

## THE IMPACT OF STAFF RATIONALIZATION ON THE MORALE OF THE EMPLOYEES IN NIGERIA

**Gloria Obiageli Eruemegbe**

Head of Flexcube Functional Support, Branch Operations Coordination, Company:  
Union Bank of Nigeria Plc.

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**ABSTRACT:** *The aim of this study was to establish the Impacts of staff rationalization on the morale of the employees, amongst the objectives of the research were to investigate if rationalization affected the productivity of the staff, to find out whether rationalization has brought about uncertainty and poor attitude to work. In pursuance of the above objectives, the researcher expected to establish whether the rationalization exercise as a reform strategy affected the delivery of services by the employees and their general wellbeing. Finding revealed that employees were of the opinion that their employer did not prepare them adequately before rationalization and they were uncertain about the future of their jobs. For rationalization to work, as a reform strategy, it must be carefully planned and managed. Workers who remain after rationalization must be reassured about the security of their jobs and trained to gain necessary skills to meet the challenges of their increased workload.*

**KEYWORDS:** Vocational Skills Acquisition Training, Method of Rationalization, Measures that can mitigate the Impact of Rationalization, Factors Influencing Morale

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### INTRODUCTION

Many organizations large and small, have rationalized their staff during the last few years in response to the slumping economy, technological advances, and shift in corporate priorities. The prime impetus to most rationalization efforts are the desire for an immediate reduction costs and increased levels of efficiency, productivity, profitability and competitiveness. A single definition of rationalization is a sort of planned elimination of positions or jobs whose primary purpose is to reduce the work force, while Gandalf adds that myriads of terms have been used euphemistically in reference to rationalization include rightsizing and downsizing. He further defined rationalization as determining if all departments in an organization to reform efficiently. Heinemann et al (189) says that when human Resources planning suggestion that an organization's labour costs are out of line or that technological or other changes will result in the elimination of some jobs. Some portion of the workforce can be declared as surplus, and they will be removed from the payroll through temporary or permanent lay-offs. However, he goes on to say that this is not only possible approach and the organization must decide whether lay-offs are to be thought of as first or last resort.

More often than not, this strategy is frequently implemented in a reactive manner as a cutting measure and may serve as short term response to declining profit or productivity. While for the organization redesign strategy focuses predominantly upon the elimination of work, rather than reducing the number of employees. This however encompasses activities, such as abolishing

functions, eliminating some hierarchical levels (delaying), groups, and divisions, products, redesigning tasks, consolidation and merger of units.

Every organization aspires to provide employment to people who are capable of holding a particular position or the other, and in return, these organizations expect employee's job satisfaction, their commitment to job objectives, innovativeness, cooperative attitudes, pride in organization membership, team spirit, labour stability, quantum of staff grievance and interest in organization affairs.

David D. Van fleet postulated that more and more and mote organizations are recognizing the need to cut back on cost of operation through retrenchment or any other method of reducing staff strength, this practice often called downsizing is likely t become even more prevent over next few years. Advances in computers and communication technology are greatly altering the nature of employees work. Machine can now perform many basic organizational tasks more efficiently than people.

The effects of these manifest themselves along two dimensions; which in turn directly affect the degree of uncertainties that employees and organization face. One dimension in increased dynamism-the nature of change itself. Things have always change now; however, more things are changing than ever before, the changes are occurring more frequently and more and more. Changes are taking place simultaneously; thus the employees work is becoming increasingly dynamic. The organizational environment of the future will continue to be increasingly dynamic and complex, which will increase employee's uncertainty.

In Nigeria in the past twenty five years till now, the rate at which economy has depressed is a concern both to the operators of the economy, the entrepreneurs and the entire citizenry. This has resulted into most organization both in the private and public sectors embarking on various ways of reducing their staff strength to a manageable size they will be able to cope with. In a bid to do this some of this organizations have adopted rationalization as a way out of this challenges.

Rationalization literarily means reorganization into a more effective structure. In the human resource context It is referred to as discharge of an employee when his job ceases to exist. This often arises from changes affecting the organization, for instance the state of the economy at a particular point in time. It is however necessary at this point to note that organization adopts this method when there is technological advancement; just as every aspects of life are now being computerized. The economy recession which came with the oil glut, induced the relieve of more public servants of their jobs, this does not mean that private sectors were left out in this experience.

## **CONCEPTUAL CLARIFICATION/ LITERATURE REVIEW**

### **Vocational Skills Acquisition Training**

The skills acquisition training programme was designed for the youths, school leavers and other unemployed persons who lack productive and marketable skills and therefore have no means of livelihood. This category of people are imparted with vocational training to enable them become

self-employed and to employ others. The training is carried out through attachment of the recruited trainees to master crafts men and women who are well established and have training facilities in the informal sector of the economy. The training has duration of between 3 months and 3 years depending on the trade. There are about 80 different trades available from which choices could be made by the unemployed youths. While the trainees receive practical and on the job training, they are also given theoretical explanation of the practical training usually on Saturdays through a frame work known as Saturday theory (STC). This enable the participant to be prepared for low and middle level craftsmen examination such as trade test, thereby enhancing their access to employment opportunities. Nigeria Tribune (1996) agree with this arguing that the current economic recession bedeviling Nigeria has forced many organization prune down their staff strength to a more manageable size. Cumming (1980) has described redundancy of the significance of absenteeism to management. It means idle machines, the reorganization of production reduce output, increase cost, and extra strain upon those employees who do turn up for work. Infact, where production depends basically on a spirit of co-operation and teamwork, workers should always be impressed with the problems caused by absenteeism in the hope that this may have some impact on their several consciences when contemplating staying away.

Three major factors are consistently associated with the level of absenteeism:-

- i. Personal - which are controllable to a certain extent through the organization's selection policy, thus age, sex, the length of service and family respectively are all very much relevant.
- ii. Organization - which are very much under the direct control of local management, for instance, the stress involved and employee morale generally,
- iii. External - factors such as local levels of unemployment which are largely outside the control of individual organizations.

Responsibility for the control of absenteeism should rest squarely on the shoulders of supervisors, they are most closely involved in problems arising, know the individual concerned best, and can access the truth or otherwise of reason given for absence as reflecting a situation whereby an organization has a labour force that is in excess of its productive capacity.

He says that it can also result from a remarkable fall in demand for a firm's product and service or change in work practices or the introduction of equipment that reduce needed manpower. Munford (1994) has argued that management ability to effect rationalization can be impeded by a number of beliefs. One of such belief is the one that sees the workers as having the right to his job, implies job security, He contends however that, the employer should have the freedom to discharge a worker in the face of circumstances preventing the organization from providing him work to do especially when the continued retentions of such a worker will jeopardize the interest of other employees, He counsels however, that the worker being discharged should be granted his dues in terms of terminal benefits, Affected are no longer as productive as expected, and the fact that a sensible management can use it as a control that will result in organizational effectiveness through a sizeable labour force, Rationalization is equally helpful in the area of securing commitment to job goals from employees themselves and the society, As the saying goes "Necessity is the mother of invention", When people lose their jobs,

they may go into private business through which they improve the society, by way of contributing more to the national income and productivity, (Sweet, 1975).

## **METHOD OF RATIONALIZATION**

There are various methods or ways by which organization carry out this exercise, common among them are:

### **Reengineering**

In the work of Graham and Bennet (1998), reengineering means the radical resign of business process, normally via the use of latest information technology, in order to enhance their performance. Organization have embraced office automation and this has resulted in the reduction of workers as less staff with the help of computers which now performs many of the tasks that being performed by those workers. Hess and Siciliano 1996 refers to reengineering as the term coined to describe the process of identifying the task that are essential to the success of the organization and eliminating those that are not This normally will result in the workers who are performing some of the tasks that are deemed not essential being retrenched and the remaining fewer workers being assigned more responsibilities,

### **Down-Sizing**

According to Dossier 1984, Downsizing refers to the process of reducing, usually dramatically, the number of people 'employed by an organization, More and more employers are doing it Hess and Siciliano, 1996 opined that downsizing occurs as organizations try to make their workers 10 produce more, Hess and Siciliano concluded that downsizing is a result of the reengineering process. Miner and Crane, 1995, defined downsizing as a result of substantial reduction in the number of an organization's employees through mass termination, accelerated retirement etc. The global trend is to have smaller workforce and enhance performance, Merely acceptable performance is therefore no longer sufficient That is the reason as to performance including the human factor. The goal of every organization now is to develop a high performance workforce:

- I. Academic qualifications - those who have not upgraded their qualifications are usually the first set of people to be sent packing when this exercise is being carried out.
- II. The management of such organization would have selected the number of employees they require based on their qualifications; those who do not meet their requirement would be displaced.
- III. Retirement age - employees, who have obtained retirement age not left-out in this exercise, the organization believes they are no longer useful to the organization due to the number of years which they have spent in service.
- IV. Efficiency and capability - Some employees because of the way they were created they cannot carry out certain duties in the organization and since the organization might not require their services any more, rather than keep expending on them whereas they are no longer rendering any service, the management would retrench them.
- V. Records of misconduct - every employee has a file in which all his records are kept, this varies in terms of qualifications, awards, misconducts etc. the organization files all these

documents for certain situations, for instance in rationalization, those who have disobeyed the rule and regulations of their various organizations would be retrenched.

- VI. Last-In First out - in this situation, the last of employees employed, are those who would leave the organization. This happens when the staffs earlier employed are very capable of doing the job assigned to them.

### **Discipline of workers in organization**

Optimum performance in any organization depend on the willingness with which workers carry out the instruction of their supervisors and manages and the way they conform to the rules of conduct established to aid the successful attainment of the organization's is objectives. If unreasonable rules are imposed, great damage may be done to morale. No matter how much value any man places on his independence, in the work situation he looks to his supervisor to lead, and as long as he gets what he considers to be proper lead, he accepts the concept of discipline. This is in effect; self-discipline, resulting from positive and intelligent leadership and he willing cooperation of subordinates within a framed work of policies, procedures and rules which controls the organization as a whole. Thus, it is wrong to conceive of discipline as something restrictive which is imposed by force or threats of punishment; it can only be maintained by self-respecting workers who follow a leader in whom they have confidence.

Where this is so there need be only the minimum of rules about conducts, safety and efficiency, making clear to all employees and new recruits, the responsibilities they have towards each other. Once a work group is fully aware of the standard of discipline required by its supervision, it quickly becomes a matter of tradition, and the members of the group will themselves insist on its acceptance by newcomers.

### **Meaning of Morale**

The word morale was originally used in a military sense to denote the moral condition of the troops, but it has now taken a border meaning, and it may be defined as:-

"The collective attitude of workers towards one another, their employer, the management their work" Whether a man is happy in his work will be a matter of individual temperament, but it can greatly influence others, and it can in turn be greatly influenced by the personnel policy of an organization. Morale is a collective term, and is meant to include the sum or average of all the individual attitudes. Good morale means that staffs are happy in their work. It is an established fact that the productive efficiency of workers increase with a rise in their interest and moral; they do more and better work when they are enthusiastic and have confidence in the jobs they do. A low level of morale can lead to inadequate output, absenteeism, waste of materials, and unnecessary disputes over discipline. The effective welfare scheme can be completely vitiated if morale is upset by some act of justice, or even of only apparent injustice. It is essential for morale to be kept at a high level, particularly where poor working conditions are beyond the control of management. If workers are convinced this is so, and if their moral is high they will contend with all manner of discomforts in working conditions. The term morale has the Alice-in-wonder land quality of meaning what the user of the term wants it to mean. Guio after considering several definitions defines morale as:-

"The extent to which an individual's needs are stratified and the extent to which the individual perceives that satisfaction as stemming from his total job situation" for some people however, the term refers more to interacting reaction of a group of people, such as the spirit de

corps or term spirit of a football team, military unit, or work group. Although we are inclined to use it in the individual sense expressly by Guio, in any event anyone using the term should make its intended meaning clear.

Stranss and Sayles (1980.34) define morale as:-

"Employees attitudes towards the organization as a whole" yonder (1958) sees morale as a relative than absolute concept. In other words he reels that the level of morale of any individual is special to the person and has a lot to do with the quantum of frustration he experience.

The higher the incidence of frustrations the lower the morale of employee and vice-versa. It is believed that morale may represent the degree of frustration a group of employee's experiences.

Lawless (1972), defines moral in terms of the degree to which the needs of employees are satisfied. The more the needs of employees that are satisfied, the greater the possibility of the employee having high morale. According to beach (1970);-"morale pertains to general feeling of wellbeing, satisfaction and happiness of people, which reflects the total satisfaction a person derives from his job, his work, the organization and his environment"

Smith (1972) represents morale to be:-

"The intrinsic interest an employee has in what he is doing"

This can be measured by his work effort, initiative and satisfaction with job or otherwise.

And individual or group can be said have morale when it is perceived that there is high level of involvement in task to be performed, great effort made and appreciable happiness with the work demonstrated. Those who are of low moral tend to be apathetic and uninvolved in the job and its outcomes.

Flippo (1971) has argued that morale depicts the mental and attitudinal disposition of the individual and groups which influence their willingness to co-operate with others towards the achievement of set goals or otherwise. He seems to be in agreement with smith on the manifestation of high morale for the posits that workers who are of high moral are usually enthusiastic and willing to co-operate with others in pursuit of set goals complying with rules and regulations and carrying out orders with dispatch. Those who are of low morale according to flippo are generally known for surliness, insubordination, discouragement, and dislike of work, organization and associates:

"Morale can be explained as the general attitude or outlook of an individual or group towards a specific situation. It influence, and is influenced by some variables such as optimism, confidence and determination"

### **Tension in organization**

One cause of tension which can have impact on staff morale is disagreement that sometimes arises about the range of toleration of indiscipline between senior managers who do not directly control labour and first -line supervisors who do.

Top management may be prepared to put up with some degree of disorder as long has production target are reached; similarly they may decide to turn a blind eye to such things as bad time keeping or absenteeism during periods of acute labour shortage.



## EMPIRICAL STUDIES

### Effect of Rationization

Rationization has been described as an ill wind that seldom blows no one any good since virtually everybody loses whenever it is infected. Those who lose their jobs for example lose pride and possessions, the employers involved have their corporate image perfected adversely, why the employees who survive the exercise develop a sense of job in security, making them perceive their future as been gloomy. (Edwin B. Flippo 1980). Flippo believed that older employees layoff a bitter pill to swallow.

### Effects of Rationalization on employee Morale

Milkovich and Bureau, 1998 opined that retained employee's satisfaction and perception of equity and job security are likely to be affected by lay-offs. Furthermore, how the lay-off process is managed may determine the willingness of retained employees to support future organization initiatives.

Since lay-offs frequently involve removing a large portion of work force than any other form of employee separation. Milkovich and Bureau say they can have a most profound effect on the retained workforce.

Dessier, 1996 in his work observed that the morale of the remaining employees may decline and therefore cautions that steps should be taken to reduce the remaining employees' uncertainty and address their concerns.

Hackett, 1996 says that "survivor syndrome" may mean that those who stay feel guilty at having survived and become de-motivated and anxious, while the relocation of work results in feeling of incompetence and stress. The rationalization exercises carried out in various organizations always has negative effects on employee, this however does not mean that the exercise does not have its good side, this would be examined later but first we look into its negative effects which includes:-

- i. Reduced job satisfaction: employees tend to be satisfied with the job they are doing, they just do it for the sake of doing and nothing more.
- ii. Reduced employee commitment to job objectives, whether an organization achieves its objectives or not is not their bone of contention, they just work for the sake of getting their stipend.
- iii. Reduced employee innovativeness; where an employee has specific ideas which could be of importance to the organization they would rather prefer to keep mute and don't give any suggestions.
- iv. Loss of sense of belonging, since they can be sent packing at anytime they rarely count themselves as being part of the organization.
- v. Loss of pride in organizational membership; in the past, workers used to be proud of working in one organization or the other, some would display stickers of the organization on their cars or homes, but today the pride is no longer there as employees could be displaced at any point in time.
- vi. Deteriorating co-operative attitude among employees are no longer co-operative at work, they prefer to do things individually, a kind of mind yourself affair is what ensues.
- vii. Reduced interest in organizational affairs; employees interest in activities going on within the organization has reduced drastically.

- viii. Deteriorating employee loyalty and increased search for alternative employment among the employees; knowing fully well' that the exercise could be carried out at any point in time, most employees while in service with one organization, engages in search for employment, this is done so that where the exercise is carried out, they won't just be redundant or start looking for job.
- ix. Increased staff grievances especially the unofficially expressed type; employee grievances could be seen in their reactions but not officially expressed.

### **EFFECTS OF RATIONALIZATION ON STAFF**

Rationalization of staff has some effects on these disengaged staff, which are advantageous to them, some of these include:

- i. Employees have been involved in one examination or the other, the most common is that of professional bodies. In a way, it has enabled workers to upgrade their certificates.
- ii. Those employees who are unable to further their education have made necessary plans for the future, should the exercise affect them to plan ahead.

Some of these workers are able to implement new technologies, it should however be noted that no matter how much they may cooperate in new technologies, no individual is ever granted total security because of the prevailing asymmetry of power and management's decision making.

### **EFFECTS OF RATIONALIZATION ON THE ORGANIZATION**

Heneman et al, 1989 "There is reason to believe that in some circumstances, the benefit or lay-offs to employers are not worth the cost incurred". According to Heneman in his research conducted.

Rationalization of staff has its beneficial effects on an organization; the organization would be left with the worker it can cope with.

There is job standardization as the workers left would be quite effective and efficient in disposing their duties.

The organization would however stand the benefit of a high propensity to reduce cost of operation via reduced labour cost especially when employees affected are no longer as productive as expected.

Everything that has advantage must definitely have a disadvantage; as such rationalization places a huge financial burden on the organization, since those declared redundant usually get their terminal benefits, while the recruitment and training of those who will replace them also carries financial implications.

Those who reel aggrieved by the way the exercise was carried out can also sue the organization to court while the employees who lose their jobs, can go into direct competition with their former employer.

It is advisable that those who wish to check the implications of redundancy can consider implanting measures that can mitigate the impact of the exercise, this is the advice given by Munford, such measures according to him include; reducing over-time work, suspending recruitment and transfer of workers who may be affected by redundancy to departments where they will be better utilized, coupled with training of such people to equip them with new skills in order to make them relevant to the new dispensation. An organization may also consider



encouraging other organizations to employ their surplus staff while ensuring that subcontracting is reduced to the barest minimum.

## **FACTORS INFLUENCING MORALE**

Communication has been identified as one of the major factors influencing employee's morale. This belief is informed by the knowledge that when employees are made aware of that they deserve, to know, their interest are aroused and the effect usually is a determined effort to give a good account of themselves in the pursuit of job objectives while demonstrating pride in tasks accomplished (coming 1980). Amana (1972) has expressed the view that factors influencing morale are varied. Prominent among them according to him are remuneration package, extent of job enrichment, as well as job security, how much opportunity exists for advancement and self fulfilment and extent to which workers get recognition for job achievement. He is also of the conviction that opportunities for training and development, good physical working conditions, enlightened company policy, responsible supervision and leadership, good interpersonal relationship, participative management and full utilization of the potentials of the employees will guarantee high employee morale.

Benton (1972) recognizes gestures and conditions like service awards, company cafeteria, and Christmas party, health insurances and company library as instruments that can improve employee morale. Strauss and Sayless (1980) have noted that there is little evidence that high morale leads to high productivity. The relevance of employee morale to organizational efficiency and effectiveness cannot be over emphasized. There are indications that high employee morale tends to enhance performance and productivity, meaning that, it is dispensable tool for the realization of organizational objectives. The benefits derivable from high employee morale include the workers readiness to put his ability at the organization's disposal demonstrating confidence in the face of crisis and through his good conduct, promoting corporate image.

## **THEORETICAL FRAMEWORK**

For a great number of years, it has been assumed that work force that possesses high morale is so likely to exhibit high productivity. It has seemed logical to managers that happy workers are also productive workers. Indeed this condition did hold for the Relay Assembly Test Room in pioneering Hawthorne experiments conducted by Elton Mayo and his Harvard associate in 1927-1929. There was a definite correlation between their increasing productivity and the favourable attitudes that the girls had towards one another, their supervisor and their environment. Recent research investigation; have demonstrated that there is no simple relationship between morale and productivity. Enough instances of high productivity and low morale and of high morale and low productivity have been observed to cast doubt upon the once assumed direct relationship, therefore the matter is that morale is a complex concept.

Productivity is output divided by input. Commonly the productivity of an industry or an establishment is measured by the total volume of output divided by the man hours of input for a given time span. The productivity of a work group or individuals is generally expressed in terms of the units produced during a given time period. Productivity of routine repetitive work is easy

to ensure. Thus, professional and executive work accomplishments may be required to determine the real value of work done. For various reasons, productivity can be reasonably good while morale is low. Many industrial plants are highly engineered. Output may be high under machine-paced and assembly-line conditions. Jobs may be carefully analyzed, improved and subdivided by industrial engineers. Materials and parts may flow smoothly from work station to work station.

"Rensis Likert claims that the relationship between morale and productivity for complex and varied work such as research, engineering and life insurance tends to be moderately high". It seems that when the performances depends solely upon the man or the team and when the job cannot be engineered, then those employees who feel favourably disposed towards their job situation are also more likely to be motivated to produce. Situations in which morale may be high but performance is low or poor also occur with some frequency. This discrepancy can occur when a pleasant, social, country-club atmosphere is encouraged or permitted by supervision. The people may gain considerable pleasure from coming to office each day to meet their friends and socialize. But the motivation to produce may be minimal.

Actually, job attitudes and morale can be quite positive for two reasons. Employees gain social satisfaction from interactions at the workplace and working conditions and supervision may be good. High morale may result from high motivation to produce.

Much recent behavioural research has demonstrated that when leadership and work group climate is structured to generate high work motivation, then employee satisfaction and attitudes are often positive.

### **PROBLEMS OF MORALE**

The state of morale in any business organization can be judged by the degree of willingness its employees show towards their work. Basically, as with so many other aspects of industrial efficiency, much depends on the quality of the initial selection of staff, particularly for senior posts. But satisfaction at work is the principal factor in high morale, which means their pay must represent a fair reward, the duties of the job must hold the employee's interest, and above all, he must enjoy the social contacts established at his workplace.

No matter how well-paid and interesting jobs are, if the people performing them do not get on well together and respect each other's abilities, then morale will be adversely affected. In the last resort every organization is a sum of individuals whose morals depends 'on their mutual adjustment. If this is satisfactory, then an integrated work community develops into which newcomers will be rapidly accepted and will quickly acquire the prevailing good corporate spirit. One of the main functions of every manager and supervisor controlling other staff is to create and maintain a level of morale which evokes their full co-operation in obtaining maximum operational efficiency throughout the organization. There may well be certain influences which are outside the individual manager's control, company policy, the industry's history of labour relations and economic conditions in the firm's locality may all have a bearing. Nevertheless, each manager can have more effect in determining morale in his department than any other factor, and 'should be expected to show a measure of social skill in creating an effective team spirit among his subordinates.

The links between morale and other aspects of personnel management are strong. Most departmental heads ensure for themselves that staff selected is suited to jobs available. Some have the opportunity to influence the wage and salary structure of tier organizations or departments in ways calculated to keep morale high. Communications are also important, for employees' interest cannot be roused unless they know what is going on; knowledge can therefore be used as an incentive to stimulate effort as a means of inculcating pride in achievements. Every employee should fully understand both his own part in the life of his firm and the firm's purpose in the community as a whole, and should be made to feel that he is playing an essential role in achieving that purpose. A good manager will take pains to ensure that his subordinates have these. To do so, he must develop the ability to deal effectively with social relations between his staff, as well as showing technical and administrative skills. In short, he must be a leader of men if he is a good leader he may even be able to obtain a response from his team which prevails over external factors beyond his personal control which may tend to low morale.

### **Signs of Low morale**

There are various signs of low morale in an organization, poor production methods; numerous complaints about quality, lax discipline, bad time-keeping and high rates of absenteeism and labour turnover. For this study the latter are the most significant as such will be discussed?

### **Absenteeism**

Working time lost through strikes and restrictive practices makes sensational headlines for the press while absenteeism rarely rates a mention. It falls into three main categories based on the reasons which cause it; illness when medical certificates are usually demanded after three days, and frequent absences of three days regarded with suspicion, permitted leave, which the firm knows about beforehand, and voluntary absenteeism usually for personal reasons which may not be revealed in detail, or sickness may be feigned. Identifying and dealing successfully with the last category is fundamentally a management problem. There can be no doubt.

### **Labour Turnover**

This is the term used to describe the movement of workers into and out of the employment or organization. There can be no doubt about the unfavourable effects that employee leaving have on the minds of those remaining.

Considerable cost has to be faced in replacing the leavers and training their successors, and there are also the hidden costs of lessened effectiveness throughout the organization.

### **CONCLUSION**

It was clear from the findings that rationalization/downsizing has had a negative effect on employees who are currently serving the organization. Also staff rationalization may not necessarily be worse but the way in which the exercise was implemented was wrong. The research revealed that rationalization results in making employees not to derive much satisfaction in the job he/she does. This confirms the works of Smith, 1972 and Flippo, 1971 that defines the relationship between Morale and job satisfaction. Rationalization leads to low morale for employees and subsequently job dissatisfaction. Also it was revealed that rationalization results in a decline in the commitment of the employees to job objectives. This does not however agree

with the works of Strauss and Sayless (1980) that noted that there is little evidence that high morale leads to high productivity.

From the findings of the research and in consonance with the work of Amana, (1972) who expressed the view that factors influencing morale are varied notable among them according to him is job security. It was revealed that low motivation that results from staff rationalization eventually led to employees' job turnover from the organization and eventual instability in the productive work force because of the loss of confidence in the organization.

When employees are certain that their job is secured, their productivity will not be lowered but enhanced.

The dimensions of the negative effect of rationalization on morale include:

- Reduced job satisfaction
- Reduced employee commitment to job objectives
- Reduced employees' innovativeness
- Loss of pride in organizational membership
- Deteriorating employees' loyalty and increased search for alternatives to the work he is doing
- Reduced interest in organizational affairs

## RECOMMENDATIONS

Having carried out this research work on the employees' morale, the researcher wishes to give some recommendation that can lead to improvement in employees' morale and which may eventually lead to a higher productivity in the organization especially at a time of rationalization process. Since the organization is involved with the creation of jobs especially as it concerns self-employment, care must be taken concerning wrong signals to the public as regards employment situation in the country. Formulation of a clearly defined policy on redundancy which should incorporate the position of the 1974 labour law on it. Section 19 of that law requires the management to intimate workers' representative and negotiate redundancy benefits with them before they can effect retrenchment. The law further recommends the application of the principle of last in first out, though with due regard to merit, based on relative ability and reliability. The criteria should be strictly adhered to in future rationalization.

A clearly defined training policy that emphasizes sustained improvement of the quality of manpower of the organization's disposal, anchored on self-development that receives the support of management through the provision of career counseling services and reimbursement of verified claims on cost incurred should be instituted. It is important for the staff of the Directorate to undergo training and retraining regularly so for them to be abreast of the latest methods of running a business and training style and method for these intending entrepreneurs and also to make all employees relevant and fit into the organization goal. Hence management is advised to make training and retraining on the job a regular activity.

Also staff to be rationalized should be made to get prepared for the position of being out of job, this could be done through entrepreneurial development programme that provides

employment services especially to staff that are to be affected by rationalization should come into operation, provision of staff to be affected by redundancy for self employment via professionally packaged and delivered training and development experiences should form part of in service programmes. This will make them independent and self sustaining.

Prompt payment of terminal benefits to those affected by rationalization should also be given top priority. A system of communication flow should be considered and put in place. This will enable communication lines between management and staff open.

The retained employees would not be efficient, efficient, and confident and have believed in the objective and goals of the organization unless the management took into consideration their needs, which make them feel they were valued and useful.

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