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**THE CHANGE IN PSYCHOLOGICAL AND
EMOTIONAL STATES OF MANAGERS PRE- AND
POST-RETRENCHMENT, INCLUDING
LEADERSHIP STYLE**

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ABSTRACT

There is an abundance of literature on models of coping with the loss of employment. The present study adopts the specifics of a study by Ribton-Turner and de Bruin (2006), who investigated stressors and support relating to unemployed, mid-career adults. In their study, Ribton-Turner and de Bruin (2006) interviewed six individuals who had lost their employment. These individuals suggested that a potential area for further research would be to investigate whether the re-employed person returns to his or her previous state of functioning and whether the experience of ongoing stress scars the affected individual. This research also examines whether mid-life adults return to their emotional and mental state prior to experiencing unemployment. The method of data collection consists of 16 phenomenological, qualitative interviews with upper management in the construction and manufacturing industries in South Africa. In the interviews, the participants were asked to relate their stories of being unemployed and to share their most critical experiences. The participants were asked how the experience of retrenchment had changed the way they conducted themselves in their various management roles. A criterion for

selecting interviewees was that they should have been re-employed for at least for six months. The study revealed that interviewed managers believed their management style had become more compassionate and they now tended to have a new, enriched view on family life. Some of the managers reported that they experienced difficulties in building trusting relationships with their new employers and that they were fearful of experiencing another retrenchment. The management style of these re-employed managers can appropriately be described as a servant-leadership management style.

Keywords: loss of employment, management style, retrenchment, servant-leadership, stress scars, trust relationship

1. INTRODUCTION

According to Statistics South Africa (2012), the occupation with the largest decrease in employment for the first quarter of 2012 was skilled agriculture with a decrease of 18.7%, followed by managerial positions at 3%. In total, 28 000 managers lost their employment in the first quarter of 2012.

While abundant literature exists on models pertaining to coping with the loss of employment, the present study adopts the specific focus of a study by Ribton-Turner and de Bruin (2006), who investigated stressors and support relating to unemployed, mid-career adults. They interviewed six individuals who had lost their employment and suggested that a potential area for further research would be to investigate whether the re-employed person returns to their previous state of functioning and whether the experience of ongoing stress scars the affected individual. Does the mid-life adult return to what had been his or her emotional and mental state prior to this chronic experience of unemployment? The fundamental consideration in this study is the psychological effects of retrenchment in relation to a possible change in subsequent management style.

Hans Selye, who did ground-breaking work on stress in 1976, is regarded as the father of present-day definitions of stress (Neylan, 1998). Among the questions raised by Selye's (1976) General Adaption Syndrome were

whether an individual can fully recover from psychological disintegration and whether the damaged individual can reorganise his or her resources. This is discussed in the literature review in relation to victims, survivors and executioners.

Guidelines in the available literature are very limited on what to expect from a retrenched manager if re-employed.

1.1 Research questions

Based on the objectives, and relating to the selected industries in South Africa, the research was designed to address the following questions:

- How did the individual's management style change following the retrenchment experience?
- How did the individual's commitment to the employer change following the retrenchment experience?
- Was hostility transferred from one employer to the next?

2. LITERATURE REVIEW

2.1 Introduction

The literature review investigates whether people affected by such economic displacement felt a sense of personal failure, a loss of confidence or anger, and, if anger, then anger directed towards whom. It will also consider how willing such people were to study to improve their chances of new employment and their willingness to relocate, change fields, or move into self-employment. How do second career employees perform at the workplace in terms of commitment, resentment towards life generally, and towards employers? To what extent was unstated hostility transferred from one employer to the next – as expressed, for example, through obsequious compliance, association with colleagues or loyalty? The findings of the literature review, in turn, helped to shape the interview questions used in the present research. The literature review on retrenchment will be guided by the model of Ribton-Turner and de Bruin (2006), in seeking to

understand the variables relating to the impact of continued financial strain from unemployment due to adult retrenchment.

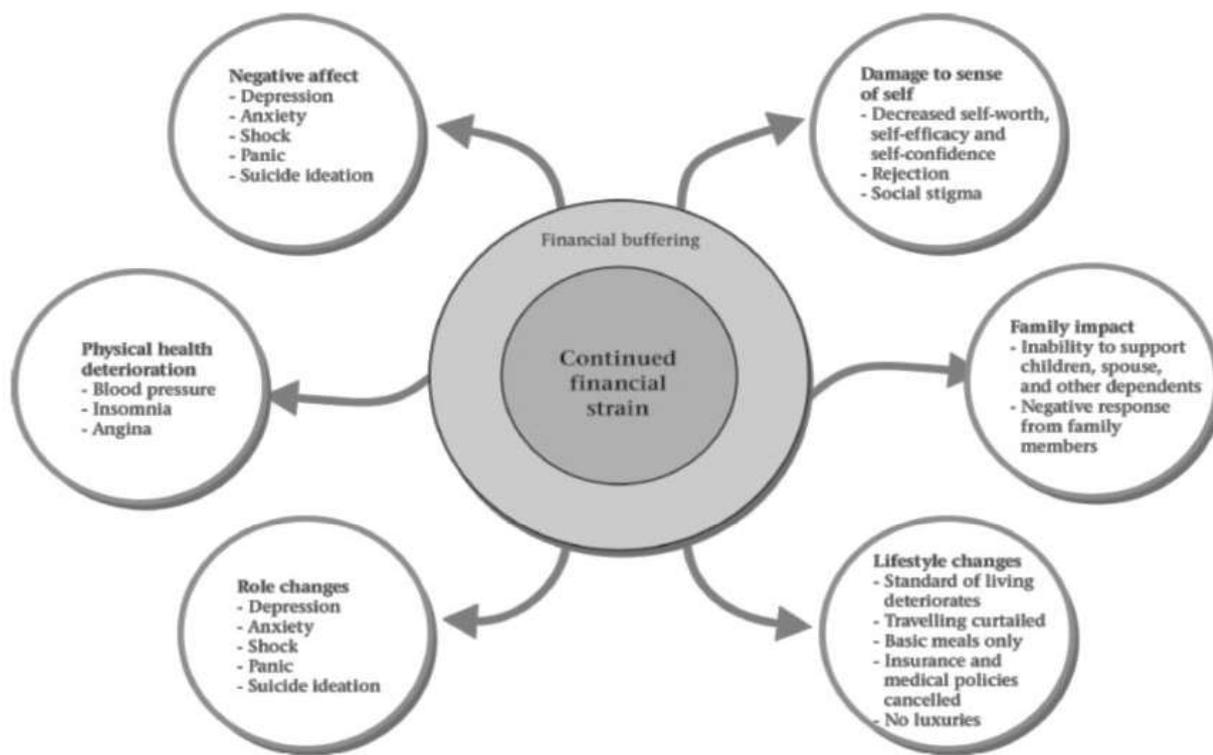


Figure 1: Impact of continued financial strain on the unemployed adult
Source: Ribton-Turner & de Bruin (2006)

2.2 Personal experience

Personal experience will be discussed under the following headings: psychological effects of retrenchment, victims, survivors and executioners of retrenchment, and an introduction to management styles and leadership.

2.2.1 Psychological effects of retrenchment

O'Neill and Lenn (1995) observed that in the case of a manager, the loss of prestige created by job loss imposes a stigma, related to the belief that good people do not get retrenched, they get rewarded. Although Parsons (1996) argues that this kind of stigma is fading, as it is increasingly recognised that retrenchment is not the fault of the individual, the effects of the stigma still persist in the internal judgment of the individual and the self-projection of

perceived regard by others (Burns, 1982). Ransome (1995) notes that the stigma of retrenchment can drive people to suicide.

Stogner (1995) argues that a loss of identity is more evident with older workers since they are less prepared for the financial and psychological changes that come with retrenchment. They find themselves stripped of their job-related identity. They are no longer part of the corporate “club” and feel that they have been discarded as useless, and in some cases even cast in the role of outsider and enemy.

The loss of self-esteem during retrenchment is well documented (Doherty & Tyson, 1993; Ransome, 1995; Ryan & Macky, 1998). It is related to the loss of social support which happens when a person is retrenched. Ransome (1995) argues that the loss of social interaction intensifies the reduction in self-esteem.

Levy (1992) believes that the emotional injuries to pride and self-esteem are more traumatic than physical injuries obtained from a vehicle accident. Downs (1995) argues that retrenchees lose self-esteem because the experience of being removed from their jobs is often unexpected.

Feather (1990) notes that while there may be a variety of reasons for retrenchment, ultimately it leads to a period of unemployment which causes a distortion of self-concept. Self-concept is described as a long-term feature of personality in which there is a stable set of references which relate to situational roles. It is therefore transitory in nature.

Gribble and Miller’s (2009) investigation of psychological constructs underpinning the effects of retrenchment identified four principle constructs: concern about uncertainty, pressure to find a new job, loss of self-concept, and attachment to the former organisation. It was found that all the retrenchees experience these constructs negatively. The job-seeking construct was rated as highest in intensity, followed by a loss of self-concept. Concern about uncertainty and attachment to a former organisation were similar in intensity. Gribble and Miller (2009) noted that finding a new job is continually on the mind of the retrenchee. Retrenchees take the view that the root of their problems is that they do not have a job. Loss of self-concept

is linked to a sense of stigma in having been retrenched and also to a loss of self-esteem.

2.2.2 Retrenchment: Victims, survivors and executioners

Durpui, Boucher and Clavel (1996) cite the ground-breaking work done by Niederland (1968) on the survivors of fatal catastrophes from which was formulated the ‘survivor syndrome’, subsequently categorised as a mental illness and known as post-traumatic stress disorder. Post-traumatic stress disorder symptoms include fear of persecution, inner tension, diminished self-esteem, lack of initiative, apathy, depression, and a sense of guilt in having survived. Noer (1993) observes that the symptoms of post-traumatic stress are also experienced to a smaller degree by the victims and survivors of retrenchment.

Recovery from post-traumatic stress disorder can be related to Selye’s (1976) General Adaption Syndrome, which theorises whether an individual can fully recover from psychological disintegration and whether the damaged individual can reorganise his or her resources.

Commitment is included in the study to understand if there is a relationship between commitment and management style. Halvorson (1998) investigated the impact of re-employment on psychological distress among long-term unemployed people in Norway. The sample consisted of 1000 unemployed persons in the age group 20-59 years. Halvorson highlighted various factors that can impact on the re-employed individual’s psychological state. One such factor is that the salary the re-employed individual currently earns in the new job is normally less than that of the previous job.

Fagin (1979) notes other psychological issues such as feelings of low self-esteem as a result of prolonged unemployment which can continue long after re-employment. Summarising the issue of commitment to the new employer, Shamir (1985) concluded that the emotional recovery of the unemployed depends on the nature of the job.

In a company pamphlet from HRM Partners Inc., entitled *Blind, Cynical or True*, which discusses commitment to employers, Holtari (2004) observes that the normal employment contract between employer and employee is

based on measurable compensation and benefits, but the psychological contract between employer and employee deepens the relationship to one of commitment. The psychological contract captures the way employees really feel about their work and their relationship with the company.

Holtari (2004) poses questions on how people make the transition from old jobs to new ones without losing faith in themselves, collapsing mentally, turning bitter, feeling guilty, or accusing others. He calls this the bridge of commitment, and suggests that people affected by the loss of employment must be coached so that they become aware of their situation and can cope with it, as well as with the reasons for job loss and associated bitterness and other negative feelings; so that they recognise their profile of competence, including their strengths and weaknesses, and so that they can define their personal goals in terms of what they want from life and work. The affected people need to be coached on how to express their strengths and be made aware of the various methods available to them in order to search for new employment.

2.3 Introduction to management style and leadership

The study investigates different management styles and leadership approaches to determine the possible style of management and leadership used prior to retrenchment. A management style refers to characteristic ways of making decisions and relating to subordinates, and leadership refers to the longer-term view of influencing and motivating employees.

2.3.1 Management styles

Management styles will be discussed under the following subheadings: autocratic, democratic and *laissez-faire*.

2.3.1.1 Autocratic

Cherry (2011a) summarises the characteristics of autocratic management as follows: one with very limited input from team members, where leaders make decisions on their own, dictate work and processes, and where team members are not freely trusted with decisions and important tasks.

2.3.1.2 Democratic

The characteristics of democratic leadership are summarised by Cherry ((2011b) as one including participation and greater equality between leader and followers. Group members have the freedom to share their views and opinions.

2.3.1.3 *Laissez-faire*

Cherry (2011c) describes *laissez-faire* leadership as leadership that is unengaged, allowing the group members to simply ‘do their own thing’, without any control measures in place.

2.4 Leadership styles

Smit and Cronje (1993) note that for a group to function effectively, it needs someone to perform two important functions: job-related functions such as problem-solving, and social functions related to maintaining the group. These functions lead to the two basic forms of leadership: these are task-orientated leadership or employee-orientated leadership.

The task-orientated leader’s primary concern is to ensure that subordinates perform their duties in order to get the work done. The employee-orientated leader is more open to participative management and focuses more on interactions with people.

2.4.1 Servant-leadership

According to Spears (2004), the core of servant leadership is a long-term transformational approach to life and work, where the individual is coached to live up to their full potential.

To explain the theory of servant leadership, Spears (2004) established the following set of characteristics central to the development of servant leaders: listening, empathy, healing, awareness, persuasion, conceptualisation, foresight, stewardship, commitment to the growth of people, and building the community.

2.4.2 Paternalistic Leadership

According to Cheng, Wu and Farh (2004), paternalistic leadership is an approach which is based, intentionally or unintentionally, on the idea that the leader is in a better position than the followers to know what is best for the organisation or for the followers. In a nutshell, it is the “leader as expert father figure” (Mullins, 1995:245), where long-lasting beneficial relationships and mutual trust are built between the leader and the subordinates.

2.4.3 Transactional Leadership

For Bass (1990), a transactional leader guides followers in the direction of established goals by clarifying roles and task requirements. Transactional leaders couple performance to rewards; they tend to guard and protect rules and standards, and they take corrective action to maintain the *status quo*.

2.4.4 Transformational Leadership

Transformational leaders instil a vision in their followers. Examples include Jack Welch from General Electric, Bill Gates from Microsoft, and Richard Branson from the Virgin Group. According to Bass (1990), transformational leaders focus on a vision for the future. They assess their current situation against the future and make decisions on how to accomplish their vision for the future. Transformational leaders look for ways to transform their organisations beyond the *status quo*.

2.4.5 Situational Leadership

The situational leader needs to be flexible in their approach to leadership; for example, when the follower is unable or unwilling to do a task, the leader needs to give more direction. If the task involves a follower who is willing but unable, the leader needs to give more task-orientated guidance to get the follower to accede to the leader’s requests.

2.4.6 Bureaucratic Leadership

Max Weber’s (1864-1920) bureaucracy theory has led to the argument, according to Stoner, Freeman and Gilbert (2001), that companies need to have a strictly defined hierarchy of governance with a clear line of

command. Bureaucratic leadership thus means following set rules and lines of authority that are established.

2.5 Development of Leadership

Van Niekerk and Waghid (2004) investigated the relevance of action learning in developing leadership competencies for the knowledge society. A focus group was conducted with senior and middle managers in the hospitality industry. The study concluded that organisations need to develop and promote leaders who realise that organisational renewal and competitive readiness are totally dependent on employees being prepared for future challenges, continuous change, life-long learning, and ever-increasing competition. Gilley and Maycunich (2000) describe these leaders as developmental leaders, leaders whose primary characteristic is servantship.

3. METHODOLOGY

Data collection for this study consisted of 16 phenomenological, qualitative interviews with managers who had been retrenched and subsequently re-employed in management positions for a minimum of six months. The interview guide was limited to 19 questions.

According to Saunders, Lewis and Thornhill (2003), qualitative research is characterised by the richness and fullness of data that derives from being able to explore a subject in as real a manner as possible. A structured interview schedule offered an objective, full and comprehensive overview of the experiences acquired from the retrenched managers. The process enabled individuals to give objective responses concerning their progress and to relate any challenges which they may have experienced.

3.1 Research Methodology

Because the present study is built on the parameters of the Ribton-Turner and de Bruin (2006) study, it was decided that the same research method would be used for data collection purposes.

In the interviews, the participants were asked to tell their stories of being unemployed and to share their most critical experiences of the past months.

The participants were also asked how this experience had changed their approach to management, before and after the life-changing experience of retrenchment.

3.2 Selection of Interviewees

A number of strategically placed individuals were interviewed with a view to recording, transcribing and systematically analysing their interviews. The interview-based research objectives were achieved by using a series of one-on-one semi-structured interviews.

One-on-one interviews allow each interviewee the opportunity to spontaneously supply information concerning the issues of unemployment, re-employment, commitment, transferred hostility, family commitment, and changes in management style.

3.3 Phenomenological Qualitative Interviews

According to Creswell (2003), a phenomenological study attempts to identify people's perceptions, perspectives, and understanding of a particular circumstance. Waters (2012) states that phenomenological interviews also relate to the understanding of life experiences. The interview schedule was structured to require more than a single-response answer, and the duration of the interviews was between 60 and 90 minutes. The interviews conducted at the interviewee's office.

3.4 Sample selection

Patton (2002) says that there are no set rules to determine the sample size of a qualitative investigation. According to Creswell (1998b), a typical sample size for a qualitative study varies between 5 and 25 respondents. The availability of possible retrenched executives and senior managers limited the present study to 16 interviews. The executives and managers also had to have been employed again in a management position for more than six months. This would have given them sufficient time to reflect on how their management style had changed subsequent to their retrenchment.

The sample of industries was guided by the unemployment figures. According to Statistics South Africa (2012), the industries which

experienced the largest decrease in employment for the first quarter of 2012 were in construction, with 4.4% (71 000) of the construction labour force unemployed, and manufacturing, with 4.5 % (67 000) of the manufacturing labour force unemployed.

Interviewees were encouraged to express their own views rather than comment on the strategic planning of their respective industries.

3.5 Analysing data

The personal interviews with the managers were videotaped and transcribed verbatim, and analysed according to the principles of content analysis by means of the NVivo qualitative analytical program, after which significant similarities and differences were determined by means of a correspondence analysis. The analysing and transcribing was done with the assistance of an independent party to guarantee the reliability of the findings and to eliminate bias in the study. Every interviewee was allocated a code which was coupled to the specific interviewee comments. This helped to identify emerging trends.

According to Creswell (1998), the central issue in data analysis of a phenomenological study is to identify common themes in people's descriptions of their experiences. Creswell suggested the following steps in analysing phenomenological data: identify statements that relate to the topic; group statements into "meaning units"; seek divergent perspectives and finally, construct a composite.

4. DATA ANALYSIS

4.1 Introduction

The interviewees were selected from a wide spectrum of industries. Twelve of the managers interviewed were from the construction and manufacturing industries, one manager was in banking, two were in the tourism industry, and one was in a government department.

At the commencement of an interview, the managers were often reluctant to participate, but once the interview got underway they seemed to relax and the information started to flow. Even though some of the interviewees had

been re-employed for a number of years, they commented that it still felt as if the retrenchment had just happened, and they could recall their emotions and traumas extremely well. The questions were structured to follow a logical process from the time before the retrenchment through to the time they were re-employed.

The responses to the different questions were collated to ascertain whether there were feelings or emotions that manifested consistently for all interviewees and to form an understanding of what the majority of interviewees felt.

The data were reduced and reformatted and moved from the field (interview) to the text. The data were categorised into three main nodes, namely: unemployment experience, commitment to the new employer, and management style. The major nodes and sub-nodes are shown in Table 1 overleaf. The pie charts offer a further overview of the results and illustrate changes in management style before and after retrenchment.

The available data were analysed by identifying the statements relating to the topic, followed by interpretation, and then the construction of a composite.

4.2 Changed view: Family life after retrenchment

Twelve (75%) of the managers interviewed reported that they appreciated family life far more than before their retrenchment; three (18.75%) reported that their view on family life had stayed the same, and only one (6.25%) said that because of financial problems, his family life was dramatically affected with considerable conflict over finances. See Figure 2 overleaf.

Table 1: Developed nodes

MAJOR NODES	SUB-NODES
Unemployment Experience	<ul style="list-style-type: none"> • Retrenchment period • Personal failure • Loss of confidence • Family experience • Willingness to study for re-employment • Willingness to relocate for re-employment • Changes fields for re-employment • Self-employment • Feeling towards surveying colleagues • Feeling towards manager contributing to retrenchment • Feeling towards company that retrenched you • Feeling towards subordinates after retrenchment • Your view on family life • Suggestion to help retrenchee
New Employer Commitment	<ul style="list-style-type: none"> • Commitment to new employer • Did you punish your second employer for what went wrong at your first company? • How did your attitude towards work change? • Expectations and loyalty to new employer
Management Style	<ul style="list-style-type: none"> • Management style before retrenchment • Management style after retrenchment

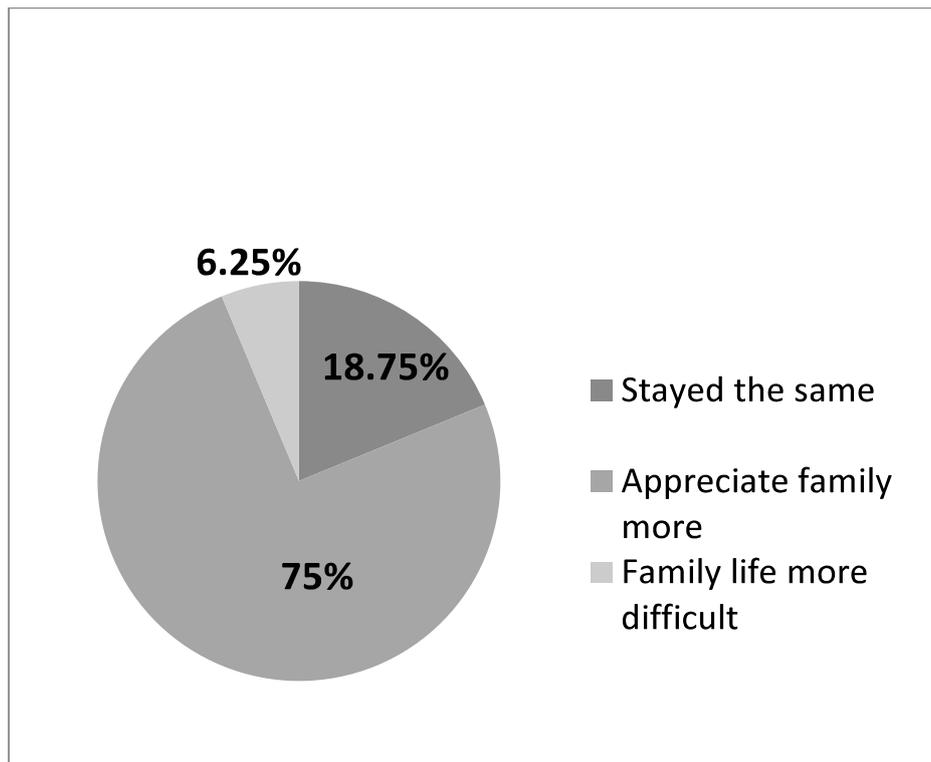


Figure 2: View on family life

4.2.1 Perception of family life stayed the same

Retrenched managers whose perception of family life remained unchanged expressed their views in comments such as: *It did not change/family life was always great and still is.*

4.2.2 More appreciative perception of family life

Retrenched managers who now had a more appreciative understanding of family life expressed their views in comments such as: *I realised how important it is to keep the family happy, not just by being a provider but a keeper of love/I leaned harder on my faith and my wife's support/More relaxed.*

4.2.3 Family life more difficult

The retrenched managers who now found family life more difficult expressed their views in comments such as: *To be honest, there have been times where I wished with my whole heart I had never married. Not because I am unhappy, but because of the responsibility (financially) that go with it. We just got poorer.*

4.2.4 Interpretation

- *More appreciative*: The majority reported that they had a renewed appreciation of family life. They reported furthermore that the failure to provide for their families had created added stress, and family values had to adjust to their new financial limitations. The retrenchment had led to stronger bonding in the family.
- *Family life more difficult*: A minority of managers reported that the retrenchment experience left lasting negative effects on their families. The limited finances, unemployment stress, the humiliation of retrenchment and the inability to provide for their families were the major causes.

4.2.5 Constructed composite

The general feeling was that retrenchment had led the managers to a new appreciation of family life and had strengthened family bonds. One manager reported that the family had suffered severely from the retrenchment. The general feeling was that if the family could deal with the initial shock of the retrenchment, they would look back at the experience as a bonding factor.

4.3 Commitment

The next section discusses the commitment to the new employer or ‘punishing’ a second employer for what went wrong with the first.

4.3.1 Measure of commitment to new employer

Thirteen (81.25%) of the managers interviewed said that they were highly committed to their new employer. The general feeling was that they did not want to face another retrenchment and would do anything in their power to avoid it. The remaining three (18.75%) commented that their trust in upper management was lost and that it would take some time before their total commitment would be earned. See Figure 3.

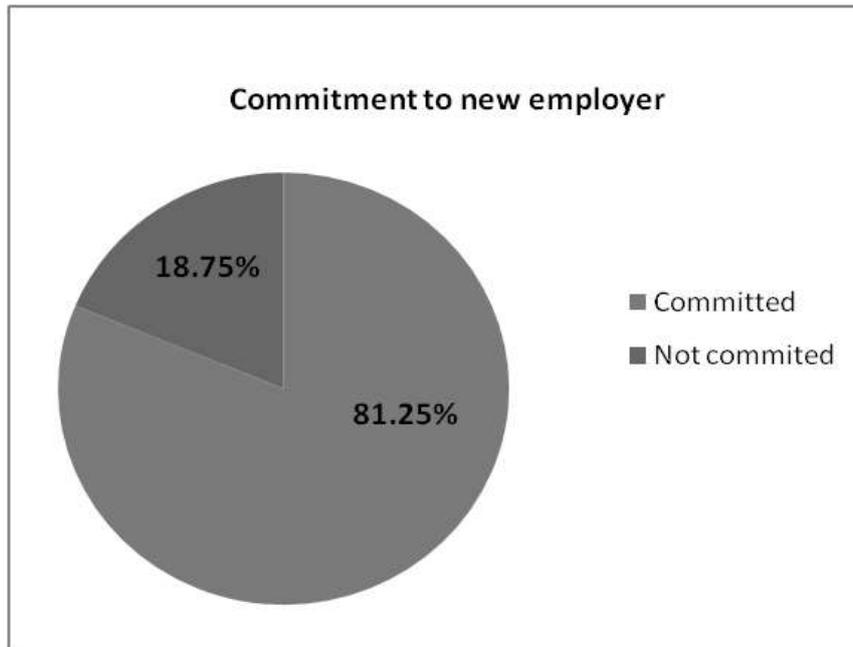


Figure 3: Commitment to new employer

4.3.1.1 Committed

Most managers reported on their firm commitment to the new company. These tended to be managers who had taken their retrenchment very hard and did not want to go through the same process again. This was also linked in some cases with negative reactions in the form of over-commitment in the new job, potentially creating stress for the individuals and their families, and the possibility of health risks through physical strain and fatigue.

4.3.1.2 Not committed

A number of managers reported that they did not trust their upper management and were not totally committed to their new employers. They felt that their trust could be gained over time but not in the immediate future.

4.3.1.3 Constructed composite

There were two very different ways in which commitment to the new employer was expressed. The first expressed very high commitment indicating that the manager did not want to go through the retrenchment experience again and would give everything to retain their employment.

Over-commitment has its own negative consequences with potential health risks and extra stress on the family. The second kind of response was related to a loss of trust. These managers felt that their trust in senior management had been lost and that it would take time for their trust to be regained. The loss of trust also meant that they were not able to give their best to the new company.

4.4 Management style

Management style will be discussed according to the identified sub-nodes of the empirical questionnaire: management style before retrenchment and management style after retrenchment.

4.4.1 Management style before retrenchment

Nine (56.25%) of the managers interviewed said that before their retrenchment, they were focused primarily on the needs of the company. They concentrated on the internal company processes and saw the relationship with personnel merely as a professional and working relationship. Five (31.25%) reported that they had held the relationship with personnel in high regard and two (12.5%) reported that they had tried to maintain a balance between the needs of the company and the building of relationships with their personnel. See Figure 4.

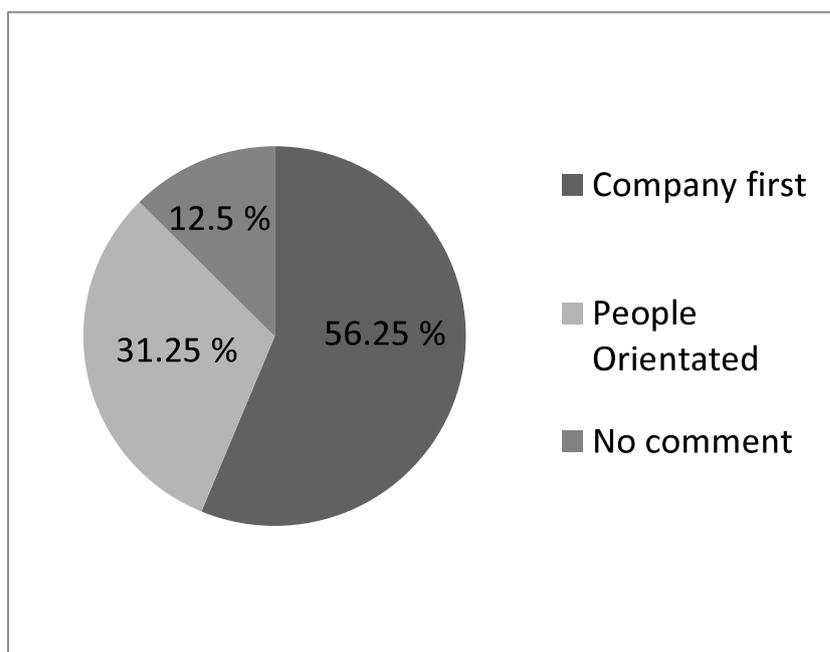


Figure 4: Management style before retrenchment

4.4.1.1 Company first

In the majority of cases, management style before retrenchment was company-orientated and could also be seen as process-orientated, with the needs of the company given high priority. The possibility of retrenchment had not entered into their thinking or their emotions. Their responsibility as managers, as they had seen it, was to maintain company rules and regulations.

4.4.1.2 People-orientated

A minority of managers said that in their management style they tried to maintain a balance between the needs of the company and those of their subordinates. They sought to instil the values of mutual respect, which they believed were earned and not demanded.

4.4.1.3 Constructed composite

A majority of the retrenched managers said their management style before retrenchment was company-orientated, and it could also be interpreted as process-orientated in maintaining company rules and regulations. Retrenchment had not been part of their thinking and their emotional distance was a possibility. A minority had sought to balance the needs of the company with those of their subordinates, and to instil values of mutual respect, which were earned and not demanded. Only two managers said their management style had been unchanged.

4.4.2 Management style after retrenchment

Fourteen (87.5%) of the managers said that their management style was significantly affected by the retrenchment and that they were more sensitive to the needs of their subordinates. Only two (12.5%) said that their management style stayed the same. No managers reported that the needs of the company were their highest priority. See Figure 5.

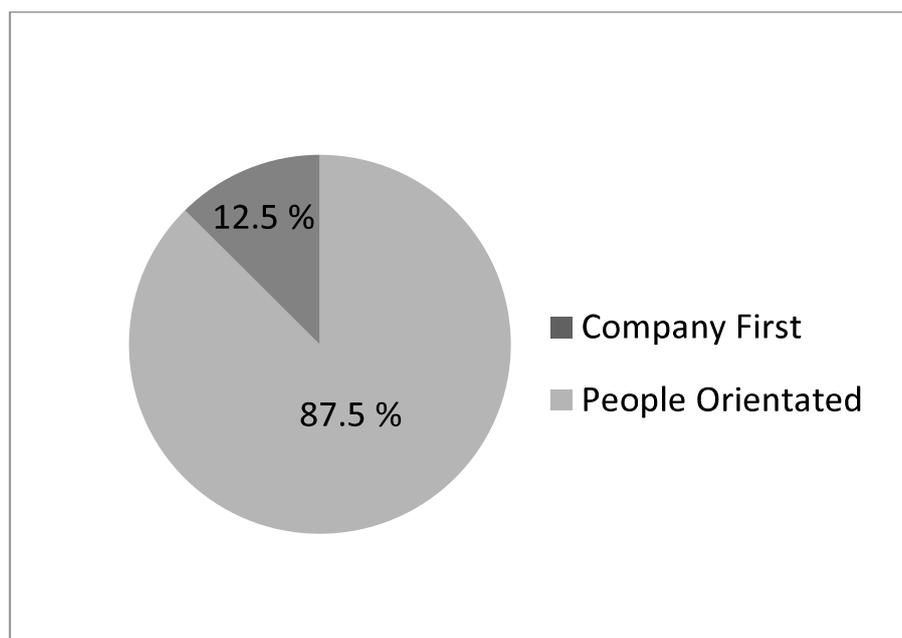


Figure 5: Management style after retrenchment

4.4.2.1 Company first

The result was extremely significant since none of the managers reported that after the retrenchment they had put the needs of the company first.

4.4.2.2 People-orientated

The managers were significantly more people-orientated and more empathetic towards their subordinates. Their value system had changed dramatically with a new outlook on: family life; the needs of subordinates regarding training and job security; collaboration in teamwork at all levels; servant leadership; forward thinking; respect; loyalty; commitment; diligence; passion; attention; communication; assertiveness; diplomacy; mentoring; flexibility and ability to achieve; valuing people and their feelings to create a healthy working environment, and appreciating and encouraging participation. Each employee was seen as an asset to be treated with dignity and more democratically, and priority was placed on building a trusting relationship with all in which each individual was managed according to his/her own personality, as well as a personal relationship with each employee with a more open-door policy for employees' personal problems.

4.4.2.3 Constructed composite

Very significantly, the retrenchees reported that after their retrenchment experience, not one had put the needs of the company above the needs of their employees. The effects of the retrenchment experience on management style can be summarised as more openness to individual values and needs, coupled with a new emphasis on collaborative teamwork based on mutual trust and recognition.

4.5 Summary: Management style

The majority of the retrenched managers said their management style before retrenchment had been company-orientated (which could be interpreted as process-orientated), with priority given to maintaining company rules and regulations. Retrenchment was not part of their thinking. A minority of retrenched managers had sought to maintain a balance between the needs of the company and the needs of their employees, seeking to instil values of mutual respect, which are earned and not demanded. Two managers said their management styles were unchanged or declined to comment.

Very significantly, retrenchees reported that after their retrenchment experience, not one manager now set the needs of the company above those of the employees. The effects of the retrenchment experience on management style overall can be summarised as leading to more open-ness concerning individual values and needs, coupled with a new emphasis on collaborative teamwork based on mutual trust and recognition.

5. CONCLUSION AND RECOMMENDATIONS

This section presents a discussion of the data, correlating it with the research objectives and the critical questions to be answered. Challenges are highlighted and related to the research objectives. The contribution to knowledge made by this study is described, explaining how the contribution builds on existing knowledge.

5.1 Answers to critical questions and objectives

Answers to critical questions are correlated here with the objectives of the study and the data. The critical questions can be matched to the objectives, as shown in Table 2.

Table 2: Correlation between critical questions and objectives

CRITICAL QUESTIONS	OBJECTIVES
How did the individual's management styles change following the retrenchment experience?	Measuring the impact of the experience of retrenchment and dismissal on changes in the individual manager's style following the retrenchment.
How did the individual's commitment to the employer change following the retrenchment experience?	How did the individual's commitment to the employer change following the retrenchment experience?
Was hostility transferred from one employer to the next?	Understanding how people who lost their employment deal with this trauma.

5.1.1 The individual's management style: Changes following the retrenchment experience

In their responses to this question, the managers consistently said that their management style had become more considerate. The management style of these re-employed managers can appropriately be described as a *servant leadership* management style. A comparison of the characteristics of management style after retrenchment and servant leadership is shown in Table 3. There is a significant similarity between the management style after retrenchment and servant leadership.

Table 3: Servant leadership post-retrenchment management style

SERVANT LEADERSHIP CHARACTERISTICS	MANAGEMENT STYLE AFTER RETRENCHMENT
Communication	Communication, diplomacy, more democratic, family life, build a trust relationship with all
Listening	Respect, loyalty, a more open door policy for employees' personal problems
Empathy	Compassion, employee emotions
Healing	Participation, the needs of the employees
Awareness	Manage each individual according to his own personality and try to build a personal relationship with each employee
Persuasion	Mentoring
Conceptualisation	Teamwork, capability, functionality, collaboration, diligence
Foresight	Forward thinking, flexibility
Stewardship	Appreciate and encourage
Commitment to the growth of people	Training, commitment, value people, the ability to achieve, the employees are seen to be an asset and to be treated with dignity
Building the community	Creating a healthy working environment, feeling responsible for job security

5.1.2 The individual's commitment to the employer: Changes following the retrenchment experience

The interviewed managers were highly committed to their new employers. Some said that because the retrenchment had been such a hard blow, they were now 110% committed. There is a direct relationship between trust and commitment towards the new employer. Two very different sets of attitudes emerged concerning the commitment to the new employer. In one, the very high level of commitment can be interpreted as over-commitment, fuelled by anxiety to avoid future retrenchments. This created risks in itself, risk to the individual's health and risk of imposing extra stress on the family. The second set of attitudes related to the underlying psychological effects of retrenchment centred on the damage to the relationship of trust. The managers felt that their capacity to trust senior management had been destroyed and would take time to recover. The loss in trust prevented them from giving their best to the new company. A further negative reaction was attempting to protect their jobs by not sharing working expertise.

Stogner (1995) indicates that the loss of identity, financial difficulties, and insecurity can create a sense of exclusion from the organisation – of being seen as an outsider. Low self-esteem in such circumstances has been documented by Ransome (1995). Levy (1992) suggests that the emotional injuries to pride and self-esteem are more traumatic than the physical accidents in a vehicle accident. Gribble and Miller (2009) make a related point that the loss of employment produces a distortion of self-concept, where self-concept is defined as a long-term feature of personality in which there is a stable set of references to situational roles.

The damaged trust relationship also relates to the psychological contract between employer and employee, regarding which Holtari (2004) noted that the normal juridical employment contract between employer and employee is based on measurable compensation and benefits, whereas the psychological contract between employer and employee deepens the relationship to one of commitment. The psychological contract captures the way that employees really feel about their work and their relationship with the company.

A very important question which Holtari (2004) poses is that “One should ask how truly the company commits itself to its people by the psychological contract.” When retrenchment comes into the picture, there is a danger of merely surface commitment and mock effectiveness, where employees are professionally competent but fall into a vacuum of uncertainty when confronted with change. Holtari (2004) argues that retrenched people should be coached to make the transition from old jobs to new ones - a transition which he refers to as *bridge commitment*, which would help them cope by keeping faith in themselves instead of collapsing mentally, turning bitter, feeling guilty, or accusing others, which would teach them to recognise their strengths and weaknesses and define their personal goals. He goes on to say that if the retrenchment is managed skilfully, it will generate good results both for the affected employee transferring to his new employment and for the remaining employees in the company.

5.2 Recommendations

The study provides a unique perspective on the experience of retrenchment by retrenched managers. A strong indication exists that the impact of retrenchment was exacerbated by organisational treatment. Treatment during the retrenchment period crucially affects the individual’s level of confidence, the way families experience and respond to the retrenchment of a breadwinner, the trust relationship with a future employer, attitude towards work, loyalty to a new employer, and the individual’s expectations of the new employer. Trust is also a significant factor in transferred hostility to the new employer since the damage to the previous trust relationship will take time to recover.

The retrenchment experience can also be said to shift the management style of an individual in the direction of servant leadership. Before retrenchment, the managers tended to concentrate on processes. After the retrenchment experience, they were more likely to focus on the needs of their fellow employees.

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