

ÖRGÜTSEL KÜÇÜLMENİN İNSAN KAYNAKLARININ GELİŞTİRİLMESİ ÜZERİNE ETKİLERİ VE BANKACILIK SEKTÖRÜNDE BİR UYGULAMA

ORGANIZATIONAL DOWNSIZING: EFFECTS ON HUMAN RESOURCE DEVELOPMENT IN BANKING SECTOR

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ÖZET

Bu çalışmanın amacı, yeniden yapılanma faaliyetleri kapsamında baş vurulan örgütsel küçülme uygulamalarının Erzurum ve çevresindeki bankacılık sektöründeki mevcut durumu ile bu uygulamanın insan kaynaklarının geliştirilmesi üzerine etkilerini tanımlamak ve analiz etmektir. Araştırma kapsamında anket sorularına muhatap olan kişiler, Erzurum ve çevresinde bulunan kamu sektörü bankalarından Ziraat Bankası, Halk Bankası ve Vakıf Bank; özel sektör bankalarından Yapı ve Kredi Bankası, İş Bankası ve Pamuk Bank'ta görev yapan 105 yöneticidir. Veriler anket uygulaması yöntemiyle toplanmıştır. Yeniden yapılanma ve örgütsel küçülmeye giden Türk Kamu bankalarından; Ziraat Bankası, Halk Bankası ve Vakıf bank'ın mevcut yapısı ile Özel sektör bankalardan; İş Bankası, Yapı ve Kredi Bankası ve Pamuk Bank'ta görev yapan yöneticiler üzerinde anket çalışması vasıtasıyla Türkiye'de 2001 yılında meydana gelen krizden sonra yeniden yapılanan ve örgütsel küçülmeye giden bankacılık sektöründe, örgütsel küçülmenin mevcut durumu ile bu uygulamanın insan kaynaklarının geliştirilmesi üzerine etkileri tanımlanmış ve analiz edilmiştir. Söz konusu araştırmanın sonuçları hakkında genel bir değerlendirme yapılmıştır. Bankacılık sektöründeki örgütsel küçülme uygulamaları ile ilgili önemli bulgulara ulaşılmıştır.

Anahtar Kelimeler: Örgütsel Küçülme, İnsan Kaynaklarının Geliştirilmesi, Bankacılık Sektörü.

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ABSTRACT

This study was an attempt to determine the current status and effects of organizational downsizing on human resource development in banking sector in Erzurum and its surrounding. Respondents were 105 directors who are Ziraat Bank, Halk Bank and Vakıf Bank of public sector; İş Bank, Pamuk Bank and Yapı and Kredi Bank of private sector in Erzurum and their surrounding. Data were collected using a questionnaire. It was defined and analyzed the current status and effects of organizational downsizing on human resource development on director worked in Ziraat Bank, Halk Bank Vakıf bank, İş Bank, Yapı and Kredi Bank and Pamuk Bank of Turks public and private sector banking downsized and reorganized after crises occurred in Turkey in 2001 year. The evaluation on results of this study has been made. The results of this study offer important findings on the downsizing applications in banking sector.

Key Words: Organizational Downsizing,, Human Resource Development, Banking Sector.

1. INTRODUCTION

Organizational downsizing or intended reductions in the size of a firm's workforce, has become a major strategic alternative for firms since 1990's. Businesses downsize to cut cost, improve efficiency and to maintain a profit level acceptable to their shareholders. Other reasons include reorganization, minimizing bureaucracy, eliminating excess, business downturns, mergers, and acquisitions. (Makawatsakul and Kleiner, 2003:52) In an attempt to remain viable, many firms have cut their workforce to reduce employee's emoluments and increase profitability. (Brockner, Greenberg, Bortz, Davy, and Carter, 1986: 374) Downsizing refers to a "deliberate decision to reduce the work force that is intended to improve organizational performance" (Kozlowski, Chao, Smith and Hedlund, 1993: 267).

Due to increasing pressures to costs and to operate more efficiently, downsizing has become a widespread and on-going activity facing directors at all levels of US public and private sector organizations. During the 1980s, the Fortune 500 companies lost 3.2. million positions, while over 3 million jobs were cut from the the payrolls of US companies between 1985 and 1990 (Hutchinson, Murrmann and Murrmann, 1997:23)

Downsizing, in a short-term, has become the way to increase profitability. Certainly, there are many anticipated benefits of downsizing, in terms of the economic level and increased operational efficiency of the organization. It can increase productivity, the value of the companies' shares and the profits by reducing the number of employees per unit. (Makawatsakul and Kleiner, 2003:52) However, many downsizing practices end with failure in economic and organizational aspects.

In spite of the fact that most organizations resort to work force reductions to cut payroll costs and increase employee productivity, recent surveys reveal that corporate executives frequently underestimate the cost of downsizing and often fail to gain the desired financial results. One of the primary reasons for many of these failed downsizing attempts is likely to be the unanticipated and negative reactions of employees to the work force reduction. Employees who experience a downsizing event may react with decreased job satisfaction, reduced organizational commitment, less job involvement, more resistance to change, and reduced work effort. These dysfunctional responses may lead to negative organizational outcomes, such as; decreased productivity, decreased product or service quality, customer alienation, increased turnover of the most valued workers, and difficulty in future recruiting efforts (Hutchinson, Murrmann and Murrmann, 1997:25)

Furthermore, the hidden costs of this strategic practices are enormous and, more often than not, underestimated. In fact, they can often eliminate all of the anticipated benefits. Unfortunately, massive downsizing very often seems to generate more problems than it solves, and only rarely does it achieve its original financial objectives. Employee uncertainty and fear can paralyse operations and lead to a significant decline in trust and motivation, affecting the company's overall productivity (Makawatsakul and Kleiner, 2003:52)

If organizational downsizing activities are strategically planned and implemented by management, affected organizations will quickly adjust and are likely to be more efficient and effective than prior to downsizing. The role of implementing downsizing in organizations should largely be the concern of the organization human resource professionals. It is of vital importance to include the organization's human resource development practitioners in all aspects of the downsizing exercise (Buchanan, 1996:3).

Downsizing impact on survivors in ways, which include role ambiguity, conflict, stress, and job dissatisfaction. If they are not properly addressed, these factors can adversely affect the stability of an organization. Appelbaum concluded that it is the role of the human resource development practitioners to coordinate and motivate survivors of organizational downsizing. The effective use of HRD have contributed to organizational success after downsizing. Organizational change requires new kinds of behavior and performance, many of which are effectively achieved by means of a strong HRD program prior to restructuring and downsizing. (Buchanan, 1996:24)

Therefore, employees' relation have become a critical and important issue under these turbulent conditions. Consequently, human resource development practitioners should play a pivotal role in organizational transition, thus ensuring that organizations become successful after downsizing. (Buchanan, 1996:4)

2. RESEARCH PROCEDURES

2.1. Purpose and sample of study and its importance

The purpose of the study was to describe and analyze the current status and effects of organizational downsizing on human resource development in banking sector.

The present structures of Ziraat Bank, Halk Bank and Vakıf Bank from Turkish Public banks and İş Bank, Yapı and Kredi Bank and Pamuk Bank from Turkish Private banks are considered in this study, in which restructuring and organizational downsizing are examined. In our survey, the current status and effects of organizational downsizing on human resource development in banking sector have been examined. We employed questionnaire for that survey and it has been conducted on 105 person working in banking sector in Erzurum and its surrounding. 130 questionnaires were distributed and 18 of questionnaires were not returned and 7 others were incompleated. Thus, 105 questionnaires were considered for statistical analyses. Response rate is 80 %.

2.2. Research methods

This study utilized a descriptive research methods. A descriptive study is defined as research involving the collection of data in order to test hypotheses or answer questions concerning the current status of subjects in the study. The purpose of descriptive research is to describe things the way they are, rather than to investigate a cause-and-effect relationship. (Buchanan, 1996:56)

This study was investigated five aspects. These were: organizational downsizing; human resource development practices; human resource development interventions: factor which caused organizational downsizing; and, demographic information.

The Likert-type scale ranged from (1) strongly disagree to (5) strongly agree. Each item was rated and scored on a scale from 5 to 1 as follows: (1)= Strongly Disagree, (2)= Disagree, (3)=Neutral, (4)=Agree, (5)= Strongly Agree.

The research questions of the study were:

- What, if any, effect does organizational downsizing have on human resource development?
- To what extent has organizational downsizing changed human resource development policies?
- What, if any, relationships exist between human resource development interventions (for example, training/education, outplacement, and counseling) and organizational downsizing?
- What, if any, relationships exist between an organization's commitment to employee training and organizational downsizing?

The specific measures used to analyze each research question:

Research question 1. was analyzed by using descriptive statistics, including means, percentages, rank, frequencies and standard deviations. Research question 2. was analyzed by

using descriptive statistics, including means, percentages, frequencies and standard deviations. Huck and Cormier asserted that descriptive statistics effectively pinpoint the degree of variability in numerical data. (Buchanan, 1996:63)

Research question 3. was analyzed by calculating t-test. T-test was used to compare and determine difference in responses of the downsized and the undownsized groups based on their perceptions of the organizations' HRD interventions policies and the number of times downsizing was undertaken by their organizations. Huck and Cormier stated that t-test is an effective statistical method to determine whether differences in group frequencies are significant. Therefore, the t-test was used to compare the difference in group means. (Buchanan, 1996:64)

Research question 4. was analyzed by calculating t-test of group mean differences. This statistical method determined the difference between mean scores of the downsized and the undownsized groups, based on management's perceptions of organizations' commitment to employee training and the factors which cause organizational downsizing. Huck, Cormier and Bounds asserted that this is effective descriptive statistics statistical method of comparing the means of two groups. The t- statistics will be statistically significant, if the difference in group means are large. (Buchanan, 1996:64)

2.3. Instrument

A questionnaire was developed to gather data in five areas:

- I. Demographic information of the respondent's organization,
- II. Effects of organizational downsizing on human research,
- III. Organizational downsizing impact on human research development,
- IV. Relationships between human resource development interventions (Training/education, outplacement, and counseling) and organizational downsizing, and
- V. Organizational commitment to employee training.

2.4. Limitations

The limitations of this study were:

- This study did not measure all variables that may have been related to the subjects' opinion and experience at the time of data collection.
- Individuals who chose to participate in this study may have different opinions and experience than individuals who did not participate in this study.

2.5. Assumptions

The assumptions of this study were:

- The instrument used for this study appropriately measure the subjects' general opinion based on their experience and their knowledge of organizational downsizing as defined for this study.
- Subjects willingly participated in this study.
- Subjects answered honestly and to the best of their abilities.

3. FINDINGS

This chapter presents demographic data of the directors and results of the analysis of data for each of the four research questions.

Respondents were 130 directors who are Ziraat Bank, Halk Bank and Vakıf Bank of public sector; İş Bank, Pamuk Bank and Yapı and Kredi Bank of private sector in Erzurum and their surrounding. Data were collected using a questionnaire. The questionnaire was quoted from Buchanan' doctoral thesis (Buchanan, 1996:110-111). The sample size of 130 bank directors produced a return of approximately 80.0 %. In the case of the t-test, statistical significance was determined at the .05 (Alpha) level.

It was defined and analyzed the current status and effects of organizational downsizing on human resource development on director worked in Ziraat Bank, Halk Bank Vakıf bank, İş Bank, Yapı and Kredi Bank and Pamuk Bank of Turks public and private sector banking downsized and reorganized after crises occurred in Turkey in 2001 year.

3.1. Demographic characteristics of respondents

Table- 1: Employment Status (N=105)

Sector	Banks	Frequency	Percentage
Public Banks	Ziraat Bank	37	67.3
	Halk Bank	9	16.4
	Vakıf Bank	9	16.4
	Total	55	100.0
Private Banks	Yapı and Kredi Bank	16	32.0
	İş Bank	24	48.0
	Pamuk Bank	10	20.0
	Total	50	100.0

Approximately Ziraat Bank (37) 67.3 percent, Halk Bank (9) 16.4 percent, Vakıf Bank (9) 16.4 percent of the respondents who participated in the study indicated that they were public sector bank employees. (See Table 1)

Approximately Yapı and Kredi Bank (16) 32.0 percent, İş Bank (24) 48.0 percent, Pamuk Bank (10) 20.0 percent of the respondents who participated in the study indicated that they were private sector bank employees. (See Table 1)

Table- 2: Number of Organizations which Downsized 2001

Variables	Downsized	F	Percentage
Workforce reduction in 2001	Yes	79	73.1
	No	26	24.1
Totals		105	100,0

When the managements were asked if the bank in which they were employed had experienced organizational downsizing in 2001, approximately 73.1 percent responded yes, as illustrated in Table 2.

3.2. Implications of organizational downsizing on employees

The first question dealt with the effects of downsizing on employee morale. Thirty-four respondents, representing approximately 87.0 percent either strongly disagreed or disagreed that downsizing improves employee moral. However, 5 respondents, representing approximately 7.4 percent agreed that downsizing improves employees' morale within banks in Erzurum and its surrounding. This question generated a mean of 1.50, indicating that respondents generally strongly disagreed or disagreed that downsizing improves employees morale within banks in Erzurum and its surrounding. (See Table 3)

Table- 3: Downsizing Effects

Statements	SD (1)	D (2)	N (3)	A (4)	SA (5)	M	S.Dev.
1) Downsizing improves employee morale	78 % 72.2	16 % 14.8	3 % 2.8	5 % 4.6	3 % 2.8	1.50	0.97
2)) Downsizing increases individual productivity and efficiency	35 % 32.4	45 % 41.7	16 % 14.8	6 % 5.6	3 % 2.8	2.00	0.99
3) Downsizing increases an individual's career advancement potential	27 % 25.0	33 % 30.6	25 % 23.1	16 % 14.8	4 % 3.7	2.40	1.14
4) Downsizing improves communication between 'survivors' and management	38 % 35.2	33 % 29.6	19 % 17.6	13 % 12.0	2 % 2.8	2.20	1.13
5) Downsizing increases employees' awareness of their skills and talents	2 % 1.9	7 % 6.5	21 % 19.4	70 % 64.8	5 % 4.6	3.70	0.76
6) Downsizing increases the job security level of survivors	38 % 35.2	52 % 48.1	8 % 7.4	5 % 4.6	2 % 1.9	1.90	0.89

Note: SD= Strongly Disagree, D= Disagree, N=Neutral, A=Agree, SA= Strongly Agree, M=mean and S.Dev= Standard Deviation

When asked if downsizing increases individual productivity and efficiency, approximately three out of four respondents strongly disagreed or disagreed that downsizing has this effect. Only 14.8 percent of those responding indicated that they were not sure of the benefits of downsizing with regards to improvements in productivity and efficiency. Response to this question resulted in a mean 2.00 and approximately 74.1 percent either strongly disagreed or disagreed that downsizing increases individual productivity and efficiency. (See Table 3)

Approximately 55.6 percent of respondents felt that downsizing has a negative effect on employees' career advancement potential within banks in Erzurum and its surrounding. A further 23.1 percent indicated uncertainty on the question as shown in Table 3.

Approximately 64.9 percent of respondents indicated that downsizing did not improve communication between 'survivors' and management banks in Erzurum and its surrounding. However 17.6 percent of respondents were neutral in their response to this question. (See Table 3)

Approximately two out of three respondents felt that downsizing increases employees' awareness of their skills and talents. However, 19.4 percent of respondents were neutral in their response to this question. Response to this question resulted in a mean 3.70 indicating that the majority of the respondents were either neutral or that they agreed that downsizing increases employees' awareness of their skills and talents. (See Table 3)

Eighty-three point three (83.3) percent of respondents indicated that downsizing did not increase the job security level of survivors within banks in Erzurum and its surrounding. However 7.4 percent of respondents were neutral in their response to this question. This statement resulted in a mean of 1.90, indicating that respondents generally disagreed . (See Table 3)

3.3. Human resource development related issues

Table 4 displays a ranking of important HRD issues as perceived by employees. The highest ranked issue was Medical benefit. The lowest ranked issue was organizational

development. Table 4 indicated that employees do not interest in organizational development. There is a 1.89 mean score difference between the highest and the lowest ranked issue.

Table- 4: HRD Related Issues

Issue	Rank
Medical benefit	1
Employee training	2
Employee empowerment	3
Quality of employees	4
Organizational Development	5

3.4. Impact of organizational downsizing on human resource development

Table- 5: Impact of Organizational Downsizing on HRD

Statements	SD (1)	D (2)	N (3)	A (4)	SA (5)	M	S.Dev.
1) More workers have been allowed to shift to part-time schedules	17 % 15.7	7 % 6.5	16 % 14.8	27 % 25.0	38 % 35.2	3.60	1.16
2) The level of communication among staff generally increased after downsizing	21 % 19.4	47 % 43.5	22 % 20.4	13 % 12.0	2 % 1.9	2.30	0.99
3) The outsourcing of training/HRD services has significantly increased during the past 3 years	4 % 3.7	11 % 10.2	29 % 26.9	38 % 35.2	23 % 21.3	3.60	1.06
4) Training/HRD per employee budgets have increased during the past 3 years	17 % 15.7	16 % 14.8	19 % 17.6	37 % 34.3	16 % 14.8	3.20	1.32
5) In my opinion, organizations 3 have significantly reduced the number of HRD staff over the past 3 years	4 % 3.7	13 % 12.0	24 % 22.2	56 % 50.0	8 % 9.3	3.50	0.96
6) With downsizing, the number of workers reporting to one individual has increased (i.e. organizational structure has flattened)	3 % 2.8	7 % 6.5	25 % 23.1	54 % 51.9	16 % 13.0	3.67	0.89
7) There has been a definite shift in training priorities away from management staff/development to hourly staff/development over the past 3 years	7 % 6.5	17 % 15.7	16 % 14.8	38 % 35.2	27 % 25.0	3.60	1.22

Note: SD= Strongly Disagree, D= Disagree, N=Neutral, A=Agree, SA= Strongly Agree, M=mean and S.Dev.= standard Deviation

Table 5 indicates the perceptions of respondents on impact that organizational downsizing has on HRD within organizations.

When respondents were asked if more employees have been allowed to shift to part-time schedules as a result of downsizing, approximately two in every three respondents agreed. 14.8 percent of respondents were neutral on this question. This question indicating that the majority of the respondents were agreed that downsizing increases the demand for temporary workers (See Table 5).

Approximately 62.9 percent of respondents felt that there is reduced level of communication among co-workers after downsizing. Twenty point four percent of respondents were neutral on this question. Only 13.9 percent of respondents felt that communication improved after downsizing (See Table 5).

Approximately 6 out of 10 respondents agreed that outsourcing of training/HRD services has significantly increased over the last three years. However, 3 out of 10 respondents were neutral on the question. This question resulted in a mean score of approximately 3.60, indicating that respondents generally felt that outsourcing has increased over the three years. (See Table 5).

Approximately 5 out of 10 respondents felt that training/HRD per employee budgets have increased during the past three years. Three out of ten respondents also disagreed that training/HRD per employee budgets have increased during the past three years. Two out of ten respondents had no opinion on the question as shown in Table 5.

When asked if in their opinion organizations have significantly reduced the number of HRD staff over the past three years, approximately 6 out of 10 respondents indicated that they were either in strong agreement or at least agreed with the statement. However, two out of ten respondents indicated that they were neutral in their opinion on the question. The mean of 3.50, indicates that the majority of the respondents were either neutral or in agreement with the statement as indicated in Table 5.

Approximately 7 out of 10 respondents indicated that the number of workers reporting to an individual has increased due to downsizing. Only 1 out of 10 respondents were neutral on the effect of downsizing on the number of workers reporting to an individual. This question resulted in a mean score of Approximately 3.67, indicating that respondents were in general agreement with the statement as shown in Table 5.

Approximately 7 out of 10 respondents felt that there has been a shift in training priorities away from management to hourly workers. Two out of ten respondents also disagreed that such shift was actually taking place. Approximately, 2 out of 10 respondents were neutral on the question. This question yielded a mean score of 3.60, indicating the split amongst respondents as shown in Table 5.

3.5. Relationships between HRD interventions and organizational downsizing

Table- 6: Relationships between HRD Interventions and Organizational Downsizing

Statements	Groups	N	Mean	SD	t	PValue
1) Increased outplacement services are provided to employees prior to downsizing during the past 3 years	Dwnz'd.	79	3.38	1.14	2.29	0.13
	Not Dwnz'd.	26	3.36	1.36		
2) The level of communication among staff generally increased after downsizing	Dwnz'd.	79	3.86	0.87	0.45	0.64
	Not Dwnz'd.	26	3.72	0.90		
3) The outsourcing of training/HRD services has significantly increased during the past 3 years	Dwnz'd.	79	3.43	1.10	-2.62	0.11
	Not Dwnz'd.	26	3.27	1.90		

Table 6 indicates the t-test scores of the respondents on three questions concerning HRD Interventions (Training/Education Outplacement and Counseling). The mean scores for each of the two groups, downsized and the not downsized were compared through the use of a t-test. The analysis revealed that the mean scores on all items of the two groups did not differ with statistical significance from each other.

3.6. Outplacement services provided by banking sector in erzurum and their surrounding

Table- 7: Outplacement Services Provided by Banking Sector in Erzurum and their Surrounding.

Statements	Downsized Banks		Undownsized Banks	
	Yes	No	Yes	No
1. Resume writing	10.3	89.7	7.8	92.2
2. Interviewing techniques/training	73.7	26.3	76.8	23.2
3. Job and labor market information	10.7	89.3	13.7	86.3
4. Out-of-state job search	12.1	88.9	10.7	89.3
5. Personal financial counseling	4.7	95.3	2.1	98.9
6. other	9.9	90.1	11.6	89.4

Erzurum and their surrounding managements (89.67%) who worked in downsized banks felt that their Banks provided resume writing sessions for workers prior to downsizing. Approximately 92.23 of respondents in undownsized banks have similar opinion as indicated in Table 7.

Three out of four respondents in downsized banks indicated that their banks provided interviewing techniques/Training skills for workers. Similarly, approximately three out of four respondents in undownsized banks indicated that this service is available to workers as shown in Table 7.

Approximately 9 out of 10 respondents in downsized banks indicated that Job and labor market information is not available from their banks. Similarly, 9 out of 10 respondents in undownsized banks in Erzurum and their surrounding indicated that this service is not available in their banks (See Table 7).

Approximately 9 out of 10 respondents in downsized banks indicated that out-of-state job search information/assistance is not provided in their banks. Similarly, 9 out of 10 respondents in undownsized banks in Erzurum and their surrounding indicated that their banks do not provide this service as shown in Table 7.

Banks' managements in both downsized and undownsized banks indicated similar opinion on the question of if or not their banks provide personal financial counseling services to their workers. Approximately 9 out of 10 respondents in both downsized and undownsized banks answered no to this question as shown in Table 7.

When respondents were asked if other outplacement services were provided by banks, approximately 9 out of 10 of respondents both downsized and undownsized banks felt that no such services are provided (See Table 7).

3.7. Relationships exist between an organization's commitment to employee training and organizational downsizing

Table 8 indicates the t-test scores of respondents on 5 questions which dealt with organizational commitment to training. For example, all 5 questions resulted in group mean scores that had no statistical significance. Thus, it was concluded that "downsized" and "undownsized" employees did not differ significantly in their perceptions of organizational commitment to training.

Table-8: Relationships Exist between an Organization's Commitment to Employee Training and Organizational Downsizing

Statements	Groups	N	Mean	SD	t	PValue	Remarks
1) Organizations have increased the amount of training after downsizing	Dwnz'd.	44	3.13	1.15	-2.82	0.090	Statistically non-significant
	Not Dwnz'd.	11	3.90	0.70			
2) The majority of jobs have been restructured to reflect post downsizing organizational needs	Dwnz'd.	44	3.70	0.92	-0.07	0.942	Statistically non-significant
	Not Dwnz'd.	11	3.72	0.90			
3) In 2001 organizations have substantially increased employee training and education programs	Dwnz'd.	44	3.29	1.02	-0.37	0.710	Statistically non-significant
	Not Dwnz'd.	11	3.45	1.29			
4) In 2002 organizations appear to be expanding their investment in outsourcing based training	Dwnz'd.	44	3.47	0.95	0.60	0.547	Statistically non-significant
	Not Dwnz'd	11	3.27	1.19			
5) Organizational training budgets have increased in 2001 over 1999	Dwnz'd.	44	3.40	0.84	0.02	0.976	Statistically non-significant
	Not Dwnz'd	11	3.41	0.80			

Note: 1. Dwnz'd.= Downsized 2. p<.05; p<.01

5. DISCUSSION

The purpose of the study was to describe and analyze the current status and effects of organizational downsizing on human resource development in banking sector in Erzurum and its surrounding. In a number of cases, there were similarities between the findings of the study and earlier studies on similar questions.

This study indicated that downsizing resulted in low morale among survivors. This result is consistent with studies that were conducted on an international basis by Henkoff (1990), Marks (1993), Buchanan (1996), and Montaque (1996). In Marks' study 61% of the respondents and Buchanans' study 90.6% of the respondents stated that low morale was evident in their organization after downsizing.

For example, a high percentage of the respondents stated that downsizing increases the level job insecurity. These findings are consistent with international-level studies done by Buchanan (1996), Montaque (1996), Mirvis (1993), and Isabella (1986).

This study showed that 60.2 % of respondents felt that the number of temporary workers increased over the years. These findings are consistent with studies done Buchanan (1996). But it is not consistent with studies done Marks (1993). Marks' study which showed that 36% of the respondents indicated the use of more temporary workers and consultant. The difference in findings may be attributed to the fact that Marks' study pooled temporary workers and consultants, hence respondents were likely to be indecisive in their ratings.

There appears to be an ambivalence in responses to a number of important questions regarding the impact of downsizing. For example, part-time schedules, training budget, and management versus hourly staff training priorities. This ambivalence may be the result of the number of times respondents have been affected by downsizing and relatively short time span between events (downsizing). In this study, the long-term HRD effects of downsizing are not clear at this point.

This study, as Buchanan (1996) and Lawler, Cohen, and Chang (1993) found that the issue of medical benefits is perhaps the main HRD issue among practitioners today.

This study did not supported Buchanan (1996) and Bohl's(1987) study which showed that were undergoing downsizing provided outplacement assistance such as: resum development, Job and labor market information, out-of-area job searches and personal finance counseling to individuals who were affected due to downsizing. Only it was supported that downsizing provided outplacement assistance such as Interviewing training

Several important doubts about downsizing are noted in the literature. For example: "Cameron speculated that the the anticipated benefits of downsizing may not have materialized to date in most organizations" (Buchanan, 1996:90). "Cascio indicated that many organizations that have been downsized have no programs for survivors upgrading and ressignment" (Buchanan, 1996:90).

These doubts, However, the findings of this study have potential for immediate application for public and private sector banks. For example, director's awarenes of proper planning prior to downsizing should enable them to effectively deal with downsizing related issues. Moreover, director's goals of expected, but unrealized benefits from downsizing should lead to re-analysis of downsizing decisions such as, reduction in Office space/staff and production hours.

4. CONCLUSION

This study was definted and analyzed the current status and effects of organizational downsizing on human resource development on director worked in Ziraat Bank, Halk Bank Vakıf bank, İş Bank, Yapı and Kredi Bank and Pamuk Bank of Turks public and private sector banking downsized and reorganized after crises occured in Turkey in 2001 year.

We can summarize our research findings as follows:

It appears that in the 2001s, more workers have experienced termination than at any other time in recent history. A growing number of relatively high skilled unemployed workers is emerging with the very real potential of creating national social problems of the highest magnitude. More specifically:

1. Bank directors working in banking sector in Erzurum and its surrounding perceive “Employee training” as absolutely the most important Human Resource Development Issue facing banks that are undergoing downsizing.

2. Six out of ten bank directors are outsourcing staff including HRD/ training function. Consequently, it seems that HRD practitioners are as vulnerable to organizational downsizing as any other worker.

3. Organizational downsizing is certainly affecting productivity/efficiency and particularly employee morale. In terms of organizational downsizing, it appears that senior management should be concerned with the employee morale side of the productivity equation. For example, employed personnel’s morale and productivity/efficiency appear to be organizationally linked.

4. Organizational downsizing negatively affects employees’ loyalty to the employing organization, one of the results of this is that a more mobil and insecure workforce is emerging with negative impact on community and family stability.

5. Seventy-three point one (73.1%) percent of the respondents surveyed, reported that the number of workers reporting to one individual in the Erzurum and its surrounding Banks have increased considerably. With more workers reporting to fewer supervisors, communications are likely, if not already a major productivity oversight issue.

6. Downsizing, it appears, has made employees increasingly more aware of their skills and talents. In many case, employees are updating their skills at their own expenses. Therefore, employees may become more enterprising in selling their skills and become less dependent on employers’ recognition. For example the downsizing phenomenena may result in increased employee-based mobility.

7. Erzurum and its surrounding Banks are not increasing their training budgets to offset the effects of downsizing. Clearly, there may be less “proportionate” need for HRD practitioners, however, the remaining HRD practitioners may become even more vulnerable during downsizing.

8. More workers are shifting to part-time schedules thus bringing about an increase in the number of temporary workers in many Banks. This may create the potential for increased employee insecurity and also result in decreased employee loyalty.

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