

## EFFECT OF RETRENCHMENT ON SERVICE DELIVERY OF RETAINED CIVIL SERVANTS- A STUDY OF SELECTED MINISTRIES IN KISII CENTRAL DISTRICT, KENYA

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### Abstract

*In Kenya, the Government undertook retrenchment policy as one of the civil service reform programs. The staff reduction measures reduced the size of the civil service from 272,000 employees in 1992 to 191,000 employees in 2003. The Government aimed at cutting down expenditure, ease the burden on the taxpayers and enhance service delivery. To improve service delivery after retrenchment, the Kenyan Government relied on a lean workforce that had been retained to serve the whole country whose population kept growing. This study set to explore the effect that retrenchment had on service delivery of the retained civil servants. The specific objectives were: to establish the effect of downsizing on ministerial organization structure; to determine the extent to which provision of services has improved in the Kenyan Civil Service; and to determine the morale and motivational level of the retained civil servants. The study may be useful to policy makers who may utilize its findings to design policies for effective management of retrenchment as an aspect of structural change. The study was conducted in Kisii Central District and it adopted a descriptive cross sectional design. It targeted civil servants in Kisii Central district who were retained when retrenchment was conducted. The data collection instruments that were used in this study were: questionnaires, interview schedules and observation checklists. Data was collected, coded and analyzed. Descriptive statistical methods were used to analyze the data. Data was presented by use of tables, pie charts, histograms and graphs. The study revealed that downsizing reduced the span of control. It caused feelings of insecurity among the retained civil servants and reduced headcount resulting in work overload. The study revealed that retrenchment lowered the morale of retained workers. Interestingly, there were improvements in service delivery by public servants due to the reforms that were instituted by the government.*

### STATEMENT OF THE PROBLEM

The Government of Kenya has been funding a high wage bill, which however translates to a low pay to individual officers (Orwoba, 2004). The individual remuneration particularly in professional, technical and managerial cadres is low and uncompetitive when compared to that of the private sector. Between 1990 and 2004, the government carried out Public Sector Reform Programs that comprised of Civil Service Reform, Public Enterprise Reform and Privatization among others. The civil service sought to attain efficient, effective and quality service delivery to the public and at the same time reduce employment costs that were burdensome to the taxpayer. When Telkom Kenya (a state corporation) conducted employee layoffs, there were claims that the thousands of drivers and watchmen who were retained, are overworked and in some cases, inadequate for the corporation's establishment countrywide. At the same time, the retained workers were forced to bear the brunt of restructuring. To achieve the objectives of retrenchment, the government had to rely on a lean workforce that had been retained to serve the entire country whose population kept growing. Thus the survivors became more important to the functioning of the Civil Service. They were expected to meet higher performance standards yet downsizing had reduced headcount leading to loss of key competence. On the basis of this argument, the study set out to determine whether retrenchment in the Kenyan Civil Service led to diminution or improvement in service delivery to the public.

### OBJECTIVES

**General objective:** To investigate the effect of retrenchment on the service delivery of retained civil servants. Specifically the study sought to:

- (i) To establish the effect of downsizing on ministerial organization structure.
- (ii) To investigate the extent to which provision of services has been improved in the civil service.
- (iii) To establish the morale and motivational level of the retained civil servants.

## **2.0 INTRODUCTION**

Retrenchment has effects that extend beyond those who lose jobs. Adrian et al. (2007) state that downsizing can generate a range of reactions that can undermine the organization's objectives for downsizing. Downsizing also alters the work environment of those employees and managers who remain in the organization, known as survivors (Westman, 2007). Retrenchment is often a traumatic experience and it can involve major personal, career and financial changes. Shaw (2002) observes rightly that employees, including managers, are more fearful than ever of losing their jobs. At the workplace, fear of unemployment can easily create suspicion, dampen employee loyalty, and reduce innovation, creativity and risk taking. However, job security seems to be an important aspect of employee motivation. Retrenchment impacts on workers' job security and may be a reminder to the survivors that job security is a thing of the past. Schermerhorn (1999) reports that in one of the most elaborate studies on employee motivation involving 31,000 men and 13,000 women the Minneapolis Gas Company sought to determine what their potential employees desire most from a job. Both groups considered job security as the highest rated factor.

Despite the fact that British Telecom's downsizing programs were voluntary, Doherty et al. (1996) reports that some survivors felt a sense of loss about colleagues with whom they had worked closely and were friends. Survivors found themselves in an organization where they had to cope with increased workloads and targets. The need for continued downsizing also contributed to uncertainty and job insecurity. Related to insecurity was the loss of career opportunities, which arose from the downsized nature of the organization. As a result of such changes, morale and commitment were adversely affected. Doherty et al. (1996) reports that from their sample of British Telecom survivors, 77 per cent stated that stress had increased at work, and 69 per cent highlighted that loyalty to British Telecom and the amount of fun gained from work had decreased.

Retrenchment adversely affects employee morale and associated employee attitudes. Cascio (2010) reports that study after study has found that morale and trust declines after a downsizing program. So also does organizational commitment, job satisfaction, and job involvement. At the same time, stress levels increase, due, at least in part, to the loss of a sense of personal control over important events in one's life (Devine et al., 2003). It is rewarding for the employer to ensure fair treatment of employees especially those who are retrenched. This may help in the management of the negative perceptions of the retained workers concerning retrenchment. Thus, procedurally fair treatment has been demonstrated to result in reduced stress (Elovainio et al., 2001) and increased performance, job satisfaction, commitment to an organization, and trust.

An issue that naturally arises is the long-term impact retrenchment has on worker's productivity, task performance and service delivery. There are studies that reveal that downsizing has positive effects, negative effects or no effects on the performance of firms. Baumol et al. (2003) observes that while productivity (output per worker) declined following downsizing, the decline was offset by savings in unit labour costs. Adrian et al. (2007) cite Tomasko (1992) who reported survey research that found that just one-quarter of surveyed organizations that downsized realized their objective of improved productivity and higher investment returns.

## **3.0 MATERIALS AND METHODS**

### **3.1 STUDY AREA**

The study area was Kisii Central District. Though the Civil Service's headquarter is in Nairobi, most civil servants work in various districts in the countryside. The district is one of the oldest in the country and it is well established in terms of government structures and ministerial representation. The district has a high population density and therefore it has a high concentration of government departments.

### **3.2 STUDY DESIGN**

The study adopted a descriptive cross sectional design. According to Cooper & Schindler (2003) cross-sectional are carried out once and represent a snapshot of one point in time.

### **3.3 TARGET POPULATION**

The study targeted civil servants in Kisii Central district who were retained when downsizing was carried out.

### **3.4 SAMPLING TECHNIQUES AND SAMPLE SIZE**

The study used purposive sampling and stratified random sampling techniques to obtain the study sample.

Five ministries were sampled purposively. These are ministries that have representation at the grassroots and therefore require a large workforce. The impact of downsizing was likely to be felt most in these ministries due to the essential nature of services their employees provide to the public. These ministries provide services such as education, health care, security and expert advice to boost food production. In the study, key informants (heads of departments and their assistants) were sampled purposively due to the information they had by virtue of the position they held. Stratified random sampling was used to achieve representation of the various categories of civil servants. Stratification was conducted on the basis of possession of technical skills.

### **3.5 DATA COLLECTION PROCEDURES**

The study involved the collection of secondary data and primary data. Primary data was collected using questionnaires and interview schedules.

### **3.6 DATA ANALYSIS**

Data was collected, coded and analyzed. Descriptive statistical methods were used to analyze the coded data. This included measures of central tendency, frequency distribution tables and percentages. Data was analyzed with the aid of the computer software package, the Statistical Package for Social Sciences (SPSS). Data was presented by use of tables, pie charts, histograms and graphs.

## **4.0 FINDINGS**

### **4.1 Downsizing and ministerial organizational structure**

Downsizing led to the abolition of some posts. Though on average 91% of the respondents in the study reported that there were no posts that were scrapped during retrenchment, 8% of the respondents noted that some positions were scrapped (table 1). This could be as a result of exclusion of non-managerial personnel when undertaking decisions relating to downsizing. Therefore, low cadre employees, who are the majority, may not have information about it. The abolition of posts concurs with the Directorate of Personnel Management (2004) which reported that by December 2000, a total of 23,448 civil servants in posts or functions identified for abolition and in areas identified as over manned had been retired. Kiruthu (2004) observed that in Kenya, Ministries identified non-core and peripheral functions for divestment and abolition. Some positions were created after retrenchment. In the study, 22% of the respondents noted that some positions were created after retrenchment. These functions were meant to ensure new functions that were developed to meet new societal demands are carried out. The new functions which were created, according to the interviews with heads of departments, include: HIV Guiding and Counseling, e-governance and administrative roles arising from expansion of administrative units.

### **4.2 Adjustments in the tasks performed**

Tasks for positions increased as a result of retrenchment. 89.0% of the respondents reported that they have experienced an increase in tasks or roles for their positions. Only 11.0% of the participants did not notice a change in the tasks they perform. 80.0% of the managers interviewed reported an increase of tasks they perform in their positions after retrenchment. The increase in the tasks they perform was caused by: new functions that were created to meet new societal demands in the country; and a reduced workforce leading to an increase in workload for the remaining staff.

In the ministry of health, the study revealed that the number of patients seeking medical attention keeps on rising and health service providers complained of work overload. Some medical practitioners have left due to natural attrition, retirement and search for greener pastures. The study revealed that work demands increased significantly for most employees after retrenchment. Thus, the survivors have to engage in a broader range of roles. Retrenchment altered the structure of reporting relationships in the civil service. 76% (n= 96) of the respondents observed that the number of personnel reporting to their supervisors had reduced. Therefore the supervisors' span of control reduced.

According to 85.0% (figure 1) of the respondents, the levels of hierarchy have not changed in the departments after downsizing. This could be a pointer of the scale or magnitude of abolition of these posts. That is, few posts were abolished accounting for 85% of the respondents who did not notice changes in hierarchical levels. There is a slight reduction in the levels of hierarchy attributable to retrenchment as indicated by 13.0% (n = 13) of the respondents. This could be attributable to the need to reduce the bureaucratic nature of decision making in the Civil Service so as to enhance efficiency. Some activities and functions previously undertaken by the civil service were contracted out.

During retrenchment, the study realized that some positions were merged. From the ministry of Health, 6.1%; Ministry of Agriculture 27.3%; Ministry of Education 36.0%; Office of the President, 12.9% of the respondents reported that some positions were merged. In the ministry of livestock and fisheries, there were no positions that were merged due to retrenchment.

#### **4.3 Effect of Retrenchment on Employee Morale and Motivation**

Downsizing brought uncertainty and feelings of job insecurity to the retained civil servants. The study found out that 83% (table 2) of the respondents developed feelings of insecurity due to retrenchment. These feelings could be attributed to a possibility of jobholders losing their jobs in the event future downsizing plans are unveiled. The fact that workers' control of the exercise was minimal aggravated the survivors' negative reactions. It was noted that after retrenchment, 70% of these managers have feelings of job insecurity. Only 40% did not have this feel of that retrenchment was not a threat to their job security. The insecurity was felt in all the sampled ministries a part from the officers in the ministry of health. Downsizing affected the morale of the retained civil servants adversely. 78% of the respondents indicated that their morale was lowered by downsizing. This could be attributed to the negative reactions of the survivors and the perceived threat to their job security that accompanied retrenchment. Some retained employees felt a sense of loss about colleagues with whom they had worked closely and were friends.

#### **4.4 Retrenchment and Service Delivery**

The provision of services to members of the public was faster before retrenchment. 54% (figure 5) of the respondents reported that provision of services was faster in the pre-retrenchment period compared to post-retrenchment period. The reasons advanced for the faster provision of services were: there was adequate personnel to provide services; and the number of people seeking services was relatively lower compared to the post retrenchment period.

Concerning provision of services, 69% of the civil servants indicated that complaints by the public have reduced while 31% of them do not feel there has been any reduction in complaints by members of the public. These complaints were mainly in the Ministry of Health which ironically provides the most essential service-medical care to patients.

It should be emphasized that service delivery by civil servants in Kenya faces many constraints. Perhaps this is why 46% of the respondents in the study stated that service delivery has declined after the Government conducted Civil Service Reforms including retrenchment. Kiruthu (2004) reported that the Government conducted Service Delivery Surveys (SDS) in most ministries or departments and held stakeholders workshops to validate the findings and the recommendations of the surveys. The surveys revealed disturbing findings about the paucity of service delivery and concluded that poor service delivery results from:

- A people problem- low integrity, corruption, poor work attitudes, lack of skills.
- A management problem- poor management practices and styles, and inadequate supervision.
- A systems problem- processes for service delivery that are overly bureaucratic, cumbersome, manual and open to individual discretion; and
- Poor physical infrastructure- overstretched facilities and lack of working tools.

While 54% of the respondents indicated that service delivery was faster before retrenchment, a significant number of participants (46%) reported reduction in the time taken to provide services. The enhanced efficiency of civil servants was attributed to: the presence of a Service Charter that sets out standards of service expected of public officers; signing of performance contracts that has enhanced service delivery; embracing information technology; and service reforms making that augment delivery of services.

#### **5.0 CONCLUSIONS**

- Downsizing led to the abolition of some posts. It also reduced the span of control as expressed by 76% of the respondents in the study.
- Retrenchment caused feelings of job insecurity among the retained civil servants as indicated by 83% of the study sample.
- Downsizing adversely affected the morale of the retained civil servants. 78% of the respondents noted that their morale was lowered by downsizing.

- Retrenchment did not enhance the efficiency of the civil service. 54% of the respondents reported that provision of services was faster in the pre-retrenchment period compared to post-retrenchment period.
- The general physical working conditions in the five ministries in the district under study were impressive except in the Ministry of Health where 75.8% of the respondents were unhappy with the working conditions.
- After retrenchment, there has been a gradual improvement in the remuneration package of civil servants as expressed by 91% of the respondents. However, the ever increasing cost of living due to high inflation was a major issue of concern for many respondents.

### 5.1 RECOMMENDATIONS OF THE STUDY

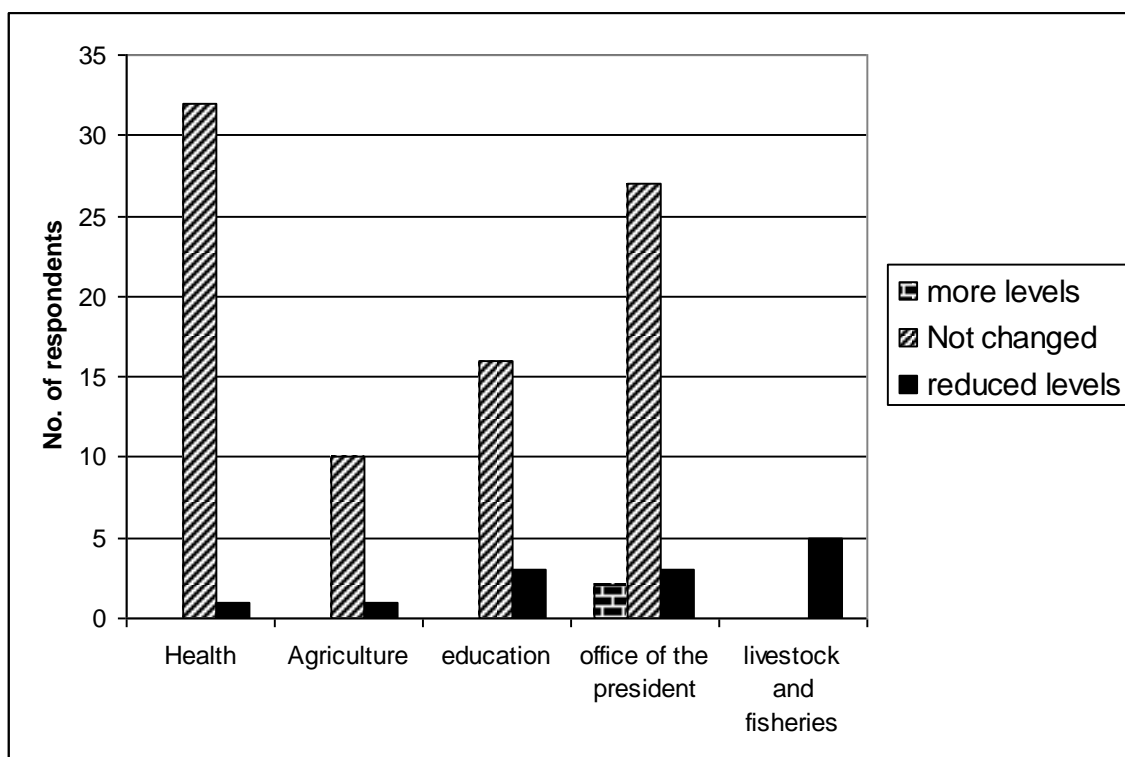
- Some phases of retrenchment entailed the use of compulsory redundancy. This led to low employee involvement on the determination of workers to be retrenched. The Directorate of Personnel Management should adopt voluntary redundancy. This will engender feelings of fairness among the retained employees and ensure they do not resent it.
- Retrenchment led to task enlargement or increase in workload in the civil service. The Directorate of Personnel Management should redesign jobs whenever retrenchment is conducted so that they match the downsized Civil Service.
- The Government contributes only 1% of its recurrent budget to training public servants. The Ministry of Finance should allocate more funds for continued upgrading of the skills of its employees for enhanced service delivery.
- All managers who took part in the study were male. The Public Service Commission should ensure there is equitable representation of male and female in all cadres in the Civil Service.

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Ministry	Positions scrapped due to downsizing		Total respondents
	Position scrapped	Positions not scrapped	
Health	1 (3.2%)	32 (97%)	33 (100%)
Agriculture	0 (0%)	11 (100%)	11 (100%)
Education	5 (26.3%)	14 (73.7%)	19 (100%)
Office of the president	2 (6.5%)	29 (93.5%)	31 (100%)
Livestock and fisheries	0 (0%)	5 (100%)	5 (100%)

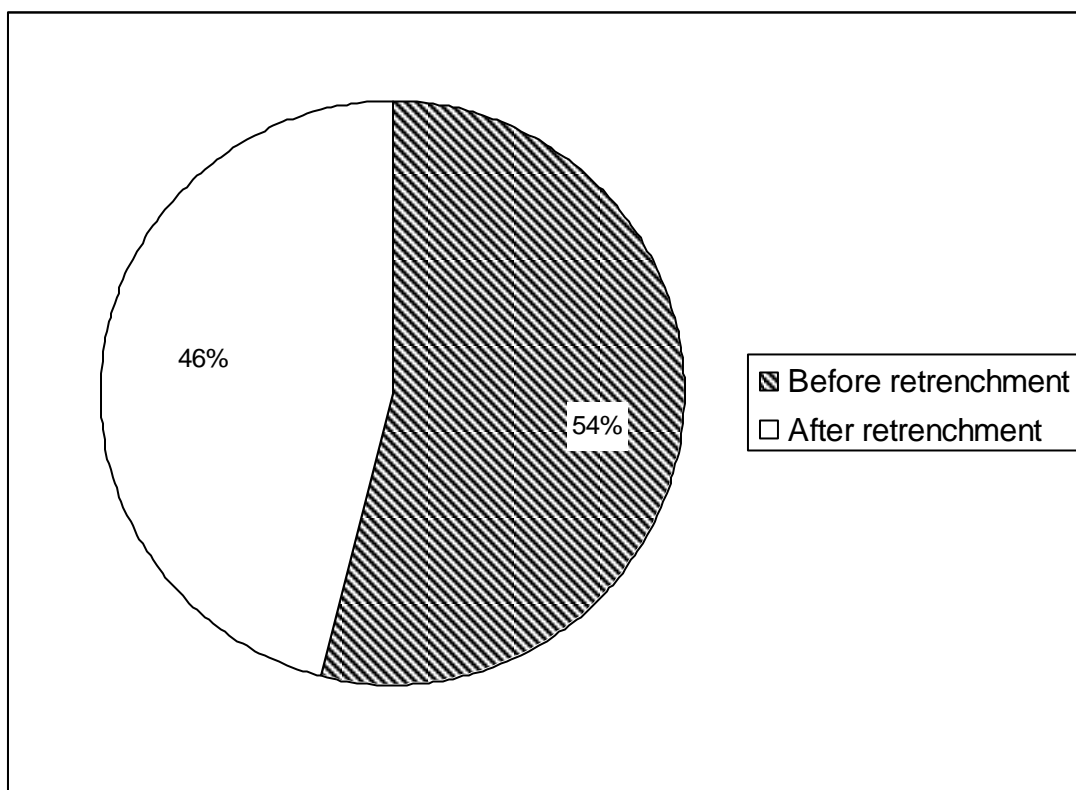
**Table 1: Positions scrapped off due to downsizing in the ministries**



**Figure 1: The changes in the levels of hierarchy noted in the various ministries**

Ministry			After retrenchment do you have feelings of insecurity		Total
			yes	no	
Health	Count		24	9	33
	% within Ministry		72.7%	27.3%	100.0%
Agriculture	Count		11	0	11
	% within Ministry		100.0%	.0%	100.0%
Education	Count		19	0	19
	% within Ministry		100.0%	.0%	100.0%
Office of the president	Count		24	8	32
	% within Ministry		75.0%	25.0%	100.0%
Livestock and Fisheries	Count		5	0	5
	% within Ministry		100.0%	.0%	100.0%
Total	Count		83	17	100
	% within Ministry		83.0%	17.0%	100.0%

**Table 2: Feelings of insecurity after retrenchment by the respondents in the ministries**



**Figure 5: When the civil service delivery of services to the public was faster**

Ministry	Complaints by members of the public		Total
	Complaints reduced	Not reduced	
Health	19 (57.6%)	14 (42.4%)	33 (100%)
Agriculture	7 (63.6%)	4 (36.4%)	11 (100%)
Education	12 (63.2%)	7 (36.8%)	19 (100%)
Office of the president	27 (84.4%)	5 (15.6%)	32 (100%)
Livestock and fisheries	4 (80%)	1 (20%)	5 (100%)

**Complaints by members of the public concerning provision of services.**