

EFFECTS OF RETRENCHMENT ON THE PRODUCTIVITY OF SURVIVORS: A CASE OF KENYA COMMERCIAL BANK IN KENYA.

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ABSTRACT

This study has examined the effects of retrenchment on productivity levels of the remaining employees in Kenya commercial bank. Kenya commercial bank carried out retrenchment in the year 2004; it went further to carry out another retrenchment process in 2011 and in 2013. This has been an activity that many organizations have applied with an aim of getting a competitive edge in the market. The effects of retrenchment can be positive or negative but in most cases is associated with negative effects especially on remaining employees. The study objective was to carry out an analysis on the effects of retrenchment on productivity level by the remaining employees within a short period of time. The researcher was to find out the impact of retrenchment on the employees within a short period of time. The researcher did a pilot study at Barclays bank in two of their Nairobi Branches. The researcher employed descriptive survey research design aimed at describing respondents' views, opinions and feelings. The target population of the study consisted of employees in Nairobi branches of Kenya commercial bank. The study made use of interviews and a study questionnaire which was administered to each member of the sample population of employees selected. This consisted of 116 respondents on the questionnaires and 10 in the interviews. The data collected was analyzed by descriptive statistical package for social sciences (SPSS version 20) was employed and aided by Microsoft excel that generated tables and graphs. Interviews were done to ensure that what was not captured in the questions was collected through interviews. From the study the researcher discovered that with other factors in place, employees can go on working even after retrenchment. The negative effect of retrenchment on the three was not great leading to a conclusion that retrenchment can have a positive impact on the employees remaining in the organization. This study contributes towards the knowledge because in many circumstances retrenchment has been seen as a process that negatively impacted employees. However this study indicates that retrenchment will not negatively impact employees.