labour Laws of Ghana which can be found in Section 65 of the Labour Act 2003 of the Republic of Ghana. (Refer to Appendix IV). By that, the bank writes to the Labour Commission, as the law stipulates, to ensure compliance with the labour laws on retrenchment in Ghana.

4.3.1.2 Implementation of Voluntary retrenchment

The bank, in its quest to retrench, floated teasing severance packages and offered the opportunity to older staff who had worked for a long term in the bank but were interested in voluntary retrenchment to apply for the packages offered to leave. Here, it is clear that the bank does not necessarily depend on the experience of the older staff, since it has that culture of training the young ones to be equipped with the necessary skills required to meet targets set for them. Hence voluntary retrenchment can be used as a substitute to a potential forced or compulsory retrenchment. In this essence, some employees volunteered and agreed to be retrenched. The bank made employees who volunteered to be retrenched, sign voluntary retrenchment agreements in terms in which it was agreed, among other things that, the employees‟ employment shall be terminated due to the bank‟s operational requirements and that they relinquishes any rights they may have in respect of the termination of their services. A bank staff in the HRM

Department explaining how they went about the voluntary retrenchment had this to say:

> *Prior to the retrenchment exercise, we made known to staff, especially those with long service to the bank and those nearing retirement, that there is the opportunity for voluntary retrenchment. This voluntary retrenchment was associated with an alluring package[8]. Suitors were given time to cogitate on the package and a negotiation is entered with the staff and their union representatives on their exit process. The bank, the staff and the union sign voluntary retrenchment agreement when a consensus is reached in the agreement. (HRM Department Staff)*

[8] Teasing Package for voluntary retrenchment

This arrangement by the bank was in line with Zatzick et al., (2009), who stated that, usually, organizations offer a variety of severance options such as early retirement packages and higher offers as a technique to reduce the workforce without forced layoffs.

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4.3.1.3 Compulsory Retrenchment

The bank had carried out two major compulsory retrenchment exercises. The first was branch closure (s) and the second was restructuring which led to the removal of nonclerical staff. When the bank realised the need to retrench more staff after the voluntary one, they had no option than to implement the compulsory exercise where staff were forced to go home. But this was highly dependent on a criteria determined by the bank for a staff to be retrenched which will be discussed later. A bank official from the HRM Department commenting on the two compulsory retrenchment exercises, said:

> *The first involuntary retrenchment happened when the bank closed some branches. And that by the closure it meant that we didn't need the number of staff we were working with. We closed about twenty branches, therefore employees were in excess and thereby the bank had to cut down the numbers. Therefore we made an offer, the bank arranged an offer and selected some people based on a certain criteria for them to exit the bank based on the exigencies then, which was the first one. With the second involuntary retrenchment, the bank again came up with a grading system, where some colleagues fell short and could not meet the grading system, and thereby they had to exit the bank. So those were two involuntary ones that we did. But with the voluntary ones, we've been doing it every year and with that one, they are given the option to apply to exit. (HRM Department Staff)*

Related to the compulsory retrenchment exercise, a staff from the HRM Department explained further why they had to implement such decision. In his contribution, he made

known the fact that there was excess staff, who they could not keep, as their branches were closed. Discussing the decision to retrench, he indicated:

> *We had certain branches in certain locations that were not functioning as expected therefore there was the need to cut them off. So for example we closed our branch in say Kofiase, Bibiani, and Awokuguaa. You know some places. So when we close those branches, then the staff there must go, or had to obviously be asked to go and look for employment elsewhere.*

Various reasons could lead to retrenchment in organisations. When a company realises an economically surplus staff, the remedy usually is retrenchment (Lall and Zaidi, 2008). However, the closure of a department due to continuing lack of the products manufactured in that particular department can also lead to retrenchment (Asawapatha 2005).

4.4 Criteria for Selecting the Staff under Compulsory Retrenchment

One of the sub-themes under the retrenchment process was the criteria for selecting the staff for retrenchment. In the case of Adot Bank Limited, the performance of the employee as well as disciplinary issues related to the said employee was used as the criteria for selecting a staff to be retrenched under the compulsory retrenchment exercise. A bank official from the HRM Department of the bank contributing to the information on the criteria for selecting the staff to be retrenched explained that, before employees are selected; their performance over two years was assessed to see how well they had performed. This was not the only criterion but also incidents of disciplinary issues were considered as well. By this, if two members of staff with the same performance rating level were up for retrenchment, the bank would factor in their disciplinary status over the

period. It is obvious that the one who had had some disciplinary issues with the bank before would be selected for retrenchment. His exact statements were as follows:

> *We look at the last two years performance. So, based on how you performed. Apart from performance, we look at what the person has done, whether the person had had any disciplinary issues, and apart from that, we also look at the person's position. As I said, the non-clericals they had to exit based on their position (HRM department staff)*

This response was in conformity with the other bank staff also from the HRM Department who further explained what his colleague said. When the bank realised the need to retrench more staff after the voluntary one, they had no option than to implement the compulsory exercise where some staff were forced to go home. This means that, even though a branch may be closed down as part of the bank‟s retrenchment decision to cut cost, a performing staff in that branch may not necessarily go home. He or she was sent to a performing branch in exchange for a non-performing staff. To make this possible, the retrenchment exercise was seen as a nation-wide issue and not a branch issue. A bank official in the HRM Department commenting on the criteria for selecting the staff for retrenchment said that:

> *The selection criteria depends, it differs. In fact, the first one we did in the last five years was the branch closure. With respect to that one, it had to do with retail banking and retail department. And as I said some staff were very competent in some of the branches that had to be closed, so the bottom line would have been that let them go. But then we had a situation where some staff were also not performing, and, therefore, we could not hold them in because they were in other branches. So we had to look at the whole retail business, and then use the performance criteria. In fact the criteria we used were performance and long service. (HRM Department staff)*

A variety of methods or contributions of methods may be used to develop the selection criteria (Pfahenhaeur 2009). Munjuri‟s (2011) comment on the process of retrenchment

in Kenya placed emphasis on the criteria for selection and mentioned that the criteria for selecting an employee for retrenchment must not be on grounds of race or sex. It must not be because of the employee‟s proposed or actual union membership or activities or because of union non-membership but rather aspects such as skills and qualifications, standards of work, aptitude and attendance and disciplinary record may be considered alongside the traditional factor of length of employment. Konosuky (2000) buttressing on the criteria for selection indicated that those criteria for selecting employees to be retrenched must be done in agreement with the organisation and the employee‟s representatives. Lewis (1992) warns that employers must be able to defend the criteria chosen to retrench an employee and the manner of application.

Verification on the criteria for selecting an employee to be retrenched from the retrenched staff point of view showed a contrary opinion. Even though the bank claimed to have used performance as the selection criteria which were known to all staff, disciplinary issues related to the selection criteria was not known to all staff.

Retrenched staff who felt they were performing per the bank‟s criteria for a performing staff but had their names included in the list of retrenchees, seemed not to know the criteria that were used for selecting the staff to be retrenched. Indicating their surprise to be retrenched had this to say:

> *Now what we heard was that the compulsory retrenchment exercise was supposed to be done in conjunction with the voluntary one after that, those who would be affected will not be unfairly treated. Or the selection will not be based on some unprofessional criteria. Whoever would be on that list there should be some certification for it. Unfortunately, we even didn't even know where the list was compiled and who was communicated to. But then before we were aware they had done their own selection on who they want to go, you know exit. ……so little did I expect that you know I am part because I don't know what criteria actually was used in the selection.*

We were told that we would be going home; I mean our senior sales manager told us the trend. I mean the environment, the environment in the bank and that it's likely they are going to close some branches and some people would be made to go home. But erm, in fact I was not ready to go because I knew that I was, at that time I knew that I was a performing staff, and therefore even if it should, it shouldn't affect me. And so when the thing came, I mean the letters came, our sales manager really delayed it. He delayed it for almost two weeks before he could tell me that I am affected.

Erm we were not really prepared for any kind of retrenchment. Errm we, we felt whilst we were working, we need to be given the opportunity to go through some, some training; I mean some psyche preparation towards the exit. Unfortunately, we were only informed that we were going to be exited on a day. And we didn't know the number of people who were going to be exited and we also didn't know who was going and who was staying, I mean whether you are part of the group who is staying in or exiting.

Some retrenched staff who felt were young and for that matter the bank they could have given them the opportunity to progress in their performance but were retrenched did not know the criteria for selection. Commenting on the criteria for selection, they said:

Even though we had heard the news like we are going to reduce numbers we are going to reduce numbers. I was thinking like ok if people were reducing numbers what I've seen with other companies is like they take people who are nearing their retirement, but somebody who was like 28, I didn't expect to be retrenched because I thought I was still young. And if it was anything, I needed some training to pick-up. So I never besides my branch was doing well and they said they were taking people out because they had to close some branches. My branch was doing well so why should I have to go? (a retrenched staff)

I never expected it because errm I was a young person and you know still had the opportunity to move on. So it, it wasn't easy and looking at the fact that you are working in a financial institution and all of a sudden you are asked to go home. Other people think that maybe it was embezzlement may be.

The discussions above show that though performance rating happened to be the criteria for selecting the staff for retrenchment, in the bank"s situation, the retrenched staff was not privy to the issue of the discipline. For the bank, irrespective of the time employees joined the bank, their performance is paramount for their selection for retrenchment. Performance as their choice for selecting the employees to be retrenched is in line with the work of Anantaramon (2004**),** who said that the selection of workers to be affected by reduction of work force should be made according to a precise criteria established in consultation with the union, which include the relative skills, ability, experience and occupational qualifications of the individual employee.

4.5 Mode of Communicating the Retrenchment News to the Affected Staff.

With regard to the bank under study, officials tasked to communicate the retrenchment news to the affected staff did not know how to relay such abrupt Information. Hence, their reluctance in communicating the retrenchment news to these affected staff. The bank could have used the services of a psychologist who could counsel these employees before getting them informed that they had been affected by the retrenchment. A bank official from the HRM department initially prevaricated in answering the question on the mode of communication and even had to pause along the conversation. However, contributing to the mode of communication to affected staff, he had this to say:

> *Well, with the involuntary one, it's a bit of an inconvenient where colleagues don't really know that they are leaving. You come to work and you are told to leave and you've lost your job. That one I would say it creates a lot of inconveniences and it creates bitterness for colleagues who live in that situation (HRM Department staff)*

Corroborating the above statement, a retrenched staff who felt that he was not treated fairly, expressed his disappointment with the mode of communicating retrenchment news to the affected. His worry was the manner the bank had to send them home on just a day‟s notice and not allowing them at least some time to let others know they were leaving the bank, coupled with the fact that they could not work even on that day.

Expressing his disappointment, he indicated that:

> *The way they went about the retrenchment was what so many of us were not happy. You see, it was as if we were being pushed out. We had worked so long for the bank, and if we were to leave at least it should be in a manner that people will say, we knew you were going to inform us. So many of our friends within the bank we could not even tell them we were leaving we came to work one Wednesday and then Friday we were locked out of the system (system refers to a computer log on process usually done each morning by employees with a password) just like that we could not go in. We could not work because they said we were leaving. (A retrenched staff)*

A retrenched staff also shared the same sentiment as above by expressing her views on their state or position in the bank until their area manager visited their branch one day and started inviting affected employees to the manager‟s office to tell them of the retrenchment news. To her, such information should not be a day‟s affair; at least, they should be aware of the situation before hand. She had this to say:

> *Before they started communicating, there was this awareness. They started talking about it. They wanted some people to go. They were working on it. So there was the fear in the work place that oh you could be the one or I mean that fear was there…then I think my area manager visited the branch, he started calling staff one on one in the manager's office. Then I was called and he told me I was affected. That's why he had to come to communicate to me. So it was done verbally. Then later, they brought the letters. And we were asked to go to the bankers and sign for them. (Brown a retrenched staff)*

Another retrenched staff expressing her experience had a different communication channel. One retrenched staff had the communication done by the Area Manager but in

her case, their Branch Manager had to do the communication on the day the affected staff had to go home. Explaining her experiences, she indicated:

> *We were just there, then we had a meeting with our manager and then he said that the list was out, just that we went back to our various desks and then we were called. Those of us who were affected were called individually to the manager's office and then we were informed and given our letters, just that.*

What was deduced from the contributions of the management staff and the retrenched staff of the bank indicates that there was no standard agreement on who and how the bank had to carry out or communicate the retrenchment news to the affected. The HRM department staff attests to the fact that employees do not know that they are going home. In the meantime managers were given letters of the affected employees in their branch.

Even if there was, the bank officials tasked to do the communication were bereft of good interpersonal and communicative skills to relay such information; instead, the use of a psychologist would have been a better option.

Any individual becomes inured to bad news or information, irrespective of how bitter it is with time. Communicating news about retrenchment is arduous, since it can be a traumatic experience for affected employees. Employees should therefore have a prudent communication technique to curtail the emotions that follow news of retrenchment to affected staff. Smelzer and Zener (1994), commenting on communicating retrenchment news, specified that, the manner in which managers announce this major event may have a profound bearing on the affected as well as the retained employees and other stakeholders.

4.5.1 Communication to the Voluntary Staff

Communication in the case of the voluntary staff was different. For them they had opted to go so there was no need to communicate retrenchment news to them. The bank‟s mode of communication was more of a separation meeting. Here, a meeting was convened between Management and the staff that voluntarily applied for the package to leave. In their case, they had opted to go based on their interest in a package negotiated by the bank and the labour unions as a representative of the staff, in consonance with existing labour laws, so, there was no basis to complain. A voluntary retrenched staff had this to say:

> *I had worked in the bank for 27years. I felt I had given my best as far as I'm concerned. The bank wanted to embark on realignment of its services and so met me and some colleagues of mine with longer service experience and discussed the voluntary retrenchment with us. The package was attractive enough, so I and some of my other colleagues agreed and I had no regrets for the decision I made. (A voluntary retrenched staff)*

Another voluntary retrenched staff‟s view is similar with that of the previous contributor.

> *The bank authorities convened a meeting with some of us. They explained their reasons for the retrenchment and offered the voluntary retrenchment to some of us. Initially I was ambivalent on the decision to take. After carefully considering the package, I later informed the bank that I had agreed on going for the voluntary retrenchment. My decision was based on the fact that I could use the package to start other things and solve some problems I had. (a voluntary retrenched staff)*

It is clear that the voluntary retrenched exercise is dependent on how attractive a package is and how employees will opt for such a package and leave.

4.6 Training Package Available for the Retrenched Staff

It is in order that retrenched staff are given psychological talks or counselling on life after being retrenched, capacity building skills, health management and training in managing finances. These talks or training must be done by professionals with proven background and expertise in these areas. Much emphasis must be placed on building the capacities of the young staff, especially on how to prepare their Curriculum Vitae (CV) and equipping them with relevant reemployment skills. Those nearing retirement should also be given talks on life after retirement, pension packages and health-related issues. The experience or expertise the retrenched staff garner from these training exercises would help them cope with life after retrenchment. After reconnoitring the training available for retrenched staff, a bank official from the HR Department, indicated that:

> *The training is usually based on managing your finances and we dubbed it or titled it as life after Adot Bank Ltd. So for life after Adot Bank Ltd they were given training as to how to manage their finances. As to the investment options available, as to helping some of them build their CVs, so that they can still be employable. …….We even had health and safety aspect of the training and how they can manage their health. (HRM Department staff)*

Another staff from the HRM Department added other forms of training that existed. He said that:

> *Counselling is part of the package. In fact, we had doctors that come; we had psychologists from the University of Ghana…….who were present for the first one that I sat in. We had people who are experience in financial literacy and investment as well as a whole lot of things.*

Confirming what the respondents from the HR Department said, the retrenched staff admitted that training was available, but most of them felt they did not need that kind of training at that moment as they were still young and healthy and, therefore, did not partake fully in the training offered them. A retrenched staff, commenting on the training offered, said that:

> *Yes. After we were asked to go home, I think a week later, they organised some training for us in Kumasi. They brought some people in; I think the SSNIT officer was part. Talking to us on how to manage our SSNIT contributions from now and also a doctor came from Legon. I think he is a psychiatric something, to counsel us…yeah… but I think I did for two days and I left because I had some other appointments to do. (A retrenched staff)*

A retrenched staff who on the other hand felt that the kind of training they had after the retrenchment could not help them cope with life afterwards, was of the opinion that if the bank had to offer any training then it should be provided for them before their exit or immediately they were informed they had to go. Lamenting on the training available, he indicated that:

> *We were even given our letters before they realised that it was a mistake. They should have taken us through some psychological exercise or organise some mind preparedness for us meanwhile they had…. I mean it was a wicked way of sending someone away.*

What the study unearthed from the views of these retrenched staff indicates that psychological or emotion control talks were not timely. Training for the retrenched was also not related to any skill development for the active staff who were interested in reemployment, but rather, it was related to the coping mechanisms for those close to

retirement. This situation of the training left out the young and energetic staff who were affected the opportunity to be reemployed.

4.7 Severance Package for Retrenched Staff

The study also investigated the severance packages as part of the retrenchment process. This is the amount of money paid to the retrenched staff for being affected by retrenchment. This investigation was done because the severance package for the retrenched employees is directly related to their post retrenchment coping strategies.

Information from the bank‟s HRM department revealed that there was a severance package available for the retrenched, but the size of the package depended on whether a staff went on either voluntary or compulsory retrenchment. The size of the voluntary retrenched staff package depended on the amount they expressed interest to take as a severance package, except that the package did not favour those who had worked for the bank for more than 24 years, as all calculations were capped at 24 years, so if employees were interested then they went for it. Thus capping the calculation of the severance at 24 years is a clear indication that the bank will want to retrench a long serving staff at a lower cost. Commenting on the voluntary retrenched staff‟s severance, a bank official in the HRM department said that:

> *For the voluntary retrenchment severance, the bank has put a package out, that if you are interested then you go in for it. So obviously, there is no legal basis or there is no legal conditions attached to that one. Because you said you liked it and you want to opt for it. Yes. I have put it there. There is something there, if you want it, take advantage of it. And that's why that one is capped at 24 years. So if you have done more than 24 years, it would take care of only 24 years (HRM Department staff).*

For the compulsory retrenched staff, the severance is calculated according to the monthly basic salary earned by the employee at the time of retrenchment, plus all the allowances entitled that staff for two months or two and a half months of every year, depending on the negotiation by the Union and Management. This amount is then totalled for the number of years the employee had worked. This means that, if, for example, an employee worked for the bank for about 10 years, he or she will earn either 2 months or two and a half months‟ salary, with allowance for each year adding up to ten for ten years and the amount will be calculated together and given as a severance, after which the staff is also entitled to health insurance, which was different for staff aged over and below 55. By this, it means that those retrenched employees aged below 55 had a health insurance for 5years, whereas those above age 55 were given health insurance as pension. This means that they will be entitled to health insurance till death.

A bank official from the HRM Department explaining the severance package said that:

> *Yes, there is a severance package. It is what we call the redundancy pay. Basically it is your base salary plus all the allowances worked for each year worked. The last one that we did was 2.5 month salary. The previous compulsory retrenchment we did was 2 month salary for each year worked. And then we had repatriation, where the bank would repatriate you to your first place of employment. For example, if I was first employed in Kumasi and I was declared redundant in Accra the bank would repatriate me to Kumasi. As part of the package, those who were 55 years and above were given medical as our pensioners. And those who were below 55 years had medical for 5 years. And any outstanding end leave would be committed to cash. And we had provident fund, so we pay your provident fund entitlement both the employer and your contribution as well. And then if you had spent six months or were left with six months to attain the award, we would assume that you had won the long service award.*

The interview was not limited to the bank officials alone; all 38 retrenched staff were also asked to express their views on the severance package. Some views expressed by these

staff which was very useful to the themes of the study had been used to support the analyses for this section. The Study revealed that time was pivotal in the calculation of the severance package. Retrenched staff who were not even clear on how the bank calculated the severance package were aware that an employee‟s duration of service for the bank was related to the severance package, this means that, the longer your service to the bank, the higher your severance package. Contributing to this discussion on the severance package, he specified that:

> *There was a little severance package. But was something negotiated with the union. Yeah. Peoples who, who are there for long got a little bit something better than some of us who had a little years of working, with them.*

> *Yes Very little severance. At that time, the bank had not decided on anything yet, so we had the staff manager errm yeah staff manager who just devised something. So there was nothing specific on the table. But he devised something and I was given something which was less than one, one million old cedis per year of the time I worked for the bank.*

> *Yes, they paid some money, and they used the number of years you had worked with Adot Bank and I think that was what they used. But I didn't go into details… ….because I just didn't even want to have that thing on my mind yeah. But I think I had done like four years and when they paid I would say it wasn't bad at the time. Maybe because I had my husband supporting me so I didn't feel any…err …what will I say…I didn't have any difficult times. But it was ok. those who had worked for longer years I think they enjoyed.*

A retrenched staff, had a different opinion of the calculations for the severance package. He rather stressed on the amount of basic salary earned as at the time of leaving the bank. This means that, if a retrenched staff leaves the organisation at a lower rank where the salary will not be that high, he or she may go home with a severance package less than

that offered the one who leaves with a higher basic salary. Contributing to the severance package, he indicated that:

> *Yes please there was a severance package. It was, I think calculated 36 months, 36 months multiplied by the amount, my monthly salary as at the time of leaving the establishment.*

A retrenched staff who on the other hand, did not receive any severance package, because he had taken staff loans from the bank, and as at the time of leaving, the bank had to deduct the loan owed out of the severance package, leaving him with nothing.

Contributing to the information on the severance package, he said that:

> *Yes, please, there was a severance package but err unfortunately I wasn't given a severance package because I had other commitments with the bank so obviously… they used it to cater for the commitment so in the end gave me nothing.*

Buttressing the contributions of the severance pay were the sentiments expressed by a retrenched staff who also went home with nothing due to loans owed the bank.

Lamenting on his predicament, he said that:

> *Me I didn't even get any money from the bank. Because the bank made us aware that when you had a loan with them, whatever they are going to pay you, they would make sure they deduct all the loans out. Imagine you were not prepared to pay off your loan and all of a sudden you are to take a back pay, pay off your loan and take the rest of the piece, a peanut and go home. I mean just imagine that.*

The comments passed by these retrenched staff is an indication of the bank making them poor after being retrenched as some of these staff after the deductions of the commitments they had with the bank, had nothing left.

4.7.1 Retrenched Staff's Perception of the Severance Package

The study probing further into the severance package investigated how the retrenched staff perceived the severance package received. Information received showed a mixed perception from the respondents. Some respondents were satisfied with the severance package whereas others were not. Surprisingly retrenched staff who were satisfied with the severance package included those who were compulsorily retrenched unlike those who had worked for a shorter time. As discussed earlier the severance package was tied to the length of service. A retrenched staff who was satisfied with the severance package offered him had this to say:

> *As at the time I was leaving, err I felt I was a very rich man. . It wasn't a bad package, but circumstances have actually taken away the value. And, that is normal because things, things do not remain static. (A retrenched staff)*

A retrenched staff who received a severance package but was not happy with the amount given, felt that the package was not too good but once he had his life to live, he was satisfied and had this to say:

> *Oh. I don't think the package was all that juicy (A retrenched staff)*

A retrenched staff who had commitments with the bank and therefore had some deductions taken before he was given a severance package, was totally dissatisfied with the severance package offered. He indicated that:

To me the money wasn't enough.

A retrenched staff who was also not satisfied with the money had this to say

> *No. No, it's not the package; when you take the package…how much is it? I think it is three months' salary or so if you take the three months' salary, you have loans, they would take off all the loans and if you don't take care, you would see that all the money is gone.*

On the other hand retrenched staff who were able to use their severance package judiciously to survive the retrenchment were very satisfied with the package. Commenting on how satisfied they were with the package:

A retrenched staff who benefited from the severance package, expressed her satisfaction by the fact that her business improved, giving her a better coping.

> *Yes the package helped me a lot because I had started a business earlier before, so I just added some money and, and its better you, know when you are at the bank, you have to start investment before you come out. That one it won't affect you. Other than that, you would use all the money you get.*

A retrenched staff who benefited from the severance package received, expressed his satisfaction by explaining, in detail, the things he was able to do when the package was received:

> *Oh yes, the package helped me to do something. In fact I gave some to my wife. She was a trader in the Central Market…… I left a portion for trading. Then err there was an old house in my village, I had to repair it for them. So I repaired it for them. So in fact I had to divide it, each according to its own work. (A retrenched staff)*

Another retrenched staff who was also satisfied with the severance package even though she had not worked for the bank for a long term felt that the amount given was reasonable looking at the number of years she worked for the organisation. She said:

> *But I think I had done like four years and when they paid I would say it wasn't bad at the time. Maybe because I had my husband supporting me so I didn't feel any…err …what will I say…I didn't have any difficult times.*

But it was ok. those who had worked for longer years I think they enjoyed. But with four years, it wasn't bad it was very okay, Yeah. (A retrenched staff)

The retrenchment process identified from the fieldwork is depicted in figure 4.1. The process begins from the decision to retrench, through to the severance package involved.

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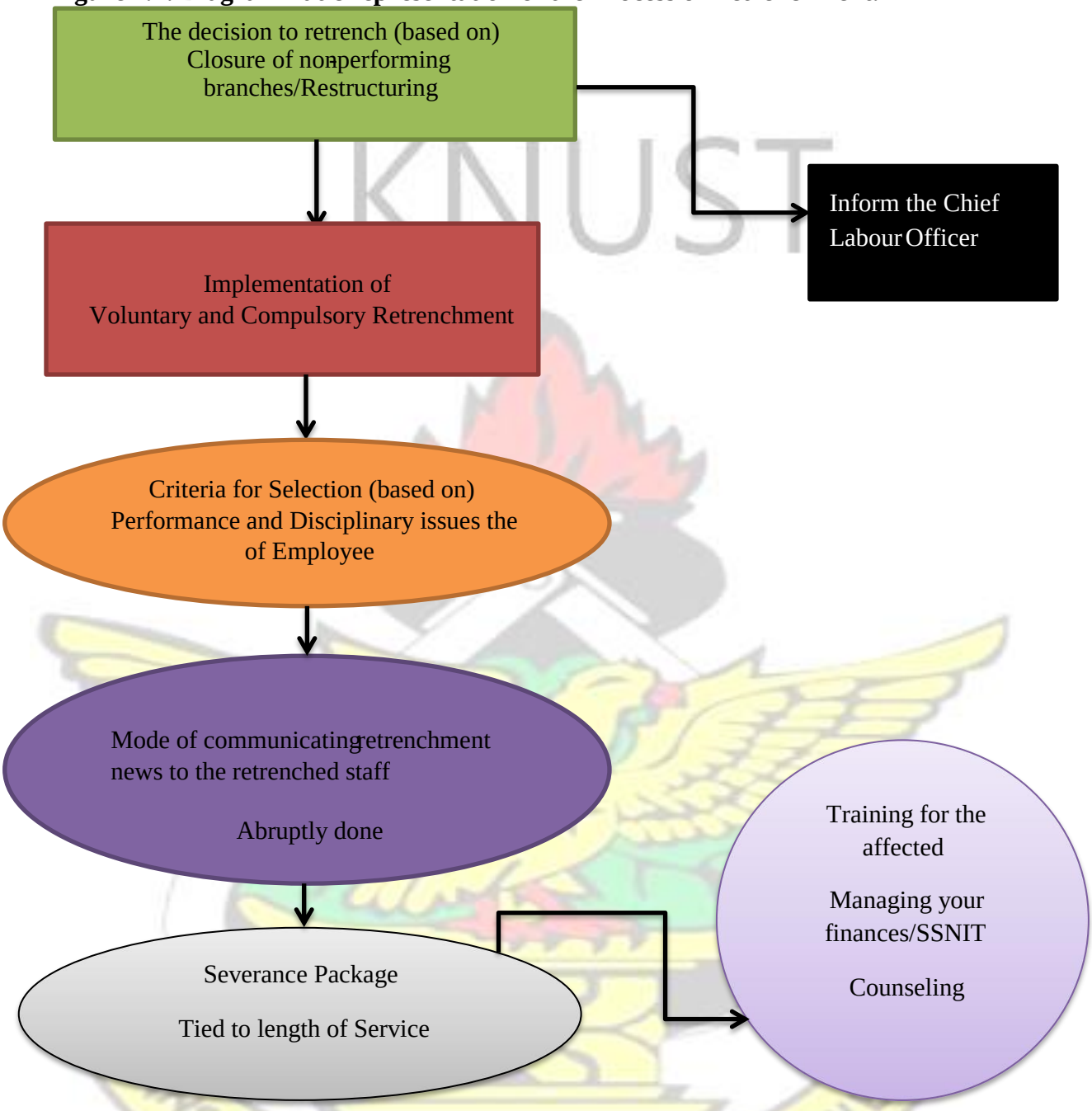
Figure 4.1: Diagrammatic representation of the Process of Retrenchment.



Source: Researcher's Construct, (2014)

Referring to figure 4.1 the process of retrenchment begins from the bank"s decision to retrench of which the chief labor officer is informed as conformity to the legal requirements of the implementation of retrenchment in Ghana. When this information is done, the bank had to wait for three months before they can begin the implementation of their decision.

In the case of the bank for the study, a voluntary retrenchment package was implemented first. This type of retrenchment allows employees to willingly opt for a teasing package that is available to exit the bank. The management of the bank only had to implement the compulsory retrenchment when they realized that the number of employees who opted to leave the organization were not significant enough to help reduce their operational cost.

The implementation of the compulsory retrenchment led to the need for selection criteria which should be fair enough to the understanding of an affected employee. When these employees are selected, then letters are written to the effect of them being affected by retrenchment.

After the communication of the retrenchment news their severance packages are paid to them; except for employees who have commitments with the bank, whose severance would be used to offset their commitments. After their severance has been paid for them to exit, then training is organized for the affected.

4.7 Summary of the Chapter

This chapter analysed the results on the process of retrenchment. The findings revealed that, the bank followed the labour laws in their contemplation of retrenchment. The chapter also identified some disparities between what is known as the criteria for selecting the staff to be retrenched and what actually was used as the criteria for selection, from the retrenched staff point of view. It was evident that, disciplinary issues as a criteria for selecting the employees to be retrenched were not known to the retrenched staff.

Again the findings on the mode of communicating retrenchment news as well to the affected staff had some inconsistencies. It was also evident that in this instance the bank had no standard of agreement on whom and how the news on retrenchment is communicated to the affected staff. Hence, a branch manager communicated the retrenchment news in a branch, on another occasion an area manager did it. It was also evident that those members of staff that were supposed to transmit the retrenchment news did not know how to go about it due to the difficult nature of conveying such news. It is also revealed that even though the bank announced generally to all staff of their implementation of retrenchment, the actual affected staff only got to hear the news when they showed up for work one day which was quite abrupt to them. There was training available for the retrenched staff but the timing of some aspects (Psychological talks) of the training for the retrenched was a problem as it was done after the staff had exited. This would make the training have little or no impact. Again, the training had a standard package (Managing your finances, SSNIT contributions, Counselling) available for all retrenched staff, irrespective of their age.

Information on the severance package revealed that the package favoured employees who had the opportunity to work for the bank for a long time. Thus, the longer the years of service, the better the severance package. However, there was this inconsistency of what actually happened on the grounds from the retrenched staff point of view, about some retrenched staff that went home with nothing in the form of a severance package. It was evident that these retrenched staff had to lose their severance for the payment of the loans they owed the bank. It was also evident that most of the retrenched staff that went home on voluntary basis were more satisfied with their severances than those who were compulsorily retrenched. However, some retrenched staff who went home on compulsory basis were satisfied with their severance. This chapter has identified a certain implementation gap. This gap was more evident from the criteria for selection, mode of communication and severance package. The next chapter presents and analyse the data on the effects of retrenchment, the coping mechanisms and the labour market reintegration of the affected staff.

CHAPTER FIVE

DATA PRESENTATION AND ANALYSIS THE EFFECTS AND COPING MECHANISMS OF RETRENCHMENT-THE AFFECTED STAFF'S PERSPECTIVE

5.1 Introduction

This chapter presents and analyses the results of the data on the effects and coping mechanisms of the retrenched employees. The study gathered information on the effects the retrenchment had on the affected staff which is directly linked to the coping mechanisms. The effects and the coping mechanisms are discussed from the economic, social and emotional points of view. Major types of coping strategies were emotionfocused coping (where, mostly, individuals seek for emotional support, try to relax, or escape stressful situations by seeking solace in others) and problem-focus coping (where individuals save money towards times of need, look for job or obtain training to enhance their prospects for job opportunities). The analyses have been presented in this chapter under the following themes: economic, social and emotional effects and general coping of the retrenched staff, their reemployment and self-employment as coping mechanisms.

Table 5.1 Effects of retrenchment on the affected employees

Type of effect	Number	Percentage
Economic	13	34
Social	17	45
Emotional	8	21
Total	38	100

Source: Researcher's Construct 2016

Information on table 5.1 above shows how retrenched staff were affected by the retrenchment. The results show a clear indication of retrenchment being liked to social and economic effects from the developing country point of view. In the next sections the discussions on the categories of effects have been analysed.

5.2 The Economic Experience of Retrenchees

This section presents and analyses the results of the economic effects and coping mechanisms of the affected employees. The economic effects explored from the respondents revealed, that 4(10%) retrenched staff experienced a reduction in spending, 5(13%) also experienced pauperisation whiles 4(11%) experienced an abrupt end to their education (some retrenched staff were in school doing their master"s program when they were retrenched) and change in plans of furthering their education due to the fact that they went home without a severance package.

5.2.1 Reduction in Spending

Being retrenched without an income could lead to so many techniques being adopted to prevent hardship. Reducing spending could come from all financial commitments of the retrenched employee. This could be a break in a habit that causes spending (like going out every evening to drink) or an end to an extended spending which is not directly related to the retrenched. 4 of the retrenched staff representing 10% of the respondents who realised the need to spend wisely decided to cut down their expenditure. Being the bread-winner for their nuclear and extended families, cutting down their expenditure to them, could minimise the financial hardship they could face if a job does not come early.

Answering the question on how they have been affected by the retrenchment 3 of them indicated that:

> *I was badly affected because at that point in time, I was the bread winner for both my nucleus family and even my siblings…… But I gathered courage, found the appropriate time and informed them of my inability to support them again due to job loss.*

Ok being affected in a way is like erm you, you have something going, the income is coming and then all of a sudden it stops. When it stops, you like lose focus. You have to rethink where to get other means of income as that's what you used to survive on or depend on in everyday, so as it stops you have to adjust your spending or reduce your spending so you think a lot.

My experience was bad especially if you, you are a bread winner, you had issues to put together something for, your family and if you had anything you are doing for the future. Because obviously, before you joined the bank, you may have had some target or some aspirations to work with other institutions but because you, you had a final decision to work with Adot Bank Ltd., you decided to stay in there. Unfortunately, when this sad event came up, I had to err start thinking very far and near about how best I can put myself together. Cut down on certain things and save till a new job comes by.

Staying at home unemployed without any hope and spending your savings can have a great impact on retrenchees who see their severance package diminishing without any sign of getting a job soonest and some kind of support from the government. This is the situation a retrenched staff found himself in, as he had to stay at home for over a year before getting a new job. Answering the question of how he was affected by the retrenchment, he indicated:

Oh, financially, I was dry because I was at home for over a year and …….so; it affected my family, financially as I could not provide for their needs as I used to do (A retrenched staff)

Retrenchment can bring an abrupt end to how people provide support for their families and can lead to a loss of social recognition in the family. To this end family members may not accord the affected the necessary respect they use to give due to a job loss. In much the same way family members may not treat the

visits of retrenchees as important as they may not be expecting any gift due to job loss.

Probing further into how the affected employees experienced reductions in spending, the respondents were asked a question about how their old income compared to the new income. Retrenchees who believe their reduction in spending had come from the fact that their new income is less than the old income had this to say:

> *Oh I now teach and the teaching salary is very minimal. The, salary can't be compared to that of the bank at all.*
>
> *Even, I spend more than my income. If am depending on my pension now, if I had gone home at age 60 years I would have a better retirement benefit, I would be receiving I mean, better pension salary, which is not even less than 1,500 but because I went early, because of the retrenchment thing, its erm almost, my pension is not yet 300.*
>
> *As I said it is the business that is taking care of us of course the income from the business is not enough and because as some of our kids are in the university and all that it demand a lot of money so everything is from the business so over a period you realize that you are going into the capital of the business which is not a good thing to do because of course if any business you are chopping the capital then of course you are breaking the business down so over a period the business has really come down.*

Inferences from the above statements are an indication that retrenched staff experiences reduction in income which will lead to less spending and thus affected them economically.

5.2.2 Pauperisation of Retrenchees

Information from the interviews revealed that 5 retrenched employees representing 13% of the respondents had to go home on a negative balance. A situation where their severance package was used to offset their personal commitments they had with the bank. These commitments were in the form of housing loan, car loan and personal loans. At the time of their retrenchment, the bank had to deduct these commitments from the severance leaving such retrenched staff with a zero balance. Three out of the five retrenchees who found themselves in this situation had this to say:

> *I was affected in so many ways. So many facets of developments and as a young person putting it together, my experiences and focus together, first of all, I had to depend on friends because I went home with nothing. Unfortunately I wasn't given a severance package because I had other commitments with the bank so obviously the bank took it away.*

> *I received nothing not even one Ghana Cedi and that was a major blow. My blow wasn't what people would think or say about me. The blow was going home after serving a company three and half years with nothing. You know what it is like working in a bank. Sometimes weekends you have to go, they take all your life from you.*

> *As for me no severance package was given to me I went home with nothing.*

Retrenchment can actually make the affected employees very poor; especially when they have to leave their organizations without something they can call severance. This can lead to the affected being embarrassed by depending on friends. A situation they would never accept under normal circumstances. But due to the vulnerability state they find themselves and the availability and readiness of these friends to provide such help, they would take (Baker 2000). In a related development retrenchment can lead to the affected feeling being

ripped off. These may later translate to feelings of betrayal, resentment, insecurity, and powerlessness (Hall & Goodale, 1986; Richard, Bransted & Milan, 1996). As in the case of employees who felt they had served the bank for a long time with all their time.

Probing further to establish how these retrenchees have been made poor, respondents were asked on how they have been affected by the fact that they went home with nothing they could call a severance. Retrenched staff who felt they have been affected due to the fact that they went home with nothing had this to say:

> *Oh, like I said, the one year three months which I stayed home without a job was a bit hard so to say emotionally; financially I suffered (A retrenched staff)*

> *I felt terrible because like I had something doing and at least pay bills and all that, and as it doesn't, doesn't come again, that's terrible (A retrenched staff)*

> *I was affected in so many ways. So many facets of developments and as a young person first of all I had to depend on friends because I had nothing on me. I had very good friends. Friends especially there is one, there was one friend I had to depend, err depend on more often and… he understood me and I had to depend on him especially for a little bit of support and all that and that was after I had exhausted all that I had invested or I put aside. So my savings had just been depleted and I had to depend on certain friends and close family (A retrenched staff)*

The statements above are a clear indication of retrenchment being linked to poverty as the severances received by these affected can even deplete leaving them with no choice. For an affected to go home without a severance can have serious consequences on their financial survival.

5.2.3 A change in intent, or an abrupt end to education.

Human capital is built through education. A change in intent or an abrupt end to education deprives retrenchees of gaining the requisite expertise and skills for human development. 4 of the retrenched staff representing 11% of the respondents pursuing their master"s degree course had to quit school or left with no choice but to forget about schooling as the funding for the school was mainly savings out of their salary. This result is an indication of retrenchment being linked to a reduction in investment in human capital. Expressing how they were affected by the retrenchment indicated that:

> *Yes, because, you see…because of my intention of going to school, I had saved so much for the school. But at that moment, I had to think of something else, I was thinking of how I was going to cope; because it was really going to eat into whatever I had saved. And it took me almost a year before I even got a new job. (A retrenched staff)*

> *It affected me a lot because just then I had enrolled for school; I was trying to do my masters alongside that. I sat home for almost two years. Funding was very bad. Even how to get money to transport my things from my station where I used to work was a problem, it is only God. (A retrenched staff)*

> *Oh actually then I was, I just started my schooling so I was doing the two together and with that it supports me in a way to cater for my academic work and all that so, as it happened it, I had to halt the schooling in a bit just to look for attaining means of income.(A retrenched staff)*

Inference made from the statements of these respondents relating to their retrenchment showed that retrenchment affected their ability to upgrade their knowledge and skills through education. Economically, their responsibilities and expenditure on family, education and other livelihoods had to be reduced or abandoned. These effects or implications on victims emanates from the manner in which the retrenchment process was executed. Retrenchment can adversely affect the finances of the retrenched employee and

can leave especially men, economically impotent and thus once the retrenchment package has been exhausted, many of the men become unable to provide for their families. They are also unable to obtain income, as the skills they had gained in their organisations would no longer be useful (Modise, 2002).

5.2.4 Coping with the economic effects of retrenchment

Employees affected with retrenchment usually perceive their unemployment as a problem that must be remedied; hence they try to look for new jobs, enhance their Curriculum Vitae (CVs) and write job applications, go for skill and capacity building training programmes and also do voluntary jobs in order to keep going. Any news of a new job elicits joy to these affected victims. Retrenchees who saw retrenchment as a problem to be solved would attempt to look for a job or seek for training to enhance their human capital.

A retrenched staff who experienced a reduction in spending, and had to cut down spending on the extended family had to cope by looking for a job and talking to people as well on how to get a job. This he felt, kept him going till the time of the interview.

> *I mean I started looking for job, talking to one or two people. There was a time even I spoke to my old boy, that's my father, that if he could even help me with getting a new job. I met one or two people who also promised me. Some of them you know, they would give you the promise immediately the kind of promise they would give you would make you even relax. Because you think that you've already gotten it. You see, but then you face that disappointment. Till I get a new job, then I would continue. That was what was really keeping m (A retrenched Staff).*

A retrenched staff who experienced a total loss of financial base had to cope by rewriting his CV and send applications to some organisations for a job. Explaining how he coped till the time of the interview he indicated that:

> *I had to gather myself. Start writing my CV all over again and then trying to see if I can get some job offers in the labour market. But I got some few it was personal jobs, people's job and they decide at any time to fire you or let you go and not any good permanent job from my organisation or something so. As at now I am still looking (A retrenched staff).*

A retrenched staff who went home without a severance had to depend on friends and family members to cope with life. To him friends were the best thing that happened to him because they supported him financially till he found a new job. Answering the question on how he had coped till the time of the interview, he had this to say:

> *I had very good friends. Especially there was one friend I had to depend on more often and… he understood me and I had to depend on him especially for a little bit of support and all that and that was after I had exhausted all that I had invested or I put aside. So my savings had just been depleted and I had to depend on certain friends and close family.*

A retrenched staff who was affected by a reduction in finances had to cope by enhancing his computer skills to aid in job search. He had this to say:

> *I was that kind who does not waste money so much so I saved a lot of my earnings. After retrenchment I realised that my expertise in computing was not all that rich so I enrolled at NIIT to enhance my skills in computing and also attended job fairs and entrepreneurship seminars like Springboard which I knew would help me establish my own business or secure a job elsewhere. (A retrenched staff)*

Retrenchment can force the affected to shirk their responsibilities towards their extended families if such responsibilities can pose a problem for them. Most of these affected can

either decide to improve on their knowledge skills and capabilities or rather discontinue the development of these skills. The contributions of the respondents indicate the adoption of Folkman and Lazarus‟s (1984) problem and emotion-focused coping strategies of which Carver and Connor Smith (2009), explained that, "the individual who adopts the problem-focused coping takes steps to remove or to evade the problem at hand. They gave an example that if for instance, layoffs are expected, an employee‟s problem-focused coping might be to save money towards times of need, look for a job or obtain training to enhance his opportunity to be hired. Inference made from the retrenched staff responses consolidates the fact that some staff sought alternatives like seeking for jobs, saving money and going for training and skill development courses before retrenchment and others after retrenchment for their sustenance. Piko (2001, p.

224) argued that „certainly, various factors, for example demographic, personal, sociocultural and environmental, had an influence on which coping strategies are mobilised under the specific circumstances, which is a testament to the aforementioned fact‟.

5.2.5 Conclusion on the economic effects

Retrenchment can result in the inability of the affected to provide education for themselves and support for their extended family. With regard to people working in the formal sector such as the banking industry, they are entitled to monthly salaries and other benefits based on the banks remuneration structure. This income facilitates the provision of financial and material support for their daily upkeep and that of their families. If such a source of income is lost, then certain responsibilities will be eluded.

5.3 The Social Angle of retrenchment

There is no doubt that retrenchment can affect the individual socially. In the Ghanaian, society where the banking job is perceived as prestigious, there is no doubt that losing a job from the bank can have a social effect. Information gathered from the respondents revealed that 17 retrenched staff representing 45% were socially affected by the retrenchment. At the time of the interview, 4 respondents representing 10% were worried about how the community within which they lived would perceive them, 5 respondents representing 13% were worried about the negative comments that would be passed about them on their exit from the banking job, whilst 5 respondents representing 13% experienced loss of self-esteem with 3 respondents representing 9% experiencing change in status. Information on the social effects has been analysed in the sections below.

5.3.1 Negative Community Perceptions

In Ghana, it is believed that people who work in the bank are wealthy because they are in proximity with money all the time. Working in the bank is very prestigious. Others even believe that looking for money for investment and daily life support is not too difficult for people who work in the bank. So, for people to lose a job at the bank sounds very embarrassing and members in the society feel that they committed some crime in order to be retrenched. Explaining to the understanding of friends within the community of a loss of job from the banking industry would be difficult. Retrenched staff who were worried about how the members of the community within which they lived would think, say or see them had this to say:

> *Normally, people see those who work in the bank as people who I don't want to say are rich or think they are okay. They see you driving your car, taking care of your kids always nicely dressed; they think that you earn so*

much. So for you to tell them that you had left the bank you see to them they think that may be you had done something wrong and you have even been sacked. You see, people read so many meanings into this, so, it was quite challenging, it was quite challenging, but I think, with any new thing, it depends on how you handle it. (A retrenched staff)

Yeah in Ghana that's the perception people do have if you are working in the bank you are rich. Because of the image, that means you have to present yourself very well to other clients and all that so with that as the status quo if you are no more working in the bank, you have to still keep up with appearances in a way you don't have to just to prevent comments(A retrenched staff)

A retrenched staff who was also worried about what friends would say about him, pretended to friends that he still worked in a bank, but then, reality dawned on him, and he had to sell his car to make a living. Noting how he had been affected by the retrenchment, he said that:

Well, basically, I wouldn't even like people so much to know about it (being retrenched). Well, my close friends, I needed to tell them, so I manage to tell them. But those who are far away from me they would only know that this guy, he used to ride a car, but now he is not riding a car. Where is his car? (A retrenched staff)

Meeting community expectations and relating well to friends in the society was also a bother to retrenchees. A retrenched staff buttressing on the experiences of retrenchees above expressed their worry about how people within the community they lived would see them. It is always believed that when one loses his job, then, definitely, that person did something bad to warrant that. This makes the negative perception more pronounced on people who work especially in the banking industry. Again, when you work in the bank, there is a certain level of expectation in terms of standard of living and choice or taste for certain goods. When an employee loses a job from this sector, then it is believed that

definitely, there will be a drop in the standard of living of those employees such that meeting expectation from family members becomes difficult.

Retrenchees commenting on how they were affected by the retrenchment said that:

> *…. I remember when I came out, I was thinking about how people would even see it. Yes. They would think that either you are non-performing, or you did something especially in the financial institution. And then also the expectations; you know managing the expectations was also something that I felt it really affected me, really I was thinking of how people will see me. It affected my social, I mean my social relations because then now I was always giving excuses for not going out with my friends… (A retrenched staff)*

> *Yeah in Ghana that's the perception people have if you are working in the bank. Because of the image, that means you have to present yourself very well to other clients and all that so with that the status quo, 'if you work in a bank, you are very well to do and all that' is common. Sometimes too you have to keep up with certain appearances in a way even if you don't have, even if you are no longer working in the bank, you have to still keep up (A retrenched staff).*

Retrenchment can lead to different perceptions from the society within which the affected lives and can really frustrate the affected as they are expected to continue with their lifestyle they used to exhibit from the banking industry. This can affect the affected such that they may be withdrawn or not be interested in people getting to know about their current status.

5.3.2 Negative comments from members within the community

Explaining to the understanding of friends was a big bother as a loss of job from a bank has a negative implication on the retrenched employee. No matter how best they explained, some friends will find it difficult to believe that they left their employment at the banking job through no fault of yours. This was the challenge for Adjei, who had to

answer a lot of questions from members of the society who inquired about his break from the banking job. Commenting on how he was affected indicated that:

> *It wasn't easy. When I communicated with any person, especially when I wasn't going to work and people ask me, why are you at home? Are you on leave or what is happening? And I tell them that, I was no more working with the bank, they begin to wonder. Why as a bank manager with a reputable bank like Adot Bank Limited should decide to leave before my retiring age. Some were even thinking that maybe I had been dismissed from the bank or*
> *something of that sort. So they didn't understand why I should come out. So no matter how I explained to them, still some people understood me, others too did not take it lightly.*

This retrenched staff faced this challenge because a job loss could come up to being of social or communal concern and discussion too. For instance, in the Ghanaian setting, the barest level of politeness among neighbours is not just to exchange greetings, but asking about the wellness of the family and one‟s job as well. Consequently, people who lose their jobs through retrenchment or other means will find it difficult to socialise as the fear of being asked about their job keeps occurring in their minds.

5.3.3 Loss of self-esteem

When employees are retrenched, they lose their self-esteem (Feldman and Leana, 1994). The loss of prestige through the loss of a job is thought to create stigma (O‟Neill and Lenn, 1995 cited in Gribble and Miller 2009). Burke (1988) found that contemporary sources of stress both managerial and professional included organisational retrenchment and decline and future job ambiguity and insecurity. A retrenched staff who experienced low self-esteem had this to say

> *Sometimes I feel very low self-esteem. Because I don't have money how can I even do something or even go out talk or nothing. I just, sometimes walk around and sometimes I just try to give hope to myself, telling myself one day well the luck, that luck would come again.*

Retrenchment can lead to the affected losing the respect they earned before becoming unemployed. This can be peculiar to the Ghanaian community as working in a bank in Ghana warrants a high prestige for the individual.

5.3.4 Change in Social Status

Being retrenched from the banking industry and staying home for over two years can be a worry for the retrenched staff. What worsens the situation is that, in a few days before the retrenchment they were gainfully employed, and suddenly they have no job. The fact that their status of being employed is taken away from them and replaced with that of unemployment can lead to the retrenched being withdrawn from the society as they now feel useless and thrown away (Downs, 1995 cited in Gribble & Miller, 2009). A retrenched staff who experienced such situation had this to say:

> *Ok. Being affected? I was really affected in a way, is like you have something doing, the income is coming and then all of a sudden it stops and you become unemployed. It makes you lose focus. You have to rethink where to get other means of course as that's what you used to survive on or depend on every day, so as it stops you have to think a lot.*

The above situation confirms the fact that retrenchment is linked to unemployment. This can be temporal (being at home for less than two years) or long term (being at home for over two years without hope of a job coming soon). The affected who finds themselves in the long term situation suffer more with the new status of being unemployed than those who find themselves in the temporal situation where gaining access to employment solves the problem.

5.3.5 Coping with the social effects of retrenchment

Folkman and Lazarus (1984) identified social coping to be related to their emotion-focus coping, where the individual takes steps to reduce the distress involved in job loss by seeking for emotional support and trying to relax or escape stressful situations by talking to someone. For those who felt the retrenchment experience had been very traumatic, seeking for employment immediately after they had gone home was not an option they relished. They preferred to seek for solace from close friends and family members. Others also believed that being around people and taking encouragement from them gives hope towards that feeling of rejection. With others finding hope in the religious groups they worship with, God was their refuge in times like this.

5.3.5.1 Coping through religion

Religion was very important as a coping strategy. This is because the retrenched employees believed in the miracle of God for the restoration of their social life. In such situation, the belief is that when all hope is lost, individuals in the developing world can believe that God will provide for their needs. This then brings into light the use of religion or in other words faith in God Almighty for coping. Retrenchees who did not have any hope for support, had to rely on faith in God. To them their hope is in Christ the beginning and the end. Retrenchees who left the bank without severance due to commitments they had with the bank had to trust the good Lord to help them in times like this. Speaking on their experiences they had this to say;

> *It is the word; it is the Word of God that really encouraged me…….*
> *So Jesus Christ, God, God was my Helper. David said I will lift up my eyes unto the hills. From there, my help comes from God (A retrenched staff)*

My religion, Islam always teaches us to attribute anything good or bad that befall us to Allah (God). The news of retrenchment though came as a shock to me I remembered that Allah is in control. He has the best in stock for me and I had faith in him. Whatever happens I leave it to Allah (God) since my destiny lies in His hands. I knew that I could not fully rely on my fellow human, so I had faith in Allah (God) with the conviction that He is planning the best for me in (A retrenched staff).

Well, I won't discount it that those skills I had helped me. It could be part of it, but I owe anything to God any way. It's only God who helped me (A retrenched staff)

When I was affected so many things were coming into my mind you know, and I just prayed over it. I said God should direct me, first I decided to go into this provisions shop; but it's like a lot of people have got shops all over. And people are doing it, but I know, am not looking, am not trying to become rich overnight anyway. I need something that would keep me going. As at now am not, am in a fix now am just praying over it and see what God can do. So God keeps me going (A retrenched staff)

Hmm If not for God then, in fact I don't know by this time whether I die or not. Because being poor you would be thinking. But God so good, every day I get my daily bread, God help me (A retrenched Staff)

The contributions of the above retrenched staff is an evidence of the belief that God will provide for all needs, for example food, clothing, shelter in times when all these are not available.

5.3.5.2 Coping through social support

Social support refers to the numerous kinds of support that people receive from others. These can be in the form information (for example on the availability of a job) or emotional support (Bourdieu 2011). The term also refers to the perception people have on the fact that they are cared for or have assistance available from other people and that they are part of supportive social net-work. Retrenched staff, especially those from a sub-

Saharan African country like Ghana may look forward to such kind of support as they live in an economy where there is no support from the Government (van Ginneken, 2003). Retrenched staff who had supportive husbands made things easier for them by ensuring their upkeep, assured them not to worry about working for income anymore. This, at least, gave them that peace, which helped them cope till the time of the interview. Contributing to how they had coped, they explained that:

> *You know what? I am lucky I have a very supportive husband. Yes, I have a very supportive husband, so that wasn't my issue like my husband was there to support me that one fine. (This retrenched staff, was married to a medical doctor who owns his own hospital. When visited for the interview, she lived in a mansion and seems to have coped very well after the retrenchment) Okay my husband was very supportive. He always encouraged me that I would get a new job. I should just keep reading, learning for better things to come. So ……I felt it, it wasn't all that bad. (A retrenched staff)*

Retrenched staff who relied on friends and family to cope, received words of encouragement from these friends which was a source of coping for them. To them, the unavailability of such shoulders to cry on would have been a big blow to them.

Commenting on their sources of coping, they indicated:

> *I had advice and encouragement from friends and family. (A retrenched staff)*

> *After my retrenchment, I was reluctant to inform my friends out of fear that they might ridicule me. However, when they got to know, their support was unimaginable. Some even helped me financially and also looked for alternative jobs for me…… (A retrenched staff)*

A retrenched staff who had to depend on friends and close family for financial support and encouragement had to cope with the situation. To him, the help he received from friends

was what helped him survive the retrenchment. The help received ranged from words of encouragement to financial support. Commenting on how he had coped till now he said:

> *I had to depend on friends, I had very good friends, especially there was one friend I had to depend on more often and… he understood me and I had to depend on him especially for a little bit of support and all that and that was after I had exhausted all that I had invested or I put aside. So my savings had just been depleted and I had to depend on certain friends and close family. (A retrenched staff)*

A retrenched staff, who found solace in his parents, was able to cope with his predicament. To him, the support from his parents was a God sent one as he would not know what to do without such parents. They provided words of encouragement to help him cope and hope for a better life to come. Contributing to the study, he said:

> *I owe a lot to my parents. They had been very supportive since birth till now. When I got retrenched, they comforted me a lot. They wanted me to have the spirit of resilience. I was supported both emotionally and financially by them. They always encouraged me by always telling me that my retrenchment is not the end of life and opportunities will avail themselves soon. They really helped me during my trying times.*

Retrenched staff who did not have friends and family to rely on had support from the church they worshiped. A retrenched staff who received words of encouragement from his church members and the pastor had this to say:

> *I may say a religious group rather a church, my church comforted me telling me things that are hopeful in life as far as you are alive; you are bound to be somebody else. That it's not, it's not over yet. Err your life would be would be normal again. It's just a matter of time. God is err putting you on err a next level of trials that you should face. And so it was like a message of hope. That was all.*

The comments of these respondents agree with the views of Pearling and Schooler (1978), who suggests that Individuals in the emotion-focused coping take steps to reduce the distress involved in job loss by seeking for emotional support, trying to relax or trying to escape stressful situations. Contacting or talking to people proves beneficial to retrenched staff as it could be a source of comfort and encouragement. Baumeister (2005) also stated that the family and the society could provide valuable support to the individual who faces a job loss due to retrenchment. And, indeed, to enjoy social capital in the form of interactions and relationships, which can be beneficial at the time it is needed, is a consolidation of this fact.

5.5 The emotional perspective

The hearing of bad news can inflame an expression of emotions. Emotions expressed can begin from denial, crying, anger and so on. Some employees have an abnormal commitment to their organizations. When information of job loss gets to such persons, they express the utmost shock as to why they must lose an opportunity to work in such an environment. These effects, if not contained or handled with care, could have everlasting consequence on the victims. Corduff, (2009, p. 1) states that „There is a great need for society to recognise that people who are retrenched, at any stage of their working lives, may experience anxiety and depression as a result", retrenchees were affected emotionally as per the study. Information gathered from the respondents revealed that 8 retrenchees representing 21% of the interviewees expressed signs of shock, pain, disappointment and trauma in one way or the other at hearing the retrenchment news. 4 (11%) had that feeling of rejection whereas 2(5%) felt very sad due to the attachment they had with their work. These emotional expressions are identified as immediate effects of retrenchment because

these affected staff will not always exhibit these signs on a long term basis or at the acceptance stage. For example when people cry upon hearing retrenchment news, there should be a point where the news will be accepted, and at that point, people will not exhibit pain, anger, trauma and other negative emotions. As with time, the emotions fade and the expressions of the retrenched are not as intense as previously.

5.5.1 Emotional Breakdown from the Hearing of Retrenchment News

Retrenched employees usually break down at the hearing of bad news. This is normal as „the Initial reaction to the apparent negative occasion or declaration is one of exemplary stun and immobilization. It may appear as though there is no response at all to the information. Rationally, the individual squares out the information and the truth and conceivable ramifications had not so much grabbed hold yet" (Straker, 2005, p.5). The responses from the respondents indicates that the retrenched staff expressed anger, shock, denial, anxiety and even cried at the hearing of retrenchment news due to the way the news was communicated to them. A retrenched staff, who experienced shock when she was invited by her manager for the retrenchment news, went into denial and thought the information reaching her was a lie. She had to cry for some time before accepting the news. Expressing her emotion, she said:

> *When I first heard it, I told myself it wasn't true, it was a joke. They were just trying to pull my legs. Then as I sat there, my manager kept like trying to console me, giving me examples of people who had been victims of such retrenchment and how successful they had been. But I felt disappointed or let's say I felt a bit betrayed …….I was sad, and in fact, when I got home I wept for the first two days before I accepted it, I said ok, I had to move on (A retrenched staff)*

Another retrenches staff‟s experience was not that different from that of the experience of the respondent above. He also cried a lot but additionally, experienced denial which made it difficult for him to accept the situation of being retrenched. He only had to believe in God for sustenance and that is what made him stop crying. Also, feeling low self-esteem, crying sometimes helps to bring out the internal pressure of the emotions.

Contributing to how he was affected by the retrenchment, he said that:

> *I had been affected very badly, very badly. It's not easy. It's not easy I cried, I cried, I cried….. It took the Hand of God to sustain me. It has disorganised my life everything up to today. Sometimes I feel very low esteem…… I just, sometimes I just walk around and sometimes I just try to give hope to myself, telling myself one day well the luck that luck would come again. (A retrenched staff)*

5.5.2 Emotional Attachment to Work environment

One retrenched staff‟s situation was totally different from the others. He was not thinking of himself but rather, he was much bothered about the customers he would be missing upon leaving the job. His emotions were that of sadness due to the fact that he was not going to see his customers again. He laid emphasis on these customers because he felt that he was the first manager when that branch was opened and that he had established good rapport with these customers. He did not bother that much about himself; because he felt that he had worked a long time with Adot bank Limited and that, he had to go home. Besides, he was convinced that the attractiveness of his financial package was enough for him to survive. Expressing his emotions, he indicated

that:

> *Oh seriously, I was thinking of my, my clients, because the customers love me so much. The customers love me so much so that was my worry……I*

opened the branch …So I was sad seriously I was moved by some of them shedding tears openly. So, I was moved. (A retrenched staff)

A retrenched staff however, experienced traumatic situations, which he had to manage, whether good or bad. His expression of the emotional effect showed that he could not stop thinking of the future without a job and this brought sadness to him. His worry was the realisation of his abrupt unemployed status at such a short notice. Commenting on the emotional effects he admitted that:

My experience was a bit traumatic because you cannot just imagine when you are working and all of a sudden, you had that fear that very soon you would go out…….And that's a very bad experience I had, and it was my first, for example, to think about it. So, it wasn't a very good experience for me.

Retrenchment can lead to the expression of certain emotions which is seen as immediate response to the hearing of bad news and fades away with time (Kubler-Ross 1964).

5.5.3 Feelings of Rejection

As the retrenched is no longer part of the organisation, they can feel useless and thrown away. As a result, the retrenched is now an outsider, an outcast (Downs, 1995 cited in Gribble and Miller, 2009). This feeling of rejection is not only from the organisation but also from the society within which the retrenched staff lived. Such rejection may come from friends and family members who may not be benefiting from the retrenched anymore as they used to. A retrenched staff who felt ashamed of being retrenched, had to stay at home feeling rejected. She had to muster courage to tell her family members about her predicament but did not want friends to know about her situation and therefore kept on giving excuses like being on leave to explain why she was not going to work. These

excuses helped her in coping with retrenchment. Commenting on how she was affected by this retrenchment, she said that:

> *I felt very bad. I felt ashamed. I couldn't even tell some, some of my friends. But for my family, I told them. But for some friends I did not I was just managing. I will just tell them I was on leave, this and that. I couldn't come out to say it because I felt so bad about it because I didn't know what they would think of me.*

Another retrenched staff experienced emotional pain, because she felt she had done nothing wrong to experience retrenchment. This pain was due to a change in the pattern of life, where she was used to moving out of the house each morning and now had nothing to do in the day. Stating how she was affected by the retrenchment, she indicated that.

> *It was painful. Because all along, in the morning, you wake up, dress up and then all of a sudden you are now in the house idle…….. So it wasn't easy at all. (A retrenched staff)*

These expressions from the retrenched staff are seen as an immediate response to the hearing of sad news. The expression of emotions after one receives sad news is normal and these expressions may differ from person to person. Research indicates that, the reactions of leavers include anger, shock, disbelief, denial among others. These may later translate to feelings of betrayal, resentment, insecurity, and powerlessness (Hall and Goodale, 1986; Richard, Bransted and Milan, 1996). Opinions of injustice in the management of the retrenchment event (Brockner et al., 1994) or the intensity of attachments to the retrenching workplace (Leana and Feldman 1990) are all attributed to the emotional effects of retrenchment (Weller, 2007).

5.5.4 Coping with the emotional effects of retrenchment

Research indicates that individuals trying to cope with shock get to the denial state, which is a refusal to accept the information and the reality presented by the situation (Kübler-Ross, 1969, p. 9). After denial, there is a swing to anger (Straker, 2005), which can manifest in different ways. Individuals dealing with emotional distress can be angry with themselves and or with others, particularly those close to them (Chapman, 2009).

These emotions are all immediate expressions to the hearing of a bad news which fades away after some time.

5.5.4.1 Expression of emotions due to the communication of retrenchment news

Emotions may trigger at the hearing of bad news. This is normal as the expressions of those emotions may subside with time. Some of the ways by which people cope with the hearing of bad news is to deny that the news is true. Denial is usually used as a coping measure to block the acceptance of the bad news. Reality later dawns on the affected persons which lead to the acceptance of the news (Kubler-Ross 1964).

A retrenched staff who initially went into denial, but eventually wept bitterly after the realization that the retrenchment news was really true, had to cope with her present situation. Answering the question on how she coped, she had this to say:

> *….. I was wandering how I was going to manage but I was surprised I woke up the following day at home, just that I was still weeping but I didn't miss something like work. As if some heavy load was taken off me. That was the feeling because I would say I was still young and anyone who met me was like surprised. Even the facilitators they brought for the training when they saw me they didn't believe it they said how come you were affected. But you know I feel that maybe I had enough training from Adot Bank which I can use so I… still told myself that well since am still strong and I have my*

certificate why not look forward and do something than sit down and cry over spilt milk.

Another retrenched staff who cried throughout the day after hearing the retrenchment news and imagined how he was going to survive life had to cope by seeking refuge in religion. Explaining how he coped, he indicated that:

Because my church comforted me telling me things that are hopeful in life …..that your life would be normal again. It's just a matter of time. God is putting you on a next level of trials that you should face. And so it was like a message of hope. I decided to have a quiet time of my own. Pond over things, and then encourage myself with the word of God, and forget about it and move on. So in forgetting about it, I have now moved on.

A retrenched staff who experienced shock on the hearing of retrenchment news experienced this condition due to the sudden end of employment. But he had hope that once he is still young and had developed himself there is life ahead. Contributing to the coping question, he indicated that:

Well, you know, once you are a young person and you believe that you have some education, some few experiences, working with the bank, I had to start moving on. Look for other opportunities elsewhere.

A retrenched staff who was ashamed of being associated with retrenchment had to pretend like she still worked in a bank. She lied to her friends she was on leave instead of being retrenched. She later reflected over her loses and decided to go back to teaching where she originally used to work. Answering the question on how she coped till now, she said:

I was bitter about it but after brooding over my lost from the job, I had to move on. I started looking for other opportunities. You know I was a trained teacher when I got the opportunity with the bank which I thought was better.

So afterwards when I had to come home and after a while when I couldn't get any job then I went back.

It is evident that the coping mechanisms adopted by the retrenched staff above depended on different variables. For example being young and experienced in an area of work can help individuals to cope. Again seeking for development of skills can also help retrenched staff to cope. Such coping is more related to the adoption of human capital for coping. Furthermore, talking to friends and family seeking for encouragement from them as well as the church he worship and the society as a whole can also be a way to cope which is more related to the adoption of social capital for coping.

5.6 Other forms of coping

The issue of getting back into the world of work came up multiple times during the interviews. In fact some of the retrenchees had obtained jobs, mostly in other banks. Most of the unemployed respondents were desirous of getting back into the banking sector while a few others were entrepreneurial minded. Labour market reintegration is discussed separately due to the importance respondents accorded to it. The labour market reintegration of the retrenched staff was also seen as a coping mechanism in this study. The sections below, presents and analyses the information on the labour market integration of the retrenched employee as a coping mechanism.

5.6.1 Labour market reintegration as a coping mechanism

The study sought to find out the factors that helped the retrenched staff to get back into the labour market. This aspect of the study was more related to the social and human

capital theory, as these are the theories used for the current study. Categories under which information was gathered include: Social capital for reemployment, human capital for reemployment, human and social capital for reemployment; and social capital for self-employment.

The labour-market reintegration of the retrenched staff interviewed for the study was measured from the reemployment, self-employment and unemployment angles. Information from the respondents (retrenched staff interviewed for the study) revealed that some (23.7%) had been reemployed in other universal banks. These were the retrenched staff that still valued the banking job and will never want to move from the industry, whereas others (18.4%) had been reemployed in other sectors other than the banking industry. These were the retrenched staff that did not want to experience such a humiliation again and sought refuge from other sectors apart from banking. Some (26.3%) were self-employed. These were the retrenched staff who feared to be retrenched again and had the belief that working for themselves would end all such fears, whereas others (31.6%) remained unemployed. These unemployed staff included those who had decided not to work again as a choice and those who had been trying to find jobs but to no avail.

Table 5.2: Labour Market Reintegration Situation at the Time of Interview

Employment Status	**Number**	**Percentage %**
Reemployment in the Banking Industry	9	24
Reemployment in Other Sectors	7	18
Self- Employment	10	26
Unemployment	12	32
Total	38	100

Source: Researcher's Field interview 2015

The information in table 5.2 is a clear indication of retrenchment being linked to unemployment, which is confirmed by Mackay and Jones (1989), who reiterated that redundancy contributes to long-term unemployment.

5.6. 2 Social Capital for Labour market reintegration

Social capital, which is the resources available for use in the developing world, was explored in terms of the reemployment of the retrenched staff recruited for this study. Ioannides and Loury (2004), arguing for social capital and reemployment concluded that that the vast majority, about 25 to 80 percent of people do not find jobs through advertisements, head-hunters, electronic bulletin boards or other formal methods. According to them, social network has come to be one sure way to securing reemployment after retrenchment. Even though they admit that other factors are potent, they consider social capital as insurance to reemployment as supreme. Information from the interviewees revealed that 26(68%) retrenchees out of the 38 respondents interviewed were reemployed into the banking sector again. This was possible based on the kind of friends they have and their status in the society which helped in them being reemployed. A Retrenched staff who told friends of his predicament was later contacted by this friend to take a job in another region in Ghana, which he gladly accepted as it was better than none. Contributing to the study on how he got reemployed he indicated

that:

> *There was this friend I had worked with earlier at the bank. He was also a branch manager there before leaving, so he had the opportunity to join another bank and was posted to another region. But he had barely done three months when he had another job with another bank which paid better. Yeah so he decided to resign from this place, but you know he was given a condition to make a replacement before they will leave him to go. That was when he called me to find out whether I'm interested. Fortunately, the CEO happened to be my direct boss whilst in Adot bank Ltd before leaving. So he knows me very well. So, once he knew I was the one coming to replace, err he didn't have any issue. (A retrenched staff)*

Another retrenched staff who happened to have a class mate friend, who was a Human Resource Manager, narrated his predicament to him, and the fact that the manager knew him as a friend in class helped him get a job. Answering the question on how he was reemployed said that:

> *Oh, luckily when I was doing my MBA [9] I was in the same class with an HR[10] manager who liked me so much so he was like wow, I'm so good and he doesn't understand when I told him what happened in Adot Bank Ltd and he offered me a place. (A retrenched staff)*

Others also benefited from the use of social capital but this time, from parents and other family members. Some were parents that seem to be bothered about their ward"s situation and wanted to help through other friends and others who held higher status themselves had to find a place for their ward. Emmanuel who benefited from help from his family member for reemployment, indicated:

> *Actually, it was my family; family…… you know had to intervene and speak with other people. So when the opportunities came up anywhere they just, they get me informed (Emmanuel, a retrenched staff)*

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[9] Master of Business Administration Program

[10] Human Resource Manager

A retrenched staff happened to get a job through a church member who was a friend to his parents; to him he felt that his connection with this man at church helped him in getting this job. Answering the question of how he got a job, he said that:

> *For me, my parents had a church member who was a member of the Board of Directors of a reputable organisation. He was contacted by them on my predicaments and he knowing me personally and my character, he secured a job for me in his organisation (A retrenched staff)*

The findings of the study, from the respondents‟ responses, are affirmed by Stone et al., (2003), who analysed how family, friends and civic ties relate to labour market outcomes by categorising their arguments of social capital into three. The first type of social network is informal ties, which included relationships with members of household, family, friends, neighbours, and workmates. The second type is a generalised relationship which is community based, and societal relationships people have with others they do not know personally, including local people, people in general, and people in civic groups. The third type of social network is institutional relationships, which are the ties individuals have with institutions including the legal system, the police, the media, unions, governments, political parties, universities, and the corporate world. Woolcock and Nayaran (2000, p. 3), explaining social capital, said "It‟s not *what* you know, it‟s *who* you know." This common aphorism sums up much of the
conventional wisdom regarding social capital.

It is wisdom born out of experience that gaining membership to exclusive clubs requires inside contacts, that close competitions for jobs and contracts are usually won by those with "friends in high places." When we fall upon hard times we know it is our friends and

family who constitute the final „safety net". This is not a departure from White, (2002), who sees it as a notion that is based on the premise that social relations have the potential to facilitate the accrual of economic or non-economic benefits to individuals.

5.6.3 Human Capital for Labour market reintegration

The factors revealed from the responses were based on age, education, skills and experience. These factors mostly manifested in those who had jobs in the same industry (banking) and felt like transfer of skills and experience had taken place. To them there were no new things to learn as jobs were related. This finding is affirmed by Beach (2009), who believed that retrenched employees with high level of human capital had an enhanced capacity to secure reemployment easily. A who happened to get a job in a rural bank based on his experience, said:

> *I got the job because of my treasury background, I was in charge of sending money to the rural banks from Kumasi here, and we dispatch money through the bullion vans to other places. (A retrenched staff)*

Another retrenched staff who happened to get a job by virtue of his expertise and age, felt that he got the job because he had those skills from the former bank. He also believed that, he never lost his expertise, which helped him get this new job.

Commenting on how he was reemployed he said that:

> *I am currently working in this institution because of my expertise, young age and my good disciplinary record from Adot Bank Ltd. I know I was retrenched from Adot Bank Limited not because of performance or disciplinary record I was just a victim of circumstance…… (A retrenched staff)*

A retrenched staff who had gained a job in another bank, felt that he got the job based on his experience from the previous bank. To him, employers always seek for people with experience, and he thought that gave him an upper hand. Answering the question of how he got reemployed he said:

> *Yes I believe it is based on the experience…… and the fact that I had worked…… before, that's what any new organisation gives the opportunity for you …… to be part of them. And considering whatever you think you can offer them. And so I believe if I hadn't worked with Adot Bank Ltd, it wasn't going to be easy for me to land the job in 'Sogen' I believe it was because of the experience I gathered from Adot Bank Ltd. (A retrenched staff.)*

Another retrenched staff who gained employment into another bank because he was young, had a master‟s degree and experience from working in a bank said that;

> *Well, you know…once I was a young person and I believe that I had some education, some few experiences, with working with the bank, I had to start moving on. Look for other opportunities elsewhere. And that is how come finally, I was able to land another job and I was able to put something together and now I'm happily working. And since I left Adot Bank Ltd, I had been working with the same organisation that I landed the job. (A retrenched staff).*

The opinions of these respondents which suggest that their reemployment was based on their human capital are consolidated by Sidorkin‟s (2007) sentiments that higher human capital produces self-confidence and self-assurance, which are indispensable ingredients to securing employment. According to him, sound education, rich corporate experience and self-confidence are the primary benchmarks for reemployment. Certainly, organisations recruit employees with a higher level of human capital. This is because by summing up the skills and competencies of an individual it is possible to assess his or her level of human capital. In much the same way by piling up the skills and competencies of

several workers, it is possible to estimate the level of human capital an organisation can mobilise to serve its purposes (Goold, Campbel & Marcus, 1994;

Aaker, 1996).

5.6.4 Human and Social Capital for Labour market reintegration

The results of the findings revealed that due to the speedy nature of retrenched staff‟s willingness to get to the labour market, there was a combination of the social and human capital for coping. To them coping with friends and family as well as the church they worshipped alone or coping with the knowledge skills and capabilities as well as experience alone was not enough to get them to the labour market. Again talking to friends who can help them get a job alone was not enough but showing the ability to do the job at hand created a better opportunity for them. This result is a confirmation of the work of Greve, Bennasi and Dag Sti (2010, p. 3) who said that: "A diverse form of human and social capital may interact to produce joint effects on productivity". Some people may have less human capital but more social capital, or vice versa. When individuals use their contacts to help solve complex problems, social capital has contributed to productivity. However, when individuals communicate to solve complex problems, it is an interaction effect between human and social capital, so that much (or low) human capital together with much (or less) social capital increases (or decreases) productivity.

A retrenched staff who happened to combine both social and human capital in the form of skills, experience and friends for reemployment, had to use both because she wanted

to speed up reemployment. Responding to the question on how she coped till the time of the interview she said:

> *Ok. I started talking to friends. Prior to working with Adot Bank Ltd, I had worked with Bank C and Bank M. So, I spoke to someone who had trained me in Bank M before then he was with Bank E. And he said oh okay let me find out. So I was just sitting one day when he said oh give me your CV. And I sent it. Luckily I was called for interview. Well the interview was okay because I had the experience and they were things I was doing before. So it was through a friend. That…yeah opened the doors for me'. (A retrenched staff)*

A retrenched staff who had skills in information technology capitalised on it and used friends to get to where he is now. Commenting on how he got the job he said:

> *Oh. Now, I'm just an administrator for Barmax Oil Company which is an Oil Marketing Company (OMC)…… as I said earlier I had other skills which I fell on to do my work…so a friend who works with this OMC and knew my skills contacted me that the company needed such skills and whether I was interested or not. So I took it (A retrenched staff)*

The findings above reaffirm Schuler"s (2000) observation that "social and human capital are closely related and actually complement each other. He argues that an individual's accomplishments would be higher, on the off chance that he or she both contended and coordinated with others through diverse systems and regular worth frameworks. In addition, although human capital may include both social and technical skills, the amount of and economic returns to these skills depend on the social context where those human skills are built, deployed and rewarded. In this respect, human and social capital should be considered as complements that reinforce each other"s effect on economic welfare (Schuller, 2000).

5.6.5 Self-Employment as a Coping Mechanism

Self-employment, as applied in this study, was seen as a coping mechanism. In this study, coping mechanisms refers to all that individuals will do to prevent the strains of life on them. The retrenched staff wanted to work for themselves so that they might not go through retrenchment again. To some, the feeling of working for themselves alone was a motivator, whilst to others self-employment became a necessity due to their present state McGowan (2013). Others also not knowing how to survive decided to do retail business as start-ups which developed into the business they do now. The interesting revelation is that all these people had to do so through friends and family. Answering the question on why the option of self-employment a retrenched staff expressed these views:

> *I always had the belief that you cannot guarantee what would happen in the future. Whiles at the bank, I saved much of my earnings and therefore when the retrenchment came, I invested some of my earnings into cement and hardware business which is profitable. I saw my retrenchment as a betrayal by the bank since my commitment level was high and hence lost appetite to seek for other jobs. (A retrenched staff)*

The sentiment of this respondent is consistent with the view of Rotich and Muchiri (2012) who indicated that when an employee loses a job, he could start a business. Therefore, entrepreneurship as an economic development strategy may emerge in response to loss of employment.

5.6.6 Social Capital for Self-Employment

A large proportion of the labour force, apparently, would like to be bosses owning their own businesses. Self-employment presents an opportunity for the individual to set his or her own schedule, to work when they like, to answer to nobody, and possibly even as a

way to become wealthy (Blanchflower and Meyer 2000). Social capital is a resource needed for self-employment. Small business owners need to have stronger or weaker ties with all the stakeholders of their businesses for social benefits. The expected benefits pertaining to social skills are high in the "occupation" of business establishment, as these business founders are less mobile than employees (Blanchflower, 2000).

> *I always had the belief in the saying that 'it is good to start something by oneself'. With the little money I saved in my previous job, I opened up a provision and cosmetic shop with regular supply of items from an uncle of mine in Accra. Business had been good and with time it will be better…….. (Karikari, a retrenched staff)*

Kofi, who decided to do something for himself through the help of a sister in law, indicated that*:*

> *We are getting some goods from my wife's sister who is in the US, to sell ……. so far that is where we are getting help and that is it. (Kofi, a retrenched staff)*

Jemima who became self-employed started from the point where a friend in the United States of America (US) offered to help her cope with the situation by sending her clothing to sell for her daily financial upkeep. To her, the current business she is running started from this point. Answering the question on how she got to this point she said:

> *'Like I said earlier, I was doing something for myself. I had a friend who bought me children's cloth from US. So when I take them I sell them to make a living. Then we share the profit (Jemima, a retrenched staff)*

Comments from these retrenched staff are in consonance with Rotich and Muchiri (2012), who commented that an employee may be willing to start a business when he is, retrenched which makes retrenchment a stimulant for a business start-up. Therefore, entrepreneurship

as an economic development strategy may emerge in response to loss of employment". Down (2010) also found that though self-employment is a difficult pursuable option for most retrenched employees, it remained the viable option to alleviate economic and status degradation.

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5.6.7 Retrenchment as a link to unemployment

The issue of unemployment cannot be overlooked when it comes to retrenchment. Research in the UK indicates that unemployment rises from redundancies rather than from unemployment due to other reasons (Arulampalam, 2001). The study unearthed the fact that some retrenched staff were still unemployed at the time of the interview. When the researcher inquired about why they were still unemployed, some retrenched staff explained that being unemployed is not a matter of choice and that they have been looking for job each day since their retrenchment but to no avail. However they were of the belief that definitely they would get a job one day. Other retrenched staff who were still unemployed also felt they have been through a lot through the process of retrenchment with their employers and would not want to suffer such humiliation again.

To them, staying at home would give them that peace and joy.

A retrenched staff who had been trying to get a job but to no avail answering the question on why he is unemployed had this to say:

> *Yes I will want to work, I still go through the internet to search for some of the jobs that I think my CV is ok with and I apply. But I don't get. I just, sometimes I just walk around and sometimes I just try to give hope to*

myself, telling myself one day well the luck, that luck would come again, one day.

Another retrenched staff who was unemployed at the time of interview, felt that she had been busy at work and not having much time for family issues especially her children. To her, she had been unemployed as a choice to cater for her family needs. Answering the question on why she is still at home doing nothing she said:

Well, am not working at the moment because I want to see my little girl off to school again and then settle and plan what to do next.

Another retrenched staff who also felt that there was no need to work again after coming out of the banking job, due to its difficulty and time consuming nature indicated that:

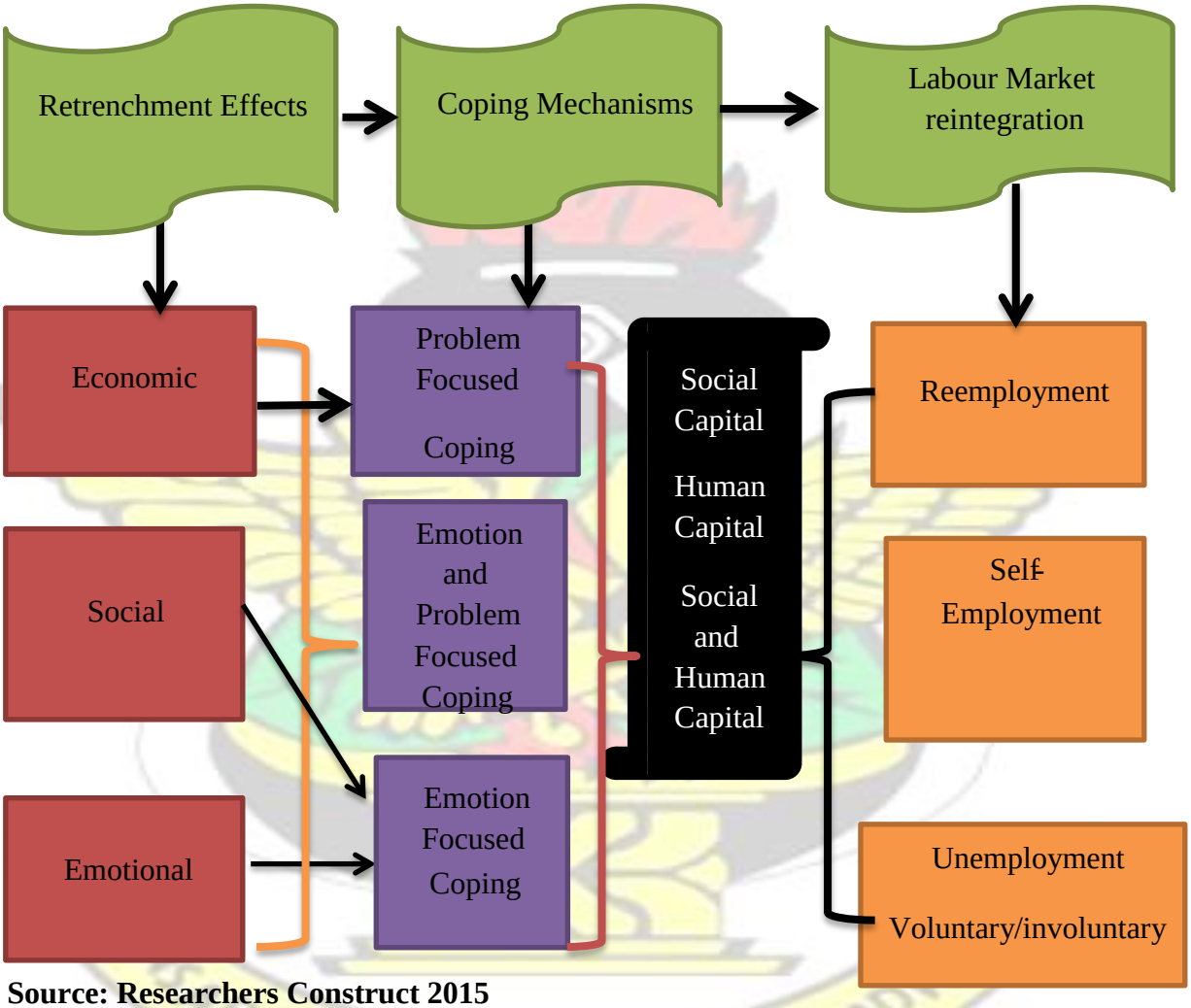
No am not working at the moment because, working in the bank is tedious. And, you see when you stand outside and look at bankers; you are tempted to think it's a very cheap work. Is not, it has not been easy but we, we are managing. I want to take rest, so I want to live long and see my grandchildren. I don't want …… to do any hard work now. It is time for me to rest. After all, all that I need now is to eat. What to wear- I have. Where to sleep I have. If there is a car, I have. My children are well educated, so what is it that I want again?

The discussions above are a clear indication of retrenchment being linked to unemployment. It can be argued that if these retrenched persons who have taken an entrenched stand not to work again were still engaged by their employers, they may not have decided not to work again. Again if those retrenched staff who are still looking for a job but to no avail were with their employers, they may be contributing their quota to the world of business and to the economy of Ghana.

The effects and the coping mechanisms of the affected employee are summarized in figure 5.1. below

5.6.8 Summary of the chapter.

Figure 5.1 Summary of the effects, coping mechanisms and labour market reintegration of the retrenched employee.



Source: Researchers Construct 2015

Referring to figure 5.1 above it is identified that the retrenched employee is affected economically, socially and emotionally. The study revealed that some retrenches had emotional breakdown at the hearing of retrenchment news. However, each retrenched

staff expresses their emotions differently on the hearing of the retrenchment news. It is evident that the emotions expressed were related to immediate situations and the realities of life without a job in an economy like Ghana. Certainly, employees will not exhibit such emotions over a longer period or the intensity of such emotions may reduce with time. Social effects revealed were related to community perceptions, negative comments from the community and loss of self-esteem and loss of social status.

The conclusion thus drawn is that issues relating to the severance package, mode of communicating the retrenchment news and the criteria for selecting the affected staff contributed to these effects expressed by the retrenched staff. Economic effects revealed were related to abrupt ceasure of the support for the extended family as well as education as a means to develop themselves, and dependence on parents and friends for financial support. These retrenchment effects are linked to the coping mechanisms of the affected employee as well as their labour market reintegration.

Information on their coping mechanisms revealed that the retrenched staff coped well within Folkman and Lazarus‟s (1984) Emotion and Problem-Focused Coping mechanisms. Some retrenched staff coped using only emotion or problem-focused coping whilst others coped using both emotion and problem-focused coping mechanisms. These coping mechanisms are related to the social and human capital available to the retrenched employee. This means that an individual who coped well on Folkman and Lazarus‟ (1984)

emotion-focused coping had adopted social capital for coping. In the same way, a retrenched employee who coped well on Folkman and

Lazarus‟ problem-focused coping had adopted the human capital for coping. Others coped with the adoption of faith in Christ, which was also linked to emotion-focused coping and social capital. The retrenched staff believed that God will make a way where there is no way. This makes religion and faith in God another opening for researchers to explore towards coping with stressful situations and retrenchment in the developing world.

Information on the labour market reintegration investigated revealed that most of the respondents happened to get reemployed through friends which indicated the strength in a weak tie. According to Granovetter (1983, p. 202), an individual will have a collection of close friends, most of whom are in touch with one another. To him, individuals with few weak ties will be deprived of information. Nonetheless, there were some retrenched staff that also got back to the labour market through their parents which also indicated the strength in a strong tie. Again, some retrenched staff became reemployed with the use of human capital whiles some respondents combined the social and human capital for reemployment. The factors that helped these retrenched staff to get to the labour market were mainly, education, skills, age and experience and these factors were used for reemployment and not self-employment. It is evident that most retrenched staff wanted to go back into the banking job as they still want to enjoy the prestigious nature of it. Nevertheless, those retrenched staff who wanted to go into self-employment did so out of the stress and pain they experienced from working for somebody and the fear of being retrenched again.

An interesting link between their coping mechanisms and labour-market reintegration revealed that those who coped with Folkman and Lazarus‟s (1984) problem-focused coping happened to be reemployed with human capital. However, whether it was a sheer coincidence, or not, some retrenched staff who combined emotion and problem-focused coping got reemployed with a combination of human and social capital. It is evident that coping with retrenchment was not only tied to Folkman and Lazarus‟ (1984) emotion and problem-focused coping but also to social and human capital. The labour market reintegration options available for the retrenchees were the opportunity to be employed by a former employer or another employer, the beginning of self -employment and the unfortunate situation of being unemployed. Some retrenchees were unemployed as a choice whereas some others were unemployed even though they were still looking forward to be employed again. The next chapter discusses the results of the study.

CHAPTER SIX
DISCUSSION OF FINDINGS

6.1 Introduction

The previous chapter explored three main themes of the study. The aim of this study is to explore the retrenchment process and the coping mechanisms of the affected employees from the banking industry. This chapter discusses the implications of the entire trajectory of retrenchment beginning from the decision to retrench to how the retrenchees cope or deal with retrenchment. The matter arising from this analysis is that retrenchment as a phenomenon is known to have effects on the leavers. The analysis on retrenchment points

to a relationship between the social and human capital of the individual and the labour-market re-integration of the affected. This means that a retrenchee requires an amount of social or human capital to aid coping and labour market re-integration. There is also a relationship between retrenchment and selfemployment which means that the more organisations retrench the possibility of many of the affected opting for self-employment. The discussion below is, therefore, presented based on the retrenchment process, the effects of retrenchment on the affected employee and the coping mechanisms of the affected employee. The labour market reintegration of the affected employee is also seen as a coping mechanism.

6.1.1 The Retrenchment Process

In this section, the processes of retrenchment encompassing the decision to retrench, the criteria for selecting the staff to be retrenched, the mode of communicating the retrenchment news to the retrenched staff, training or skill development and the severance packages given to these retrenched staff are discussed. The results of this study are compared with existing studies on the subject to particularly, unearth any new knowledge generated.

6.1.2 The Decision to Retrench

This study investigated the reasons why banks retrench. Information gathered revealed that, most retrenchment activities in the bank had happened due to branch closures (a situation where such branch may not be performing) and restructuring (a situation where some positions are removed from the organogram and outsourced). These results are

confirmed by Aswathappa‟s (2005) study on retrenchment in which he argues that retrenchment can happen as a result of the closure of a department due to the continuing lack of demand for the products manufactured in that particular department of the company. He also argues that profit is the driver of business firms. Consequently, when a department continuously suffers losses due to poor demand for its products and it closes down, the employees of the said department risk being retrenched as well.

The implementation of restructuring by banks leads to the removal of certain positions (e.g. Non-clericals) that are non-core duties, from the organisational structure. This is partly because, „retrenchment implies organisational change and change is normally resisted‟ (Baguma and Matagi, 2002 p.6). Again, banks in their retrenchment process consult the Chief Labour Officer before carrying out such retrenchment activity. This is done to allow these banks to follow the laws governing the countries within which they operate. But if the banks after informing the Chief Labour Officer will not need any directives from his office to aid the process, then informing the Chief Labour Officer is not too important an aspect of the retrenchment process. The process starts when a bank establishes a valid ground that certain positions are going to be redundant due to economic downturn, takeover or restructuring, and ends when the employee leaves the organisation. It is clear that, banks being cautious of the legalities regarding retrenchment apply the appropriate strategies needed in implementing and managing retrenchment. Retrenchment is done in line with the stipulated labour laws of the country within which they are implemented. The Ghana Labour Act also requires same.

In Ghana, the employer who plans for retrenchment must first communicate through writing to the Chief Labour Officer, three (3) months before the process begins with valid reasons for such activity. The labour unions (representatives of workers) must also be met for a dialogue on ways of finding alternatives to the retrenchment and where it becomes unavoidable, negotiations are made to arrive at a proper exit strategy for the staff. The bank‟s action is not only in compliance with the Ghana Labour Law but also an action that consolidates good corporate behaviour that averts legal consequences from failure of compliance with labour laws. The next section discusses information on the criteria for selection.

6.1.3 Retrenchment Criteria-A paradox?

The criteria for selecting the employee to be retrenched have been analysed and some flaws have been identified. The study unearthed some disparities between what is known as the criteria for selecting the staff to be retrenched and what criteria were actually used for the selection from the retrenched staff‟s point of view. It is evident that the criteria for selecting the employees to be retrenched by banks are not transparent to the retrenched staff. Banks always declare performance ratings as the determinant for selecting a staff for retrenchment. However, issues relating to disciplinary (a situation where an employee goes through discipline for a flaw committed), being vocal and challenging authorities on employee welfare and the fact that an employee who may be in a performing branch and yet may be affected by retrenchment are silent and not made known to the employees. In instances where employees with the same level of performance are up for retrenchment, those with good disciplinary records are mostly considered to stay. Performance thus is

paramount in the criteria used for selecting retrenched staff irrespective of the time they joined the bank. This finding is in line with the work of Munjuri (2011), who mentioned that the criteria for selecting an employee for retrenchment must not be on grounds of race or sex. It must not be because of the employee‟s proposed or actual union membership or activities or because of union nonmembership, but rather, aspects such as skills and qualifications, standards of work, aptitude and attendance and disciplinary record may be considered alongside the traditional factor of length of employment.

Though performance happens to be the criterion for selecting the staff for retrenchment, as presented by the HRM Department, due to the hidden issues mentioned above which are not made known to these staff, most of the affected staff felt they were just victims of circumstance. Others also felt they were performing and their branches were also performing, yet they were retrenched. If disciplinary issues around the employee, and the fact that an employee who was vocal and challenged the bank for certain welfare provisions were paramount to the criteria for retrenchment, the bank could have communicated such criteria to its staff in order that they could understand when they were selected for retrenchment. This finding contradicts the work of Anantaramon (2004**)** who argues that the selection of workers to be affected by reduction of work force should be made according to a precise criteria established in consultation with the labour union, which include the relative skills, abilities, experience and occupational qualifications of the individual employee. Konosuky (2000), buttressing Anantaramon‟s (2004) conclusion on the criteria for selection indicated that those criteria for selecting employees to be retrenched must be done in agreement with the organisation and the employee‟s representatives. It is therefore apparent that bank authorities would find difficulty

defending the criteria they used to select the employee to be retrenched as employees knew about performance as the only criteria and were not privy to other hidden issues. This again contradicts the work of Lewis (1992) which requires employers to defend the criteria chosen to retrench an employee and the modus of application.

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The study revealed that employees who had worked with the bank for less than five years were retrenched as well as those who had worked for a longer period. The study also revealed that the severance packages given to these long serving staff were calculated based on the number of years worked, but was capped at 24 years even if an employee had worked for more than 24 years. It is evident that the bank will reduce cost for retrenching a long service person irrespective of the amount. This result is in line with the work of Appelbaum (1997) which states that corporate organisations will retrench for cost reduction measures to remain competitive in an increasingly global economy. Hoskinsson and Hitt, (1994) argue that retrenchment is always expected to lead to increased productivity, improved quality, enhanced competitive advantage, and potential regeneration of success. However, even though banks may want to retrench as a cost reduction measure, the realisation of cost reduction in the long run may be bleak due to economic trends. This agrees with empirical results on employee reduction towards financial performance which is still questionable, as confirmed by some studies on layoffs (see Elayan et al., 1998; Lee, 1997 and Worrell et al., 1991). Studies employed by Mentzer (1996) found no consistent association between past and future profits and magnitude of employee downsizing. Likewise, Cascio et al., (1997), also concluded that firms engaging in layoffs did not show better financial performance than the average of their industries.

6.1.4 Mode of Communicating Retrenchment News to Retrenched Staff

The study discovered that the mode of communicating the retrenchment news to the affected staff had some inconsistencies. With regard to bank officials tasked to communicate the retrenchment news they found it difficult to relay such information and therefore depended on the staff log out system (internet program for employees to log on daily bases for work) to inform the affected staff. This came as a shock to affected staff as they never envisaged such news. It was evident that there was no standard agreement on whom and how the news on retrenchment was communicated to the affected staff. In addition, it was evident that those personnel supposed to transmit the retrenchment news did not have the requisite knowledge, skills and capabilities to do so hence the difficult nature of relaying such news. It was also revealed that even though banks normally create the awareness in the working environment about the implementation of retrenchment, it is usually a general impression; the actual affected staff only get to know about the retrenchment news when they show up for work one day.

Retrenchment in banks lead to these affected staff exhibiting shock and feelings of trauma about the news due to the abrupt nature of such news. But the argument here is that banks have no choice other than that manner of relaying the retrenchment news due to the nature of their activities. Employees who are aware of a pending retrenchment list which includes them would find a way of securing themselves financially before they leave when allowed to work with the system before their exit. This makes it difficult for banks to allow a supposed retrenched staff to work for some days before leaving.

If the provision of notice for retrenchment is difficult due the operations of the bank, the bank could have used the services of counsellors on the day of the notice; but the fact that psychological or emotional control talks were not timely done, also led to the affected exhibiting certain emotions after hearing such news. Implementers of retrenchment should know that retrenchment or layoff news definitely elicits negative reactions. But this news or situation, when handled professionally, can curtail the negative effect of layoffs and avoid the instance where retained staff will be insecure about their jobs or have the apprehension of suffering similar fates. This is confirmed by Smelzer and Zener (1994), who concluded that the message and the manner in which managers announce retrenchment have a profound impact on retained employees and other stakeholders as well. Again, it is unprofessional for employers not to include counsellors and psychologists in the process of retrenchment but to wait till the last moment before informing affected staff about retrenchment; as was the case of the bank, it was also difficult for the affected staff to know their situation early on as that may lead to all sorts of fraudulent activities. Hence, the bank, in trying to protect its interest resorted to such an approach.

It is not surprising as such a situation is bound to arise because Section 65 of the Labour Act of Ghana talk about a notice to the Chief Labour officer, but did not stipulate when the affected staff should be informed. Moreover, the section on redundancy does not specify the amount of time or notice to be given to the employee who may be affected by the firm‟s decision to retrench. This implies discretional views from the implementers of retrenchment and may have adverse effects on the affected.

6.1.5 Severance Packages

Information gathered on the severance package revealed that there was a severance package available for the retrenched staff; however, there were differences in terms of the severance for the voluntary retrenched staff and a compulsory retrenched staff. For the voluntary retrenched staff, an interest in the package that was available showed what amount would be taken home. This had no legal implications as a package is weighed before it is accepted by a staff. But for the compulsory retrenched staff, there were inconsistencies on how the severances were paid, especially from the retrenched staff‟s point of view. Some believed that the severance was calculated based on the number of years worked; others also believed that it was calculated based on one‟s basic salary at the time of leaving the bank. However, some retrenched staff had to go home without a severance package. It was evident that these retrenched staff had to lose their severance to offset their commitments owed the bank. This resulted in a high gravity of emotional and economic effects, as the individual would not have a means to survive, and this contradicts the work of Kandula (2009), who believes that severance payment is the key instrument for mitigating the negative effects of retrenchment and that workers are entitled to severance pay when retrenched and this should be in accordance with international and national laws.

Furthermore, the findings revealed that some retrenched staff believed that calculations on the severance package for the compulsory retrenched were based on either 2.5 months‟ salary or 2 months depending on the negotiations between the bank and the Labour Union. This means that, depending on the number of years retrenched staff had served the bank

they would enjoy two and half months or two months‟ salary out of each year accrued to the number of years worked for the bank. This made way for length of time or service experience to be beneficial in determining the severance package one gets. Aside the said amount, affected staff were to enjoy medicals, which came in the form of health insurance paid by the bank as well as the employees provident fund, which is a contribution usually deducted from the employee‟s salary every month, during the working time.

Finally, the bank considers the length of service of retrenched staff to see if one attained their long service award and this award is converted to money and added to the retrenched employee‟s severance. This means that such an employee should have worked for the bank for more than fifteen years to deserve a long service award, which is also converted into money and added to the severance.

It is important for the bank to note that employees who are offered a severance option generally work for employers who choose to downsize for a variety of reasons, including financial pressures, global competition, technological advancements, outsourcing, mergers, and/or business process reengineering (Koeber and Wright, 2006). Organisations could better preserve their knowledge base by retaining senior employees for a return on investment while protecting the future talent base that is embodied by employees with less experience, (Cascio and Wynn, 2004), rather than offering them these juicy packages to attract them to leave, which when continued for a long time, could harm the future employment at these organisations. Again, individuals in the bank who are not eligible for retirement may view the available severance options as an opportunity or a transition to an alternative job (Bluedorn, 1982; Steel and Griffeth,

1989; Smith, Holtom, and Mitchell, 2011).

6.1.6 Training Packages for Retrenched Staff

The study revealed that there was training available for the retrenched. But this was done after the staff were fully retrenched. The training for the retrenched staff was not related to any skill development, neither was it timely. What was interesting about the training package available for the retrenched was the fact that it was a one package for all, irrespective of one‟s age at retrenchment. This means that individual differences were not factored into the training provided. The details were the provision of counselling by psychologists after the staff have been retrenched, and talks about managing one‟s finances and how to manage one‟s SSNIT pension scheme. Since the Counselling and Psychological talks are usually pre-eminent to help mitigate the shock, trauma and emotions that are associated with job loss and also help in coping after job loss, they should have been held even before the staff were retrenched.

Again, skill development or capacity building is necessary for young retrenched employees so that they can acquire knowledge that prepares them for reemployment opportunities. Including such training in the package would be very beneficial to these retrenched staff. They should also be imparted with financial or resource management and entrepreneurship skills that would allow them to start up their own businesses with the severance package they received. It is superfluous to provide training on Social Security and National Insurance to young and energetic staff who could be reemployed. It is also

imperative that the aged, on the other hand, are equipped with coping measures related to health and insurances so that at least they could live longer.

Furthermore, training is vital in equipping staff with requisite skills for coping with retrenchment and reemployment. Age must be considered in these training packages. For instance much emphasis must be placed on building the capacities of the young staff, especially on how to prepare their Curriculum Vitae (CVs) and equipping them with relevant reemployment skills. Those nearing retirement should also be given talks on life after retirement, pension packages and health related issues. This training would help retrenchees garner effective coping strategies differently in their respective age groups.

6.1.7 Concluding the Retrenchment Process.

In concluding the retrenchment process, the study revealed an implementation gap which was more evident from the criteria for selection for retrenchment and the mode of communicating the retrenchment news and severance package. On the criteria for selection, the bank claimed to use performance as the criteria, and for that matter, employees who were performing in other branches that were closed down, were sent to replace non-performers in other branches who were sent home. However, because issues of discipline and the fact that an employee who is vocal can lead to his or her selection were not open to these retrenched staff, those who experienced the phenomenon said that they were performing as well as their branches. This makes the idea of performance being used by the bank as the selection criteria become too difficult to be accepted by the retrenched who felt they were performing and yet they were retrenched. Again, if the

criteria changes per year or per each retrenchment exercise, the bank should have mentioned that in their criteria for selection.

On the mode of communication, the bank claimed to create a general awareness on the implementation of retrenchment. This made every employee become aware of a retrenchment exercise going on. Then, they went ahead to inform those who were actually affected by the retrenchment. The retrenched staff also claimed they were never aware of them being affected by any form of retrenchment and that they got to know about their retrenchment when they showed up for work one day only to be informed by their managers and area managers.

Another implementation gap was on the severance package. The bank claimed to pay severance package to everyone who was retrenched, meanwhile, information from the retrenched staff indicated that some staff went home with nothing as they had some commitment with the bank. These staff who went home without a package claimed they were not aware that the bank would take the money at the time they were being retrenched. This created a huge hardship for them, because they were not ready to pay off such amount of money. Their expectation was that the bank would have given them sometime to pay off their debt but this did not happen. To them, the bank was too harsh on them which made life very difficult for them to bear.

6.2 Effects of Retrenchment on the Affected Employee

Retrenchment saddles the affected staff with challenges or implications which, if not well managed or handled well, would have interminable consequences on the affected staff.

The study thus explored and unearthed three categories of effects, namely emotional, social and economic effects of retrenchment which affect the retrenched staff.

6.2.1 Economic Effects/Implications of Retrenchment

The study explored the economic effects retrenchment had on the affected staff. From their responses, the economic effects felt were a reduction in spending, a break in the financial support for the extended family and an abrupt end to their education.

According to 4(10.5%) of the retrenched staff, they were „bread winners"[11] for both their nuclear families and other relatives, and they were therefore deeply affected economically. Again 4(10.5%) retrenched staff also revealed that, they had the intention of pursuing further education and had saved so much for the school, but because of the retrenchment, they had to abort the thought for education. Modise (2002), when she dealt with the impact of retrenchment on employees and measures to alleviate it, lamented that retrenchment adversely affects the finances of the affected and leaves, especially men, economically impotent, and thus, once the retrenchment package has been exhausted, many of the men become unable to provide for their families and are also unable to obtain income. This reduces their spending rate as well as the savings and investments of the affected. Her views corroborated Gribble and Miller"s (2009)

position that some employees take the jobs they do as their all-in-all and a unique source of income to their families.

[11] One who provides for the extended family

Consequently, the loss of jobs due to retrenchment drastically impinges on the finances of the whole family. The author concluded by attributing some of the social vices like theft to retrenchment. Even though, glaringly, that was a difficult tangent to pursue, Modise associated the lack of adequate finances to meet basic human needs to a potent motivation to enter into crimes. These economic effects were expressed by the retrenched staff because of the absence of social security in the developing world where they have been retrenched. Retrenched employees who live in the developed world where there is support from the government towards unemployment will be affected differently. This assertion is not different from the economic effects experienced by the banks retrenched staff, as retrenchees who had no support from friends and family had to stop schooling due to lack of funding. In the same way, retrenched employees who live in an economy where there is support for the retrenched will not experience the same effect.

6.2.2 Social Effects/Implications of Retrenchment

The study revealed that retrenched staff was concerned of the loss of self- esteem, comments from the members of the community within which they lived as well as the perception from these members. The social effects of retrenchment were related to community perceptions and loss of self- esteem. It was realised that the meaning people read into the individual being retrenched from the banking industry within the Ghanaian setting was related to how people rated jobs in that industry. It was also clear that the effects of the retrenchment on the retrenched employees were related to the environment within which these individuals lived. Thus, retrenched employees who lived in an environment where the banking job is not rated as prestigious will not be affected the same way. Explaining to the understanding of friends is a big bother as a break from working

in a bank has a negative implication in the Ghanaian society that must be cleared. No matter how best one explains, some friends will find it difficult to believe that one left the banking job through no fault of theirs.

It is not surprising that the loss of a job affects people at such a deep level of their identity. This indicates how the loss of identity occurs and the thought processes behind the loss of identity. The finding of the loss of self-esteem as a social effect in this study is in line with the work of Fieldman and Leana (1994), who said that when a person is retrenched, he loses his self-esteem as well due to the social support system that can occur (Fieldman and Leana, 1994). Again, humans are able to constitute what defines themselves through their actions by acting in the social context; therefore, the loss of social interaction through retrenchment is a critical issue influencing self-esteem (Ransome, 1995). Baguma and Matagi (2002) also espoused that retrenchment of workers inflames psycho-social problems for example, reduced self-esteem, general irritability, stomach ulcers, tendency to commit crimes, high blood pressure, heart disease, financial emaciation and depression. Such stressful events are not limited to low cadre employees; managers are equally adversely affected. O"Neill and Lenn (1995 as cited in Gribble and Miller, 2009) also attest to the fact that there is loss of prestige through the loss of a job, which is thought to create stigma. Individuals who are retrenched from the bank experience such social effects due to the prestigious nature of such job especially in Ghana.

6.2.3 Emotional Effects of Retrenchment - The affected employees' perspective

The study discovered that the retrenched staff after hearing the retrenchment news were emotionally hurt. It was evident that the emotions expressed were related to immediate situations and the realities of life without a job in an economy like Ghana. Certainly, employees will not exhibit such emotions for a longer period or the intensity of such emotions may reduce with time. However, each retrenched staff expressed their emotions differently on the hearing of retrenchment news. 2(5%) of the retrenched staff interviewed did not believe the news when they were told and felt disappointed, while
4(11%) took it as a joke, 2(5%) were affected very badly and cried.

The expression of emotions after sad news is normal and these expressions may differ from person to person. Research indicates that the reactions of leavers include anger, shock, disbelief, denial etc. These may later translate to feelings of betrayal, resentment, insecurity, and powerlessness (Hall and Goodale, 1986; Richard, Bransted and Milan, 1996). These effects, if not contained or handled with care, could have everlasting consequences on the retrenchee. Corduff (2009, p. 1) working on the effects of retrenchment said that „there is a great need for society to recognise that people who are retrenched, at any stage of their working lives, may experience anxiety and depression as a result". Such expressions of emotions were related to how the process was handled.
Deducing from the retrenched staff"s comments, the bank did not put in place the appropriate retrenchment process with proper communication of retrenchment news to staff. This was worsened by the untimely counselling to aid victims muster fortitude and resilience in their exit from the bank.

Also, the caveat on the fact that staff with commitments with the bank had to go home without a severance package due to such deductions aggravated their emotions as they had no hope to rely on when they got home. It is evident that individuals affected by a retrenchment process would react with shock, then later relief and finally relaxation. The stages an employee goes through have been explained by Kubler-Ross (1964) in his General Loss Model, where he espoused that the stages an individual goes through when there is a job loss are similar to those when losing someone to death or contemplating one‟s own death (Dawson, 1993). These stages according to him are denial, anger, bargaining, depression and eventually acceptance. It is also important that the people responsible for informing employees of change processes such as reengineering, rightsizing, downsizing and retrenchment strategies need to be trained and made to acquire the necessary skills and knowledge to deal with communication professionally (Van Greunen, 1993, p. 6) so as to prevent these effects.

6.3 Coping Mechanisms and Labour Market Reintegration- The retrenchees' view.

The relative presence or absence of coping resources makes individuals more or less prone to deleterious effects from job loss and is expected to influence the choice of coping strategies (Kinicki, 1997, p. 325). Connected with this idea, whatever the retrenched employees did to avoid the stress on them be it emotionally, socially and economically, is acceptable as a coping mechanism. Retrenched staff who were recruited for the study had coped in one way or the other according to Folkman and Lazarus‟s (1984) Emotion and Problem-Focused Coping. Information from the field revealed that the retrenched staff coped emotionally, socially and economically. This had been categorised under Problem-

Focused Coping and Emotion-Focused Coping. Retrenched staff who coped emotionally and socially were captured under Emotion-Focused Coping whereas those who coped economically were captured under Problem-Focused Coping. Also, information on their coping mechanisms revealed that the retrenched staff coped well within Folkman and Lazarus‟s Emotion and Problem-Focused Coping mechanisms. Some retrenched staff coped on only emotion or problem focused coping, while others coped with both emotion and problem focused coping mechanisms.

6.3.1 Problem-Focused Coping

Coping is basically the process of managing stressful circumstances. Coping in the event of retrenchment is defined by Pearlin and Schooler (1978) as any tactic adopted by an individual to manage job loss. The authors comment that "Coping mechanisms are things that people do to avoid being harmed by life strains". The study revealed that the retrenched staff coped on the Problem-Focused Coping. In the Problem-Focused Coping, an individual seeks to find a solution to their predicament. Carver and Connor Smith, (2009), working on the problem-focused coping argued that the individual in the problem-focused coping takes steps to remove or to evade the problem at hand. They gave an example that if, for instance layoffs are expected, an employee‟s problemfocused coping might be to save money towards times of need, look for a job or obtain training to enhance his opportunity to be hired which is more related to solving economic coping.

Coping after retrenchment is relative from one individual to another depending on their personal skills and strength. There are instances where some people resort to drugs and alcohol to reduce stress. This strategy reduces stress but on a pro-tem basis and also

impacts negatively on the individual. Positive coping strategies effectively reduce stress and also avert future backlash. An individual who exercises or employs good coping strategies is likely to be motivated, push through and tackle challenges, achieve his or her goals, have better health and build better relationships. Most retrenched staff begin searching for alternatives to the retrenchment to avoid being in a dilemma.

6.3.2 Emotion-Focused Coping

The study revealed the use of the emotion-focused coping by the retrenched staff. The individual in the emotion focused coping takes steps to reduce the distress involved in the situation. Here, the individual seeks for emotional support, tries to relax, or escapes stressful situations by talking to someone, which is also more related to social coping. The retrenched staff had to seek for encouragement from their relatives and friends. Within this type of coping, the retrenched staff felt that getting in touch with someone was a good way of helping them to cope well with their predicament or reduce the amount of stress on them. Folkman and Lazarus (1980) explained that the emotionfocused coping is aimed at reducing or managing the emotional distress that is associated with the situation. Endler and Parker also working on emotion-oriented coping said that the term refers to person-oriented strategies that include emotional responses, self-preoccupation and fantasising reactions. This observation helps conclude that the affected staff who adopted the emotion-focused coping used the person-related type of coping which helped them have that feeling of not being alone in their predicament.

6.4 Other Coping Mechanisms

The study revealed that, apart from the coping mechanisms that were being measured, other retrenched staff coped with faith in religion, believing that „God will make a way where there is no way‟, „When God wants to bless you he takes the little you have away from you and gives a bigger one‟. The study also identified the issue of hopelessness in the developing part of the world, where there are no social benefits, as opposed to the developed world, where there is a provision of social benefit for the retrenched till a new job is found. In Africa, the absence of social benefits leaves the individual to himself and God. Religion and faith in God to create jobs or look for a job for an individual is another opening for researchers to explore as a mechanism for coping with stressful situation in the developing world. What makes this revelation amazing is the belief that God will provide all needs directly. The controversies in this situation are the direct provision of jobs by God which is difficult to believe in the western or developed world. The difficulty lies on the fact that God does not own jobs on earth but works through man, therefore dependence on God directly as against belief in prayers or faith in God with works when it comes to religion becomes difficult to understand. Empirical studies have testified to prayer as a coping mechanism in times of trauma or negative life event, which is connected to emotions (Harris et al., 2005; Harris et al., 2008; Bade and Cook 2008). Even though explanations were not available as to how prayer helps these individuals to cope, faith in God still remains a phenomenon used in traumatic times. The argument here is whether the individual should rely on God to do things for them or believe in God and still work towards the issue that is causing the trauma? Christians believe that „faith without work will not yield any proceeds‟. The question is can faith in God alone solve problems?

6.5 Retrenchment and Labour Market Integration

The study investigated the factors that aided the retrenched staff to get to the labour market from the reemployment and self-employment point of view. Information gathered revealed that, most of the respondents happened to get reemployed through friends. Nonetheless, there was some retrenched staff who got back to the labour market through their parents. Information on the labour-market reintegration of the retrenched staff was very crucial to the study as it was viewed as a coping mechanism. According to this study, some retrenched staff had been reemployed in other banks whereas others had been reemployed in other sectors other than the banking industry. Some were selfemployed whereas others were unemployed. Some respondents gained their reemployment through the human capital they had. The factors revealed from the responses were based on age, education, skills and experience. This mostly manifested in those who had jobs in the same industry (banking) and felt like transfer of skills and experience had happened. To them, there were no new things to learn as jobs were related. It is believed that retrenched employees with high level of human capital have an enhanced capacity to secure reemployment easily. It was evident that most retrenched staff wanted to go back into the banking job again, as they still wanted to enjoy the prestigious nature of it.

Grubb and Marvin, (2004), contend that, in the perspective of individuals in the external market, a retrenched individual‟s human capital affects his/her job-seeking and employable opportunities. On the internalised human capital, an individual easily holds the possibility to access job-related information if he has a high level of human capital,

and thereafter he or she can easily obtain the occupational chances compared to otherwise. Beach (2009) suggests that the potential of human capital is closely linked to core competences and competitiveness of organisations. He indicates that individual human capital can affect organisational human capital, such as collective competences, organisational routines, company culture and relational capital. Consequently, organisations give credence to job seekers with high level of human capital. Retrenched employees with high level of human capital, therefore have an enhanced capacity to secure reemployment easily.

Other retrenched staff were reluctant to be reemployed and work for another employer and, therefore, resorted to being self-employed. Nevertheless, those retrenched staff who wanted to go into self-employment did so out of the stress and pain they experienced from working for somebody and the fear of being retrenched again. A large proportion of the labour force apparently would like to be bosses of their businesses. Self-employment presents an opportunity for the individual to set his or her own schedule, to work when they like, to answer to nobody and possibly to become rich. Modise (2002), working on retrenchment and self-employment, conceded that although some retrenched employees are able to get involved in entrepreneurial activities by opening their own businesses, most of these businesses fail due to the lack of skills and training regarding financial management, and many aspiring entrepreneurs end up in debt with wholesalers. Individuals rely on income accrued from their jobs for their survival. With regard to people working in the formal sector, like the banking industry, who are entitled to monthly salaries and other benefits based on the bank‟s remuneration structure, this income

facilitates the provision of financial and material support for their daily upkeep as well as their families.

An interesting link between their coping mechanisms and labour market reintegration which the study revealed was that those who coped with Folkman and Lazarus‟s problem-focused coping happened to be reemployed based on the amount of human capital they had. However, whether it was a sheer coincidence or not some respondents who combined emotion and problem-focused coping got reemployed due to a combination of human and social capital. It is evident that coping with retrenchment was not only tied to emotion and problem-focused coping but also to social and human capital. Some respondents who felt that coping with friends and family alone cannot help them cope better used their knowledge skills and capabilities as well. To them, talking to friends alone was not enough but showing the ability to do the job at hand created a better opportunity for them. This finding supports Greve et al‟s (2010) study which concluded that a diverse form of human and social capital may interact to produce joint effects on productivity. Some people may have less human capital but more social capital, or vice versa. Again the coping mechanism adopted by the affected staff was related to their immediate effects. Those who experience shock and sadness coped very well on the emotion-focused coping as well as the social capital, whereas those who experience reduction in finances combined both social and human capital to cope.

6.6 Retrenchment and Unemployment

There is no doubt that retrenchment is linked to unemployment. The study unearthed that, at the time of the interview that 12(32%) out of the 38 retrenched staff were still unemployed. This confirms Arulampalam"s, (2001) study in the UK which found that unemployment rises from redundancies rather than from unemployment due to other reasons. This is not different in Ghana as in Ghana; the unavailability of jobs makes it so difficult for the retrenched to get a new job in the shortest possible time. This can have a great impact on the individual as well as the dependents that would have to survive only when a new job comes by quickly.

6.7 Summary of the Chapter

This chapter aimed at expanding the analysis of results from the fieldwork by discussing the implication for the study on the retrenchment process and the coping mechanisms of affected employees.

The first section looked at the retrenchment process. The results of the study revealed the awareness of the labour laws on redundancy which were followed by the bank but the internal implementation was what presented an implementation gap which I identified and discussed and went further to propose a clear criteria for selection which should be known to employees. Again, the study revealed that the bank had no laid down procedure for communicating retrenchment news, which was also a key cause of the emotional effects on the retrenched staff. Finally, the bank did not make known to all staff the fact that in

case one suffers retrenchment, one is bound to lose their severance package due to their commitments.

The second section discussed the immediate effects of retrenchment on the affected staff, of which the emotional, social and economic effects were identified. These effects were known to be loss of self-esteem, finances and status within the society. These effects were experienced due to the implementation gap in the retrenchment process and the society within which the retrenched lived (developing world where there is no provision for unemployment benefit). It was evident that the retrenched in the developing country will suffer more effects than those in the developed world.

The third section discussed the coping mechanisms of the affected staff. The study revealed that retrenched staff had coped within Folkman and Lazarus"s coping dimension, in which those who had an impact on their emotions coped with the emotionfocused coping and those who had their finances affected coped very well on the problem-focused coping. Although some combined coping with both problem and emotion focused coping mechanisms, they did that due to the fear of not getting access to a job early. It was evident that their coping mechanism had a relationship with how these retrenched staff was affected by the retrenchment.

The final chapter looked at the reintegration of the labour market of these retrenched staff. It was evident that whilst some retrenched staff got back into the labour market with the use of social capital, others got back to the labour market with the use of their human capital. It is always important to note that some retrenched staff had coped with a

combination of the human and social capital whilst others did not use any of the suggested coping mechanisms, but depended on God for coping and labour-market reintegration. In the same way, some retrenched staff were still unemployed at the time of the interview.

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CHAPTER SEVEN
SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

7.1 Introduction

The previous chapter was dedicated to the discussion of the results of the study. The concluding chapter of this thesis is divided into four main sections. The first section discusses the summary of findings of the thesis followed by the research contribution and the research implication. The last section makes suggestion for further studies.

7.2 Summary of findings

This section discusses the summary of findings of the entire research. In concluding this thesis, the summaries of the sub-sections on the retrenchment process, retrenchment effects, their coping mechanism and their labour market reintegration have been presented as depicted in the specific objectives.

7.2.1 Retrenchment Processes

This study observed a number of issues under the retrenchment process. These were the criteria for selecting an employee for retrenchment, the mode of communicating the

retrenchment news, the severance package given to the affected staff and the training package available for the retrenched employee. The thesis discovered that retrenchment issues are completed through laid down procedures or processes. These processes encompass administrative, legal and moral grounds where the protection of employees‟ rights is preeminent. However, discrepancies existed when it came to the authorities and the retrenched staff‟s understanding of the bank‟s criteria for selecting the staff to be retrenched. The criteria used by banks for selecting the staff to be retrenched were not transparent to the retrenched staff.

The study, contributing to the stock of knowledge regarding the mode of communicating the retrenchment news established the absence of a standard agreement on who to relay the retrenchment news to and how the news was communicated to the affected staff. Again personnel supposed to relay the retrenchment news found difficulty doing so due to the lack of the requisite skills to relay such news. Hence retrenched staff got the news of retrenchment abruptly, without counselling on how to take the news which brought shock and the feeling of trauma to them.

The study further investigated the area of training which builds the capacity of people and equips them with requisite skills in their endeavours. The study found that the bank had training packages for retrenched staff, but they were not timely. Hence, staff who opted out of the training packages due to shock, anger or resentment towards the bank would not garner these skills. Also, the age of trainees was not considered as training packages on financial management, SSNIT contributions, counselling towards health were given without respect to age, which rendered the training irrelevant and ineffective to some

retrenched staff who were young at the time of retrenchment and felt did not need training on managing their SSNIT contributions as well as their health. The training packages should have rather placed emphasis on categories of staff being retrenched. Again there should have also been an effective training on skill enhancement, coupled with an enabling environment for reemployment or self- employment.

With regard to the severance package given to retrenched staff, the study‟s scrutiny unearthed the availability of severance packages for retrenched staff however, their distribution was not equitable as a better severance package subject to other awards, was pursued by the compulsory retrenched staff rather than being subject to length of service. The study also established that 5 out of the 38 respondents representing 13% of the retrenched staff went home without a severance. These were those employees who had commitments with the bank and for that matter their severances were used to offset these commitments, an agreement established by the affected staff at the latter part of the retrenchment process. Again, satisfaction derived from the severance package had differing effects. The voluntary retrenched staff were more satisfied because they agreed to leave by accepting a particular package. Surprisingly, some compulsory retrenched staff were very satisfied with their severances. The conclusions on the section on the retrenchment process presented an implementation gap identified by the study, which was more profound with the criteria for selection.

7.2.2 Retrenchment Effects/Implications on Affected Staff

The study found that retrenched employees were affected emotionally, socially and economically. However, each retrenched staff expressed their emotions differently on hearing the retrenchment news. Emotional effects were time related as the intensity of pain or emotion at losing a job was higher in the immediate or the short term and subsided with time. Socially, retrenchment effects revealed were related to community perceptions and loss of self- esteem on the retrenched staff as bank employees were held in high esteem in the Ghanaian society thus, the effects were high, relative to societies where the banking job is not prestigious. Retrenched employees who lived in the developed world where there is support from the government towards unemployment will be affected differently. This assertion was not different from the economic effects as affected employees who had no support had to stop schooling due to lack of funding. In the same way, retrenched employees who live in an economy where there is support for the retrenched will not experience the same effect since at least there will be provision for the retrenched to use for their daily upkeep and savings to support their education if they so wish.

7.2.3 Coping Strategies Adopted by the Retrenched Staff

The study as part of its contribution to the intellectual property and filling of the gap concerning coping discovered a difference in the coping mechanisms of retrenched staff; a fact consistent with the two major coping strategies identified by Folkman and Lazarus (1984) which are emotion-focused and problem-focused coping strategies. Whilst the former is where the individual takes steps to remove or to evade the problem at hand (for instance, saving money towards times of need, looking for a job and obtaining training to

enhance his opportunity to be hired) the latter refers to ways of reducing or managing the emotional stress that is associated with a situation for instance seeking emotional support by going for counselling and trying to relax, or escaping stressful situations by talking to someone. An established fact from this study is that in the developing world when government support is not available, social and human capital takes over for survival. Others also coped through religion by seeking solace in God. It is believed that God will provide a new job once retrenched staff who believes in Him asks from Him. Once again, another established fact from this study is that when government support and social and human capital are not available, God is the provider in times of retrenchment.

7.2.4 Factors That Aid in the Labour Market Reintegration of the Retrenched Staff

The study revealed that retrenched staff were reemployed based on a combination of human and social capital into the same industry as well as other industries different from the banking industry. It is evident that some of the retrenched staff due to the pain and loss of self-esteem did not want to work for someone else again and therefore became self-employed. This presents clear evidence that retrenchment is a necessity or an opportunity for self-employment. It was not surprising to see that a majority of the retrenched staff were still unemployed. This is an evident of retrenchment being linked to unemployment. Even though these three situations were revealed, retrenched staff had coped with either a human or social capital and had also got to the labour market using either the social capital or the human capital or a combination of both human and social capital. Those who had not yet got any job had coped with the social capital better than the human capital. Surprisingly, some retrenched staff used being unemployed as a coping mechanism.

7.3 Research Contribution

The objective of every research is to contribute knowledge aimed at complementing existing works by filling the knowledge gap identified. This study, after dissecting the retrenchment processes, effects and implications of retrenchment and coping mechanisms of retrenched staff in the banking industry has presented revealing facts which the researcher believes constitute a significant contribution to the stock of intellectual property available and also serves as a reference point for future research. The contributions are discussed in three areas namely: theoretical contributions, methodological contributions and empirical contributions which have been summarised in table 7.1 below.

Table 7.1: Research Contributions.

Area	Contributions
Theoretical	i. The use of both human and social capital as mediators to explain the coping mechanisms of retrenched staff ii. The adoption of the social capital and human capital for coping in place of government support. iii. The adoption of emotion and problem focused coping by Folkman and Lazarus for coping iv. The addition of religion „faith in God" as a coping mechanism towards retrenchment
Methodological	i. A presentation of the trajectory study on retrenchment process to the effects through to the coping mechanism ii. The use of a logical positivist approach for a qualitative work iii. An abductive approach to qualitative research
Empirical	i. The study showed the inadequacy of the legal requirement of informing the chief labour officer in strengthening the monitoring of retrenchment process in Ghana

	ii. The study showed the link between the retrenchment process and the effects as well as the coping of the affected.

Source: Researcher's Construct, 2015

7.3.1Theoretical Contributions

This research studied retrenchment from a developing country point of view where there is no provision of social support or benefit for the retrenched individual. The study therefore unearthed the dependency on social and human capital in the absence of government support and faith in God as a coping mechanism and for labour-market reintegration in the absence of government support as well as social and human capital availability for the affected staff. This revelation is a contribution to the literature on coping with retrenchment from a developing country point of view.

Secondly, this research in studying what aids the retrenched staff to cope and be reintegrated into the labour market, unearthed the use of both social capital and human capital for coping as well as getting to the labour market through reemployment or self-employment. The study, therefore, has confirmed the study by Coleman, (1988) and White, (2002) who expressed the belief that social capital resides in the relations among the nodes and just as physical and human capital facilitates productive activity, social capital does as well.

Thirdly the study unearthed the fact that retrenched employees sometimes see retrenchment as a problem and try solving this problem by enhancing their Curriculum Vitae (CV), taking part in training and trying to look for a job. Again retrenchees

sometimes seek help from friends and family as well as their church. This form of coping was in line with the problem and emotion focused coping by Folkman and Lazarus (1984).

Fourthly this study unearthed the fact that in the absence of government support as well as the unavailability of social and human capital, religion is used as a coping mechanism.

Finally, this research was undertaken in the banking industry where not much work or study had been done or on retrenchment. Contributing to the literature on retrenchment in the banking industry is therefore very significant.

7.3.2 Methodological Contribution

Although there have been a number of studies on retrenchment, they have been carried out separately in terms of focus. Some had focused on the effects; others had focused on their labour market reintegration of the retrenched staff (Appelbaum, Delage, Habib, and Gault 1997; Vemeulen and Wiesner 2000; Worrall and Cooper 2000; West 2000; WangBae 2003; Lin and Leung 2010; Udokwu 2012). A comprehensive study of this nature encompassing the retrenchment process, the retrenchment effects on the affected employee, their coping mechanisms and their labour market reintegration has filled that gap. The position of this study is that the retrenchment process influences the retrenchment effects. It is also the position of this study that how the retrenchment is carried out has profound ramifications on retrenchees and how they cope as well as the labour-market reintegration of the affected employee. This means that, from the retrenchment process, it is possible to explain retrenchment effects and subsequently the understanding of their

coping strategies is enhanced. This idea from the conceptual framework of this research has contributed a great deal to literature.

Although research on retrenchment is enormous, most of such works used a quantitative approach adopting the interpretivist approach as the philosophical assumption. This thesis studied the retrenchment process and the coping mechanisms of the affected staff using the qualitative approach with the adoption of the logical positivist approach which is much suitable for a quantitative work as the philosophical assumption. Again the study also researched into the coping mechanisms of the affected staff using the human and social capital theories as the mediating variables to explain the coping and the labour market reintegration of the affected staff. The use of the logical positivist approach which is objective in both ontology and epistemology aided the researcher to stay objective in dealing with these retrenched staff. This is a great contribution to methods because qualitative researchers hardly stay objective and are always part of the research.

7.3.3 Empirical Contributions

The study unearthed the inadequacy of the legal requirement of organisations informing the Chief Labour Officer (CLO) their retrenchment contemplation. This inadequacy is due to the fact that, the Chief Labour Officer when informed of the retrenchment decision as well as the number to be retrenched, does not have to monitor the retrenchment processes within the organisation. Again the study revealed how the retrenchment process influences the effects as well as the coping mechanisms of the affected employee which is a great empirical contribution to the literature on retrenchment.

7.4 Conclusions and Research Implications/Recommendations

7.4.1 Implications for Practice and Policy

The study, contributing to the stock of knowledge on retrenchment, assessed the implications of retrenchment on practices and policies of the management of financial institutions, government through the Labour Commission, the employee and his or her human rights.

7.4.2 Management of Financial Institutions

Each financial organisation has reasons for embarking on retrenchment; it might be to downsize to cut cost in the event of crises or remove dead weight to improve its services. Though this might be a good reason, an imprudent implementation of retrenchment affects the morale of workers. This affects the physical and emotional balance of both the affected and the non-affected staff, leading to poor innovation, poor discipline, loss of efficiency and demoralisation. It also affects customer confidence, especially in financial institutions because of the relationship they have with some staff and their absence in the institution could impact negatively on their transactions with the institution which could affect the organisation attaining its goals. However, retrenching inefficient staff could be a warning to other staff to improve or face the wrath of employers. Nevertheless, banks must develop a corporate strategy imbued with a rigorous implementation of retrenchment based on objectivity, mind preparation through counselling and training, and the effective communication of the rationale behind the retrenchment exercise to staff in order to avert the instance of hardworking and devoted staff working with apprehension. Again with the uncertainty in the economic situation coupled with the high demand for energy in Ghana

to meet productivity, banks will definitely retrench but when they contemplate so, it is important that a proper negotiation and consensus be established between employers and the supposed staff to be retrenched or their labour unions instituted to determine the retrenchment process to avoid any discrepancy.

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7.4.3 Government of Ghana/Labour Unions

With respect to Ghana, the Government or the State empowers the Ghana Labour Commission to ensure that labour laws are respected. These labour laws are enshrined in the Labour Act 2003 which states that an organisation must inform the Chief Labour Officer and the trade labour unions three months with valid reasons and size of the affected, before any retrenchment exercise is carried out by the organisations. The Labour Commission must also ensure that organisations negotiate with labour unions representing the workers. However, the Labour Commission‟s approach to regulating the activities of organisations with regard to retrenchment has been monotonous. They do not effectively monitor the processes and procedures organisations use to retrench staff in order to sanction those that contravene the labour laws. Labour unions in their negotiations with the employer fail to ensure that the rights of their members are respected and also the adequacy of the severance package they negotiate for their retrenched members always come into question. For instance, the manner in which employees in banks are made aware of their retrenchment abruptly without the use of the psychologist or a counsellor attests to this. The Labour Commission must therefore ensure that there is strict adherence by organisations to these labour regulations with sanctions handed down to obdurate employers who fail to adhere to these practices or laws. Labour unions must ensure that their members are privy to their rights as employees and the labour law, with emphasis on

retrenchment issues. They should have regular dialogue with their members on their welfare and ways of improving their representation and negotiation skills when it comes to retrenchment issues. Again the government of Ghana must formulate regulations governing retrenchments in the banking sector that influence banks to consider alternatives to retrenchment. A final retrenchment decision can only be possible when there are no possibilities to alternatives to retrenchment which must be established before negotiations start. Finally there is the need for the Labour Commission to take a second look at the labour laws governing retrenchment in Ghana to ascertain proper communication to the affected staff.

7.4.4 Employee /Retrenched Staff

Retrenchment is usually carried out with the aim of restructuring, reducing expenditure and improving productivity. Though this might sound good to the organisation, retrenchment, due to the effect it has on the self-esteem of the affected, saddles them with a sense of loss, worry about financial insecurity, uncertainty and depression. In most cases, the retrenchment exercise does not necessarily reflect the competencies of the affected staff but it rather reflects the change of the strategy or approach of the employer. When some competent staff become retrenched, they develop disappointment and resentment towards the employer and even jealousy towards the retained colleagues. However, retrenchees can effectively handle this phenomenon with proper coping strategies. They, psyching themselves to accept that life carries good and bad sides, consulting counsellors, friends or families for advice and solace, going for training to develop their employable skills such as improving their Curriculum Vitae (CV) and the management of their finance and resources, and also networking to expand their circle of contacts are effective coping

strategies. Employees are not well protected due to their ignorance on the retrenchment regulations. Therefore employees must strive hard to be conversant with labour and retrenchment regulations that are in operation in their organisations.

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7.4.5 Human Right Organisations

Employee rights are preeminent in every organisation. It is a generally accepted fact in every organisational setting that the safety and welfare of employees must be guaranteed. Employees must also evince the best performances of their ability for their organisation to achieve its goals and objectives. However, in most organisations, there is a dearth of the labour standards when it comes to retrenchment issues. Employers act contrary to stipulated retrenchment procedures or guidelines and are not held accountable for their disregard for these regulations due to the weak enforcement of labour laws and the mere incompetent nature of the labour unions when it comes to safeguarding the interests of their members.

The ignorance of employees on their human rights, labour laws and ways to seek redress when their rights are infringed upon gives undue advantage to employers. Again a good corporate governance system infused with stipulated procedures and processes of retrenchment should be provided. Such process should encompasses a laid down and acceptable criteria, effective mode of communication, a well-resourced training package taking into account time and age, and an effective negotiation and consensus building on the quantum of severance packages to address issues during retrenchment.

7.5 Suggestion for Further Studies

First and foremost, a case study approach was used in investigating the retrenchment process and coping mechanisms of retrenched employees from the banking industry in Ghana. Though the scrutiny yielded the requisite results, the study, however, recommends that a survey approach must be deployed in future research to give a wider or general scope to the study. Moreover, the study was qualitative in nature but adopted a quantitative philosophical assumption. Therefore, it is recommended that future research must take into account the quantitative part of the study. A conflation of the quantitative and qualitative components of research in future studies will also yield comprehensive outcomes.

Again, the study did not consider issues with respect to time. It is thus recommended that forthcoming research must be characterised by a time series or longitudinal approach in order to take into account the coping mechanisms of the affected staff with time.

Furthermore, the study came across the involvement of the Union in the negotiation of the package for the supposed to be retrenched staff. It is therefore suggested that further research could include the involvement of the labour unions in the retrenchment process.

Finally, the current study focused on the leavers (those employees affected by the retrenchment decision of the bank) and therefore did not take into consideration the effects on survivors (those employees who remained in the bank). Future study is therefore recommended to portray the effects on survivors.

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Appendix I

INTERVIEW GUIDE FOR RETRENCHED STAFF

Please tell me about your age, educational level and marital status If you are married does your wife/Husband work to support the family?

Please tell me about your children.

Participants experiences in the retrenchment process

What was your position in the bank?

How many years did you work for this bank?

When did you lose your job? (Year and month)

Was your retrenchment a voluntary or involuntary one?

If it was an involuntary one, what was the reason the bank gave prior to the retrenchment exercise?

If it was a voluntary one why did you decide to leave?

How were you prepared for this retrenchment by the bank?

Tell me about your retrenchment experiences.

What is your opinion on the whole process of retrenchment?

Participants experiences on the effects of the retrenchment

How did you feel when you lost your job?

What was it like to think of what friends, family and people within your area will say about you or regard you when you lost your job?

What was it like to think about how you were going to survive if a new job does not come quick?

Tell me about how you have been affected by this retrenchment.

Participants Coping Details:

How did you prepare for the retrenchment exercise?

What did you do to help yourself in dealing with the fact that you have been retrenched?

Tell me more about the things you did to accept this fact?

How did your religion help you in coping?

How did a social group of you are a member help you to cope?

Did any other person offer you assistance?

How did you deal with what your friends, family and society said about you?

How did you deal with your finances?

Did you get a severance package?

If you got a severance package, how did the severance package given during the process help you in dealing with your finances?

Tell me about how you have coped up till now

Participant's re-employment as a coping mechanism

What are you doing now?

How did you get to do what you do now?

How did the skill you had when working in the bank help you get a new job? If you got training, how did the training you gained from the bank during the retrenchment process help you to do what you do now?

How do you compare your new income to that of the old income?

Does this income relief you of some financial burden?

How did the friends, family, religious and social group help you a lot in getting to do what you do now?

Tell me how you feel about your work now.

Follow up questions for unemployed staff at the time of interview

Why are you not doing anything at the moment?

Did you seek for help from Family, friends, religious group or any social group?

Tell me how you feel now

Appendix II

INTERVIEW GUIDE FOR THE BANK (HRM DEPARTMENT)

Biographic Information

Please provide brief information on your Age, Education, Gender, Designation (Position/Title) and Work experience

General questions about the decision to retrench.

How does the bank define retrenchment?

Have you witnessed a retrenchment process in the bank before?

How often does the bank retrench?

How many employees have the bank retrenched so far?

How does the bank arrive at the decision to retrench?

Does the bank consider other alternatives to retrenchment?

What criteria are used to select the affected employee?

Can you please describe the method of communication?

Tell me about what happens after the selected staff has been communicated to.

Banks preparation for the affected employee

Tell me about how the bank prepares the affected employees for such a challenge.

Does the bank provide any form of training for the affected staff?

Please tell me about the training package available for these employees?

Does the bank provide severance package for the affected staff?

Tell me about the severance package for the affected staff.

Do you think the severance package is fair enough to help the affected cope?

Has the bank followed up to see how the employees are doing.

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Appendix III RESEARCH QUESTIONS, MAIN THEMES AND SUB THEMES

Research Questions	Main theme	Sub Themes
How does the bank go about its retrenchment activities?	Retrenchment Process	The decision to retrench Retrenchment activities Criteria for selection Mode of communication Training within retrenchment Severance Package
What are the effects of the retrenchment on the affected staff?	Retrenchment Effects	Emotional Effects Social effects Economic effects
How has the retrenched staff coped with retrenchment?	Coping with retrenchment	Emotion focused coping/ the use of social capital for
How has the skill level and age of the retrenched staff helped them to be reemployed? copin g		Problem focused coping/ the use of social capital and human capital
	Labour market reintegration after retrenchment	Reemployment after retrenchment Self-employment after retrenchment. Unemployment

Source: Researcher"s Construct 2014

Appendix IV

SECTION 65 OF THE LABOUR ACT ON REDUNDANCY

(1) When an employer contemplates the introduction of major changes in production, programme, organisation, structure or technology of an undertaking that are likely to entail terminations of employment of workers in the undertaking, the employer shall:

(a) provide in writing to the Chief Labour Officer and the trade union concerned, not later than three months before the contemplated changes, all relevant information including the reasons for any termination, the number and categories of workers likely to be affected and the period within which any termination is to be carried out; and (b) Consult the trade union concerned on measures to be taken to avert or minimise the termination as well as measures to mitigate the adverse effects of any terminations on the workers concerned such as finding alternative employment.

(2) Without prejudice to subsection (1), where an undertaking is closed down or undergoes an arrangement or amalgamation and the close down, arrangement or amalgamation causes

(a) Severance of the legal relationship of worker and employer as it existed immediately before the close down, arrangement or amalgamation; and

(b) as a result of and in addition to the severance that worker becomes unemployed or suffers any diminution in the terms and conditions of employment, the worker is entitled to be paid by the undertaking at which that worker was immediately employed prior to the close down, arrangement or amalgamation, compensation, in this section referred to as "redundancy pay".

(3) In determining whether a worker has suffered any diminution in his or her terms and conditions of employment, account shall be taken of the past services and accumulated benefits, if any, of the worker in respect of the employment with the undertaking before the changes were carried out.

(4) The amount of redundancy pay and the terms and conditions of payment are matters which are subject to negotiation between the employer and a representative of the employer on the one hand and the worker or the trade union concerned on the other.

(5) Any dispute that concerns the redundancy pay and the terms and conditions of payment may be referred to the.