

**EVALUATE THE IMPACT OF REDUNDANCY ON EMPLOYEES OF SMALL AND  
MEDIUM ENTERPRISES (SMEs)**

**IN**

**THE MANUFACTURING INDUSTRY OF NIGERIA**

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## **Abstract**

Redundancy is a challenging reality faced by Small and Medium-sized Enterprises (SMEs) in the manufacturing industries in Nigeria, especially during economic downturns and organizational restructuring. This research project aimed to examine the various aspects of redundancy within these SMEs, focusing on its types, reasons, and overall impact on employees' well-being. Additionally, the study sought to identify the challenges encountered by SMEs in managing redundancy and recommend effective strategies for mitigating its negative consequences. Data were collected through an online questionnaire administered to employees of manufacturing SMEs in Nigeria. The data was subjected to reliability and validity tests using SPSS. Correlation and regression analysis was also conducted. The research explored the demographics of the respondents, including gender distribution, age groups, educational qualifications, and years of experience. The study analyzed the reasons for redundancy, with economic recession, company financial constraints, merger & acquisition, and repositioning emerging as the primary triggers for redundancy actions. Findings revealed that redundancy has both financial and psychological effects experienced by affected individuals. The study also discovered the challenges faced by SMEs in managing redundancy as insufficient communication, absence of severance packages, and inadequate preparation of employees for post-redundancy life. The study recommended establishing comprehensive redundancy policies, prioritizing employee well-being, offering redundancy preparedness training, promoting a positive work culture, and continuously evaluating and improving redundancy management practices.

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## **CHAPTER ONE: INTRODUCTION**

### **1.0 Overview**

In this chapter, the research study will provide a background for the research, introduce gaps in the existing literature, and provide the rationale for the study. The chapter will cover research aims, objectives, questions, research contribution, and structure. The chapter will end with a summary and introduction of the next chapter.

### **1.1 Research Background**

Small and medium-sized enterprises (SMEs) play a crucial role in the Nigerian economy, contributing significantly to job creation, innovation, and economic growth (Etale & Light, 2021). However, SMEs in Nigeria face a range of challenges that can affect their operations, including the issue of redundancy. Redundancy refers to the process of laying off employees during business downsizing or restructuring. The consequences of redundancy on employees can be substantial, leading to psychological distress and decreased productivity (Ajumawa, 2003).

Given the importance of SMEs in Nigeria, it is imperative to investigate the impact of redundancy on their employees. The Nigerian business environment provides a context characterized by a growing SME sector, a challenging economic climate, and limited regulatory support. The World Bank reports that SMEs account for over 80% of the country's workforce and contribute more than 50% to the GDP (Etale & Light, 2021). Nevertheless, these SMEs encounter various obstacles such as limited access to finance, inadequate infrastructure, and high regulatory costs (Anekwe et al 2019). Given this important statistics, it becomes imperative to understand how redundancy can affect the SMEs and ways to mitigate it.

Redundancy refers to the state of being unemployed due to involuntary job loss or permanent layoff (Oparanma, 2010). Nigeria and its surrounding world have experienced and continue to experience rapid economic, political, and social changes. To overcome the challenges, organizations have implemented various strategies such as revitalization, renewal, repositioning, restructuring, downsizing, re-engineering, or adopting allied approaches. While some employee redundancies and dismissals are inevitable and crucial for organizational survival and growth, survivors often express concerns about the possibility and continuity of such actions in the future. Given the prevailing hardships and uncertainties, the issue of employee redundancy is currently significant and is expected to become increasingly important in the coming years (Oparanma, 2010).

According to Bakke (1976), redundancy is characterized as the transition from employment to unemployment, involving multiple stages. The current economic downturn has resulted in a noticeable increase in the utilization of redundancy, reinforcing its significance as a primary mechanism for change within organizations. This trend can be attributed to two key factors. Firstly, the growing popularity of global benchmarking has prompted firms to pursue labor flexibility (Anyim, 2015). Secondly, the constant evolution of technology, communication, and automation also plays a contributory role. Redundancy often emerges as a consequence of strategic mistakes made by top management, such as misinterpreting market trends or failing to adapt to intensified global competition. As organizations operate within a challenging economic climate and face fierce global rivalry, they must continually adjust and embrace new organizational forms that emphasize flexibility and foster innovative solutions—oftentimes resulting from redundancy (Anyim, 2015).

Redundancy presents a notable obstacle for Small and Medium Enterprises (SMEs) in Nigeria, exerting adverse effects on both the businesses themselves and their employees. Existing research emphasizes the diverse implications of redundancy on SMEs in Nigeria. Financial stability

becomes compromised, with increased expenditures on severance payments and legal fees, placing a significant burden on SMEs, particularly those with limited financial resources (Anekwe et al., 2019). Additionally, redundancy leads to the loss of experienced staff and knowledge, which undermines the competitive edge of these businesses (Anekwe et al., 2019).

Employees also endure negative psychological repercussions as a result of redundancy, including heightened levels of stress, anxiety, and depression (Ladan, 2012). SMEs in Nigeria, often constrained by limited resources for employee support, encounter challenges in effectively addressing these issues. Moreover, redundancy diminishes employee motivation and commitment, consequently impairing productivity and overall performance (Ladan, 2012)

The management of redundancy in Nigerian SMEs is a multifaceted task, involving the negotiation of legal, financial, and cultural challenges (Anekwe et al., 2019). The absence of well-defined and comprehensive legal frameworks for redundancy further complicates the situation, amplifying the hurdles faced by SMEs. Nevertheless, redundancy also brings forth potential opportunities for these businesses to restructure their operations, boost productivity, and provide training and development initiatives for the remaining employees (Ladan, 2012).

This research study seeks to examine and evaluate the impact of redundancy on SME employees in the manufacturing sector of Nigeria.

## **1.2 Research Gap & Rationale**

Anyim (2015) conducted a study investigating the social and psychological effects of redundancy on employees in Nigeria. The research aimed to assess these effects and explore potential alternative measures to mitigate the negative consequences. The study findings revealed that redundancy, when necessary, should be executed in a manner that minimizes its socio-

psychological impact on the affected individuals. However, it is worth noting that the research did not specifically address the manufacturing sector in Nigeria and did not propose specific effective strategies for managing redundancy.

In a separate study, Anekwe et al. (2019) examined the effects of downsizing on employee performance in selected manufacturing firms in Anambra State, Nigeria. The study aimed to determine the relationship between job insecurity and absenteeism, as well as the relationship between staff redundancy and employee turnover within the manufacturing firms. The findings indicated a positive and statistically significant correlation between staff redundancy and employee turnover in the studied manufacturing firms. However, it is important to mention that the study primarily provided a descriptive analysis and did not critically analyze effective approaches for managing redundancy in the context of the manufacturing sector.

Kimbu et al. (2023) conducted a study in Ghana focusing on the impact of COVID-19-induced redundancy on the socio-psychological well-being of tourism employees and its implications for organizational recovery in a resource-scarce context. The study specifically examined the effects of redundancy (including layoffs and reduced work hours) on employees' commitment to work and their ability to contribute to the recovery of the tourism industry. The findings of the study highlighted the significant influence of various factors on the psychological and social well-being of redundant employees. Factors such as marital status, education level, status of dependents, and the types of tourism businesses in which employees were engaged had a significant impact on their psychological well-being. In addition, marital status, age, education level, and organizational rank were found to significantly influence the social well-being of the respondents.

Ekanem and Umemezia (2018) conducted a study in Nigeria that explored the socio-economic effects of retrenchment. The research aimed to understand the consequences of retrenchment on



affected individuals, their families, and the nation as a whole. Numerous other studies have also been conducted on the topic of organizational downsizing and its impact on employee performance. For instance, Robert and Anne (2015) examined the effects of downsizing strategies on employee performance in Barclays Bank. Asuma and Ayse (2016) investigated the consequences of organizational downsizing on the commitment of surviving employees. Rehman and Naeem (2012) proposed a conceptual model to explore the aftermath of downsizing on employees who remain with the organization. Fernando and Maria (2011) focused on the effect of downsizing on corporate performance, while Roderick and Christopher (2011) studied its effects on labor productivity. Mapira (2016) assessed the impact of redundancy on organizational performance at Might Stores, and Juanita (2014) conducted a study on the effects of voluntary and involuntary job redundancy on employee performance.

A detailed and critical analysis of existing literature on redundancy and its impact on SME employees in manufacturing industries revealed that most of them did not examine the different causes and reasons for redundancy in SMEs in the manufacturing industries of Nigeria. More so there was insufficient analysis of the impact of redundancy on the overall well-being of employees of SMEs even though some scholars delved into it but not extensively. Lastly, the challenges faced by SMEs in managing redundancy were not discussed and most literature did not recommend best practices and strategies for managing redundancy effectively in these SMEs. This study seeks to research these gaps identified in the existing literature.

### **1.3 Research Questions**

1. What are the different types and reasons for redundancy in SMEs in the manufacturing industries in Nigeria?

2. How does redundancy impact the well-being of employees in SMEs in the manufacturing industries in Nigeria?
3. What are the challenges faced by SMEs in managing redundancy in the manufacturing industries in Nigeria and what are the best practices and strategies for managing redundancy effectively in these SMEs?

#### **1.4 Research Objectives**

1. To examine the different types and reasons for redundancy in SMEs in the manufacturing industries in Nigeria.
2. To investigate the impact of redundancy on the overall well-being of employees of SMEs in the manufacturing industries of Nigeria.
3. To identify the challenges faced by SMEs in managing redundancy in the manufacturing industries in Nigeria and recommend best practices and strategies for managing redundancy effectively in these SMEs.

#### **1.5 Research Contributions**

The contributions of this research study are vast and encompass a lot of industries;

**Policy Implications:** The findings of this study will have consequences for policymakers and other stakeholders in Nigeria's industrial sector. It will give evidence-based insights to help drive the creation of policies, programs, and activities focused on assisting SMEs suffering redundancy, therefore contributing to a more supportive and resilient labor market.

**Understanding the Effects of Redundancy:** It will give useful insights into the unique consequences of redundancy on employees working in Nigeria's manufacturing sector's small and medium-sized

firms (SMEs). This insight can assist in shedding light on the difficulties that employees confront in such situations.

**Identifying Employee Reactions:** Part of the contributions is that it will look at how employees react to redundancy, such as their emotional reactions, job satisfaction levels, motivation, and general well-being. The study can lead to a better understanding of the psychological and emotional impact of redundancy on SME employees by identifying these reactions.

**Evaluating Performance and Productivity:** The study is focused on evaluating the impact of redundancy on employee performance and productivity in the manufacturing industry. The research can give insights into how redundancy affects the overall efficiency and effectiveness of SMEs by assessing aspects such as absenteeism, turnover rates, and work engagement.

**Informing Organizational Practices:** The research findings will be used to guide organizational practices and strategies for redundancy management. This includes advising SMEs on how to support their employees during the redundancy process, prevent negative consequences, and improve employee resilience and adaptability to change.

## **1.6 Research Structure**

The structure of this research study introduced the research background, questions, objectives, and contributions. Chapter two will delve into the literature review of redundancy with theories associated with them. The chapter will extensively discuss redundancy, its causes, effects & implications, trends of redundancy, redundancy management, and best practice approaches. An overview of SMEs in the manufacturing industry will be covered. The chapter will end with the conceptual framework and hypotheses. Chapter three will explain the methodology of the research study; research philosophy, research design, study population, and study sample. The fourth

chapter will discuss the results from the data collected, analyze it and report the findings while the last chapter will offer a discussion of the research findings and its limitations and also outline recommendations for further research.

### **1.7 Chapter Summary**

This chapter introduced the research background, research question, and objectives. The following chapter will explain in details redundancy in SMEs and how best to manage it.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Chapter Overview**

This section will focus on redundancy, a literature review of the study, the conceptual framework, and hypotheses. The literature review will basically consist of an overview of redundancy, types, causes, and effective ways of managing redundancy. It will also present an overview of SMEs in the manufacturing industries and how redundancy affects their employees. The chapter will end with a conceptual framework and hypotheses.

### **2.2 Overview of Redundancy**

Redundancy is a significant social issue in Nigeria, especially during economic downturns (Anyim, 2015). It involves individuals transitioning from employment to unemployment due to business closures or workforce reductions (Bakke, 1976; Aladekomo, 2004). This situation arises when employees' services are no longer required by their employers due to factors like lack of available work or financial challenges faced by the firm (Worrall & Cooper, 1998).

Implementing redundancy can have benefits, such as fostering loyalty among remaining employees and providing opportunities for personal and professional growth (Robertson, 2002). However, it can also lead to increased absenteeism and turnover, as individuals may fear the implications of redundancy or worry about becoming victims themselves (Novick, 2010). The loss of expertise and experience from departing workers is a significant drawback of redundancy (Caterer and Hotelkeeper, 2008).

Redundancy is utilized as a primary mechanism for organizational change during economic downturns, aimed at reducing operational costs and maximizing company profits (Mapira, 2016). Nevertheless, alternatives to redundancy exist, including fair selection processes, advance notification, and clear communication with affected employees (Ord, 2009).

The consequences of job loss due to redundancy extend beyond the workplace, affecting individuals at personal, social, economic, psychological, and physiological levels (Mapira, 2016). The behavioral consequences of job loss can contribute to societal problems (Kates et al., 1990). Organizational justice and social responsibility are crucial during the lay-off process to mitigate negative impacts on employees and the community goodwill (Greenberg, 1990; Leana & Feldman, 1998; Bunning, 1990).

Redundancy may include financial compensation packages, but research indicates that it can lead to emotional and social repercussions, affecting professional contacts, family interactions, and self-perception (Brand & Bugard, 2008; Vickers, 2009). When redundancy becomes necessary, ethical conduct and compliance with the law are essential considerations (Ajumawa, 2003). In Nigeria, redundancy is regulated by section 19 of the 1974 Labour Acts, defining it as the involuntary and permanent loss of employment due to an excess of manpower (Oguniyi, 1991).

### **2.3 Legal Context of Redundancy in Nigeria**

Adeshina et al. (2017) highlight that employment and labor relations in Nigeria are governed by various statutes, including the Labour Act, Trade Dispute Act, Trade Unions Act, Employee Compensation Act, Factories Act, Pension Reforms Act, Personal Income Tax Act, Housing Act, Industrial Training Fund Act, National Health Insurance Scheme Act, Immigration Act, National Industrial Court Act, and others.

Recently, the global employment market has seen increased retrenchment due to the impact of the Covid-19 pandemic and the rise of artificial intelligence. The Nigerian Labour Act primarily governs labor and employment matters for workers, excluding individuals in administrative, executive, technical, or professional roles. Employment terms and labor issues for professional and

skilled workers are mainly regulated by employment contracts, collective agreements with trade unions, and other employment documents (Temiloluwa Fakolade, 2023).

In specific cases, the National Industrial Court (NIC) has ruled on redundancy matters. In the case of *Alexander O. Ejah & Ors v Niger Mills Co. Ltd*, the NIC justified mass termination based on economic and technological factors (Temiloluwa Fakolade, 2023). Similarly, in *Peugeot Automobile Nigeria Ltd v Oje*, the Court defined redundancy as removing an employee when their position is declared 'redundant' by the employer (Temiloluwa Fakolade, 2023).

Under the Labour Act, transparency and open communication are required during redundancy processes for workers falling within the statutory definition. Employers must inform affected workers of the reasons and extent of the proposed redundancy and negotiate a disengagement package through their representative or union (Temiloluwa Fakolade, 2023).

The 'last in, first out' principle is generally followed when selecting workers to discharge in a redundancy situation, but other factors like merit, skill, reliability, and ability may also be considered (Temiloluwa Fakolade, 2023). Employers must engage in negotiations with discharged workers not covered by compulsory redundancy payment regulations to determine redundancy payments (Temiloluwa Fakolade, 2023).

The NIC has adopted provisions of International Labour Organization (ILO) Conventions, even if not ratified and domesticated, in alignment with the constitutional and statutory framework (Temiloluwa Fakolade, 2023). ILO Convention No. 158 outlines procedures for redundancy, emphasizing the employer's obligation to provide relevant information to workers' representatives in a timely manner during termination considerations due to economic, technological, structural, or similar reasons (Temiloluwa Fakolade, 2023).

Due to the absence of regulations from the Minister of Labour regarding compensation for redundancy, the National Industrial Court determines workers' rights and privileges within the redundancy process (Temiloluwa Fakolade, 2023). It is advisable for the Minister of Labour to establish regulations defining redundancy disengagements and parameters for calculating compensation. Additionally, an amendment to the Act should be proposed to encompass all categories of workers in Nigeria (Temiloluwa Fakolade, 2023).

## **2.4 Types and Causes of Redundancy**

Redundancy in organizations can be categorized based on its causes, with the majority triggered by external factors beyond the organization's control (Ladan, 2012). Ajumawa (2003) identifies four causes of workforce redundancy: reengineering, repositioning, merger, and acquisition - all strategies implemented to ensure survival during challenging times.

Reengineering involves a full reevaluation and redesign of an organization's processes to increase customer value generation and operational efficiency (Stoner et al., 2002). While the primary goal of reengineering is not to create redundancies, it often leads to job cuts as organizations seek greater efficiency and cost-effectiveness (Ladan, 2012).

Repositioning is another factor that can contribute to organizational redundancy. Companies reposition themselves to capitalize on new opportunities and avoid potential risks, which may involve restructuring and eliminating certain functions (Utomi, 2000). The main objective of repositioning is growth and competitiveness, even though it may lead to redundancy (Ladan, 2012).

Mergers and acquisitions (M&A) can also result in organizational redundancy as two organizations combine their resources and competencies (Utomi, 2000). The review process during M&A aims



to reduce redundancies and streamline operations, potentially resulting in job cutbacks (Ladan, 2012).

While redundancies can be an undesirable consequence, organizations often implement these strategies to survive and enhance overall performance (Ladan, 2012). Despite the negative impact on employees, the ultimate goal is to achieve greater efficiency, cost-effectiveness, and competitiveness in the face of challenging economic conditions and market demands (Utomi, 2000; Ladan, 2012).

## **2.5 Effect and Implications of Redundancy**

Redundancy in organizations can have significant and far-reaching consequences for both management and staff. Research has shown various impacts on employees, revealing the emotional, psychological, and financial challenges they may face:

**Emotional and psychological impact:** Redundancy often leads to increased stress, anxiety, and depression among affected employees, negatively affecting their self-esteem and overall well-being (Fiona, 2002; Brockner, 1985; Ladan, 2012).

**Job insecurity and reduced commitment:** Survivors of layoffs may experience job insecurity and reduced commitment due to fears of further job losses and heavier workloads (Ashford, Lee & Bobko, 1989; Ladan, 2012).

**Changes in work attitudes and behaviors:** Redundancy can lead to reduced organizational commitment, job satisfaction, and increased turnover intention among survivors (Brockner, 1988).

**Equity theory and reactions to layoffs:** Survivors may experience negative attitudes towards coworkers and decreased productivity due to perceived unfair treatment during the redundancy process (Brockner, 1985; Ladan, 2012).

Financial implications: Redundancy can result in immediate and long-term financial challenges, leading to financial insecurity and difficulties in meeting basic needs (Ladan, 2012).

Effects on job satisfaction and motivation: Redundancy can significantly reduce job satisfaction and motivation among remaining employees, impacting overall job engagement (Ladan, 2012).

Impact on career trajectories: Redundancy can disrupt individuals' career paths, leading to challenges in rebuilding careers and a loss of accumulated experience and expertise (Ladan, 2012).

Social and interpersonal implications: Redundancy can strain personal relationships and social networks, contributing to a sense of isolation or difficulty in adjusting to new circumstances (Ladan, 2012).

Coping mechanisms and resilience: Individuals respond differently to redundancy, with some developing coping mechanisms and resilience to navigate the challenges they face (Ladan, 2012).

These impacts highlight the complex and multifaceted nature of redundancy's effects on employees and underscore the importance of providing support and resources to help individuals cope with such significant changes in their professional and personal lives (Ladan, 2012).

## **2.6 Redundancy in SMEs in Manufacturing Industries in Nigeria**

In October 2003, the textile industry in Nigeria faced a significant threat as the price of black oil, a crucial resource in the industry, increased by 300 percent due to the government's fuel price deregulation policy. This development put around 50,000 textile jobs at risk. The General Secretary of the National Union of Textile Garment and Tailoring Workers (NUTGW) lamented that Kaduna, once renowned for its textile production, had witnessed the near collapse of its industries (Ladan 2012).

For instance, the Asaba textile mill, which employed 4,000 workers in 1992, experienced a drastic reduction in staff to 1,800 by 2002. Eventually, the workforce dwindled further to only 350 employees. Within seven years of Nigeria joining the World Trade Organization (WTO), the textile industry suffered significant job losses, with approximately 83,000 workers losing their jobs due to the closure of five textile companies, namely Rekha, Arcee, Texton, Doamond, and Swantex. The manufacturing sector as a whole also experienced a substantial loss of jobs, with 115,660 positions being eliminated by December 2001. Among the most affected subsectors were textile, apparel, and footwear (Ladan, 2012).

The Steel and Engineering Workers Union of Nigeria (SEWUN) has expressed concern over the significant job losses and factory closures within the auto and precision sectors of the industry. The union attributes these redundancies and closures to the harsh and declining economic conditions in the country. The economic challenges have resulted in a decrease in revenue generation, leading to difficulties in paying salaries and meeting financial obligations (Gloria Nwafor 2021).

SEWUN's National President, Elijah Adigun, emphasized that while the COVID-19 pandemic has contributed to some of the challenges, the failure of the government is primarily responsible for the redundancies and factory closures. Adigun criticized the inconsistency in government policies, which seemingly support local manufacturing while allowing massive importation of foreign goods and services, undermining the gains of the local industry (Gloria Nwafor 2021).

The adverse operating environment has forced companies in the sector to downsize their workforce or shut down their factories. Adigun called on the Federal Government to implement policies that promote job creation and encourage local production, harkening back to the thriving economic conditions of the 1980s and 1990s when each company in the sector employed over 5,000 workers. Currently, most companies in the sector have fewer than 50 employees, except for Peugeot

Automobile in Kaduna, which has around 150 workers. Adigun also urged the government to ensure that technical experts manage the revitalized non-performing privatized companies, rather than just focusing on reselling them (Gloria Nwafor 2021)

## **2.7 Redundancy Management**

Redundancy is a significant managerial and socio-economic problem that requires effective mitigation strategies (Drucker, 1980). Drucker emphasizes the importance of addressing labor shortages and redundancies to protect the future of developed economies, advocating for proactive redundancy planning, policy formulation, and strategic processes.

The redundancy policy should prioritize humane treatment and values-driven approaches to minimize negative impacts on employees (Studwick, 2002). It involves clear objectives, such as protecting the organization's economy, employees' interests, and the local community, while employing methods like surplus capacity identification, freezing recruitment, interdepartmental transfers, early retirement incentives, and fair selection methods (Mumford & Carew, 1988).

Redundancy planning requires anticipating redundancies, retraining and placing workers, and involving employees, unions, and management cooperatively (Drucker, 1980). Drucker emphasizes the commitment to lifetime employment and the ability to adapt to structural changes, along with provisions for retraining to navigate turbulent times effectively (Studwick, 2002).

The process aspect of managing redundancy entails transparent communication, fair selection criteria, redeployment and retraining opportunities, outplacement support, emotional and psychological assistance, legal compliance, and fostering a positive workplace culture (Dundon et al., 2004; CIPD, 2020; ACAS, 2021; Boswell et al., 2004; Cascio, 2016; Oparanma, 2010; ACAS,

2020). These strategic processes aim to support employees during redundancy while ensuring compliance with regulations and maintaining the organization's reputation.

By implementing these approaches, organizations can navigate the challenges of redundancy more effectively and demonstrate a commitment to the well-being of their employees (Drucker, 1980; Ajumawa, 2003). Redundancy, when managed thoughtfully and strategically, can be approached as an opportunity for positive change and growth within the organization (Drucker, 1980).

## **2.8. Overview of SMEs in Manufacturing Industries in Nigeria**

Small and Medium-sized Enterprises (SMEs) play a crucial role in the national economies by generating employment and serving as a foundation for future large companies (Wolf and Pelt, 2006; Monk, 2000). Globally, SMEs represent about 90 percent of enterprises and 60 percent of employment, highlighting their significance (Tambunan, 2006). Research has examined the impact of SMEs on poverty reduction, employment creation, and national income growth, emphasizing their contribution to economic development (Leegwater and Shaws, 2008). Understanding the needs of SMEs especially those in the manufacturing industries is essential for formulating effective support strategies that will help them (Norman, 2008).

The performance of small businesses is determined by their ability to create employment, generate wealth, and contribute to the national GDP (Sandberg, Vinberg & Pen, 2002). Given their importance to local economies, studying and evaluating the factors influencing SMEs' business performance is necessary to design supportive programs (Norman, 2008).

To compete in global markets and participate in globalization, SMEs need to develop capabilities and access technologies that enhance their competitiveness (Norman, 2008). Technology, such as

information and communications technology, can be a game-changer for SMEs in knowledge-based economies, enabling them to connect with global opportunities (Norman, 2008).

Export aspirations can drive SMEs to develop advanced technological capabilities, despite challenges related to high setup costs, infrastructure, and IT skills (Norman, 2008). Education also plays a role in SMEs' performance, although the relationship between education and growth in developing countries is complex (Easternly, 2002; Pristchett, 2001). SME owners in developing countries often have lower educational attainment due to limited employment options, in contrast to developed countries where higher education is more prevalent among self-employed individuals (Woodruff, 1999).

Within the context of this study, we know that SMEs are vital economic actors contributing to job creation and serving as the foundation for future growth. So an understanding of the factors influencing their performance, such as access to technology, education levels, and human resource management, and more importantly what redundancy can do to the SMEs either positively or negatively can inform support strategies and promote their success.

## **2.9 Theories and Frameworks**

In this section, we will look at theories that will aid our understanding of the impact of redundancy on SME employees. We will look at Human Capital theory and Structural Functionalism;

Human Capital Theory, as explained by Aliaga (2001), posits that education and training are valuable investments in human resources. It considers individuals as a form of capital that contributes to development (Becker, 1993; Benhabib and Spiegel, 1994; Engelbrecht, 2003; Hendricks, 2002). According to this theory, education and learning are purposeful expenditures that not only enhance the knowledge and skills of the workforce but also increase productivity at

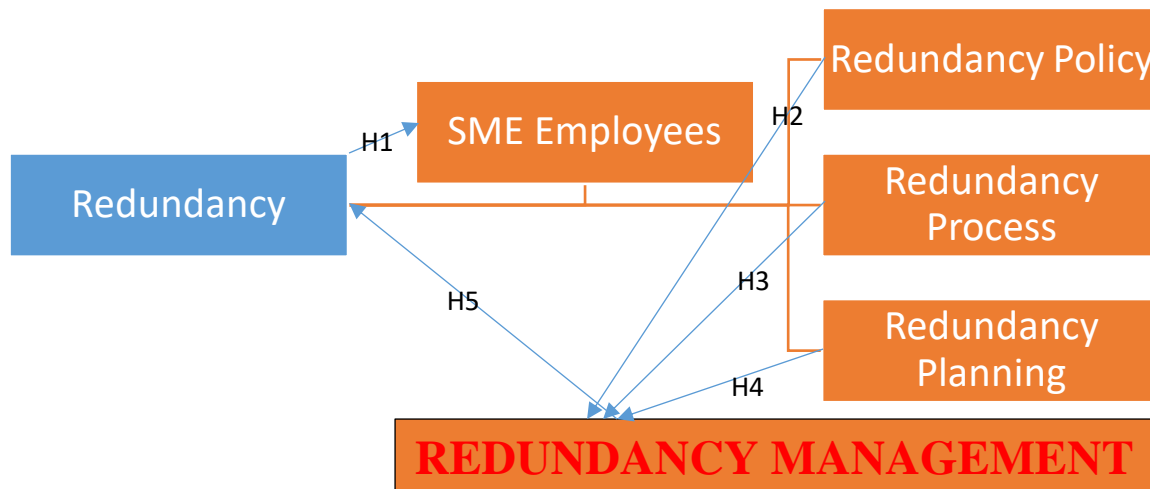
the individual and organizational levels. Furthermore, they play a crucial role in fostering global growth and development.

Human Capital Theory, earlier on received some backlash due to its orientation of classifying people as capital. In using this theory within this context, the theory suggests that redundancy can be explained in terms of the mismatch between the skills, capabilities of workers and the needs of the organization. When organizations undergo structural changes or technological advancements, certain job roles may become redundant due to a lack of required skills or a surplus of available talent.

**Structural Functionalism:** This sociological theory views redundancy as a natural consequence of the functional requirements of organizations. According to this perspective, organizations need to adapt to changing environments and streamline their operations, which may lead to the elimination of redundant positions or departments. The structural-functional approach can be understood through a sociological lens that perceives society as a complex system where various components work together to foster solidarity and maintain stability. According to this perspective, social structures, which are enduring patterns of social behavior, exert control over our lives (Macionis, J. J., & Plummer, K., 2012)

## **2.10 Conceptual Framework and Research Hypotheses**

The conceptual framework depicts the relationship between redundancy and SME employees. The underlying denominator is the strategies of redundancy management employed by the SME to mitigate the effect of redundancy on its employees. The strategies employed as shown in the diagram comprises of policies, processes and planning. The research hypotheses is derived as a construct from the relationships in the conceptual framework.



All the hypotheses are set to null.

H1: Redundancy does not affect SME employees.

H2: Redundancy cannot be managed through a redundancy policy.

H3: Redundancy cannot be managed through the redundancy processes.

H4: Redundancy cannot be managed through redundancy planning.

H5: Redundancy is not affected by any of the redundancy management approaches.

## 2.11 Chapter Summary

The literature review highlighted a detailed examination of redundancy, its causes, and effects, and approaches to managing it. It also highlighted redundancy in SMEs in manufacturing and an overview of SMEs in manufacturing. The next chapter will understudy methodologies used in the research study.



## **CHAPTER THREE: METHODOLOGY**

### **3.1 Chapter Overview**

This chapter presents the research methodology of the study, focusing on the evaluation of the impact of redundancy on employees of Small and Medium Enterprises (SMEs) in the manufacturing industry of Nigeria. It includes the nature of the research, research philosophy, research design, population of the study, sampling techniques and sample size, method of data collection, and techniques for data analysis.

### **3.2 Research Design**

According to Creswell (2013), research design encompasses plans and procedures that guide research decisions, ranging from broad assumptions to detailed methods of data collection and analysis. Additionally, Saunders et al. (2019) state that research design provides a framework for selecting specific data collection and analysis methods. The research design for this study follows Saunders' onion model, employing a cross-sectional design in terms of time horizon, a survey study strategy focusing on SMEs in the manufacturing industry of Nigeria, a quantitative methodological choice, and a deductive research approach. An online questionnaire was designed to collect data from the sample population (<https://forms.gle/NaAF2sqTJkdUdNcP8>). The questionnaire was structured into sections to gather demographic information, as well as data on redundancy and its impact on employees in the manufacturing industry of Nigeria. The online questionnaire will be sent to several SMEs in the manufacturing sector.

### **3.3 Research Approach**

The research methodology for this study adopts a quantitative research approach to examine the impact of redundancy on employees of SMEs in the manufacturing industry of Nigeria. This approach involves the collection and analysis of numerical data to identify patterns and

relationships between redundancy and its effects on employees (Smith, 2001). By employing quantitative research, the study aims to provide objective and measurable insights into the relationship between redundancy and employee outcomes (Johnson & Onwuegbuzie, 2004). The use of statistical data analysis enables the identification of significant associations and facilitates efficient analysis of the research findings (Creswell et al, 2018).

The research in this study is explanatory in nature, seeking to understand and explain the impact of redundancy on employees of SMEs in the manufacturing industry of Nigeria. It aims to establish causal relationships by employing a quantitative research methodology (Adams et al, 2007). Through the collection of empirical data, the study aims to provide evidence-based insights into the effects of redundancy on employee well-being and organizational outcomes (Jackson, 2012).

The study population will consist of employees working in Small and Medium Enterprises (SMEs) within the manufacturing industry of Nigeria. The research will target employees from different companies in different region of the country to ensure a widespread data distribution. Personnel from different departments and hierarchical levels participated to ensure a representative sample (Stewart and Shamdasani, 2014). By including both line staff and management personnel, the study achieves a diverse perspectives on the impact of redundancy.

### **3.4 Research Philosophy**

Saunders et al. (2019) describe philosophical assumptions as a system of beliefs or assumptions about the development of knowledge. Different types of philosophical assumptions are applicable to research design, including ontology, epistemology, axiology, and methodology. This study adopts an epistemological assumption, which relates to how knowledge can be recognized, developed, or acknowledged, considering alternative approaches to research. According to Eriksson & Kovalainen (2008), epistemology can be either objective, recognizing the outside world

as hypothetically impartial (positivist), or subjective, suggesting that the outside world is in the realm of clarifications from reflection (interpretivist). In this study, a positivist research philosophy is adopted, which emphasizes the collection of objective and measurable data to establish generalizable knowledge. By using quantitative methods, the study focuses on empirical evidence and statistical analysis to determine the impact of redundancy on employees.

### **3.5 Data Collection Method**

The data will be collected through online questionnaire sent to social media platforms of different SMEs in manufacturing industries. Part of the collection method is to know the minimum number of respondents that is necessary to give the study a certain confidence level. The determination of the sample size considers factors such as the desired level of confidence, expected effect size, and chosen statistical analysis techniques. To achieve adequate statistical power, a sample size calculation will be conducted. Cochran (1977) developed a formula for calculating a representative sample size for proportions:  $N_0 = Z^2pq / e^2$ , where  $N_0$  represents the sample size,  $Z$  denotes the value for the confidence interval,  $e$  signifies the margin of error,  $p$  represents the probability of success, and  $q$  equals  $1-p$ . In this study, a minimum confidence interval of 90% is chosen, corresponding to a margin of error of 10%. The probability of success is set to 0.5 ( $p = 0.5$ ) while  $q$  is also set to 0.5. The  $Z$  value for a 90% confidence interval is 1.645. Therefore, the calculated sample size ( $N_0$ ) is  $1.6452 * 0.5 * 0.5 / 0.01 = 68$ .

A purposive random sampling technique will be employed to select participants from the study population. This technique involves sending the online questionnaire to the MSEs and allowing random people to respond. Since the respondents are bona-fide employees of the SMEs, they will be able to contribute their knowledge to what they know about redundancy and how it has affected them or people they know. This purposive nature of the technique involves sending a message

accompanied by the questionnaire that prompts individuals who have relevant knowledge and experience regarding redundancy in SMEs within the manufacturing industry of Nigeria to respond to the questionnaire (Hancock, 2002). According to Patton (2015), it allows for participants with valuable insights into the impact of redundancy on employees to provide meaningful data for analysis (Patton, 2015).

### **3.6 Data Analysis Technique**

The online questionnaire was designed using a 5-point Likert scale, ranging from "Strongly Agree" to "Strongly Disagree" and weighted on a scale of 5 to 1. Statistical techniques like reliability test, correlation and regression test will be employed to analyze the data. The data analysis will involve the use of appropriate statistical software, such as SPSS, to perform the necessary calculations and derive meaningful insights. A descriptive statistics will be used to test for hypotheses (Tabachnick & Fidell, 2013). Test of reliability will be conducted using Cronbach's Alpha. Correlation and regression analyses will be employed to determine the relationships between redundancy and employee performance. Correlation analysis will assess the strength and direction of the linear relationship between redundancy and employee performance, while regression analysis will be used to model the relationship between redundancy and employee performance (Field, 2013).

### 3.7 Results/Findings

<b>QUANTITATIVE REPORTING RESULTS</b>			
<b>Demographics</b>		<b>Percent%</b>	<b>Frequency</b>
	<b>Gender</b>		
	Male	66.7	14
	Female	33.3	7
	<b>Age</b>		
	18 - 29	0	0
	30 - 39	52.4	11
	40 - 49	33.3	7
	50 - 59	4.9	1
	Above 60	9.5	2
	<b>Highest Academic Qualification</b>		
	Primary School	0	0
	Secondary School	0	0
	HND/BSc	38.1	8
	Post Graduate	61.9	13
	<b>Cadre</b>		
	Management	75	15
	Non Management	25	5
	<b>Experience in Years</b>		
	0 – 5yrs	4.8	1
	6 – 10yrs	23.8	5
	11 – 15yrs	57.1	12
	16 – 20yrs	4.8	1
	21yrs and above	9.5	2
	<b>Region</b>		
	North East		
	North West		
	North Central	9.5	2
	South East	19	4
	South South	19	4
	South West	52.4	11

<b>Redundancy</b>			
What was the reason for the redundancy you have witnessed or the one that affected your relative or co-worker.			
	Re-engineering		
	Repositioning	20	4
	Merger & Acquisition	20	4
	Economic Recession	40	8
	Company Financial Constraint	20	4
Recession and the economy causes redundancy.			
	Strongly Agree	38.1	8
	Agree	61.9	13
	Neutral	0	0
	Disagree	0	0
	Strongly Disagree	0	0
Redundancy causes strike and civil disobedience.			
	Strongly Agree	28.6	6
	Agree	33.3	7
	Neutral	23.8	5
	Disagree	14.3	3
	Strongly Disagree		
There is sufficient communication about redundancy to those that will be affected.			
	Strongly Agree	4.8	1
	Agree	64.3	36
	Neutral	12.5	7
	Disagree	1.8	1
	Strongly Disagree	0	0
Employees are prepared for post redundancy life			
	Strongly Agree	4.8	1
	Agree	19	4
	Neutral	14.3	3
	Disagree	52.4	11
	Strongly Disagree	9.5	2

My company gives severance packages to employees affected by redundancy.			
	Strongly Agree	14.3	3
	Agree	9.5	2
	Neutral	38.1	8
	Disagree	28.6	6
	Strongly Disagree	9.5	2
<b>Impact of Redundancy</b>			
Redundancy has financial impact on employees.			
	Strongly Agree	61.9	13
	Agree	33.3	7
	Neutral	0	0
	Disagree	4.8	1
	Strongly Disagree	0	0
Redundancy has psychological and mental effect on employees.			
	Strongly Agree	52.4	11
	Agree	38.1	8
	Neutral	4.8	1
	Disagree	4.8	1
	Strongly Disagree	0	0
Redundancy affected us even when we were not involved.			
	Strongly Agree	42.9	9
	Agree	42.9	9
	Neutral	9.5	2
	Disagree	0	0
	Strongly Disagree	4.8	1

Table 1 Quantitative Reporting Results

(Authors SPSS, 2023)

## Descriptives

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Gender	21	1	2	1.33	.483
Age	21	2	5	2.71	.956
HAQ	21	3	4	3.62	.498
CAdre	20	1	2	1.25	.444
Experience	21	1	5	2.90	.944
Region	21	3	6	5.14	1.062
Valid N (listwise)	20				

Table 2 Descriptives

(Authors SPSS, 2023)

## Reliability

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.900	.910	3

Table 3 Alpha Test: Impact of Redundancy

(Authors SPSS, 2023)

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.732	.733	5

Table 4 Alpha Test: Redundancy

(Authors SPSS, 2023)



### Correlations

		R2	R3	R4	R5	R6	IR1	IR2	IR3
R2	Pearson Correlation	1	.348	.416	.088	.363	.100	.143	.105
	Sig. (2-tailed)		.122	.061	.706	.106	.665	.535	.651
	N	21	21	21	21	21	21	21	21
R3	Pearson Correlation	.348	1	.371	.168	.403	-.027	-.073	.051
	Sig. (2-tailed)	.122		.098	.468	.070	.908	.753	.825
	N	21	21	21	21	21	21	21	21
R4	Pearson Correlation	.416	.371	1	.474*	.493*	.067	-.052	.102
	Sig. (2-tailed)	.061	.098		.030	.023	.774	.824	.660
	N	21	21	21	21	21	21	21	21
R5	Pearson Correlation	.088	.168	.474*	1	.416	-.352	-.436*	.054
	Sig. (2-tailed)	.706	.468	.030		.061	.118	.048	.817
	N	21	21	21	21	21	21	21	21
R6	Pearson Correlation	.363	.403	.493*	.416	1	-.038	.153	.223
	Sig. (2-tailed)	.106	.070	.023	.061		.872	.508	.332
	N	21	21	21	21	21	21	21	21
IR1	Pearson Correlation	.100	-.027	.067	-.352	-.038	1	.852**	.742**
	Sig. (2-tailed)	.665	.908	.774	.118	.872		.000	.000
	N	21	21	21	21	21	21	21	21
IR2	Pearson Correlation	.143	-.073	-.052	-.436*	.153	.852**	1	.721**
	Sig. (2-tailed)	.535	.753	.824	.048	.508	.000		.000
	N	21	21	21	21	21	21	21	21
IR3	Pearson Correlation	.105	.051	.102	.054	.223	.742**	.721**	1
	Sig. (2-tailed)	.651	.825	.660	.817	.332	.000	.000	
	N	21	21	21	21	21	21	21	21

\*. Correlation is significant at the 0.05 level (2-tailed).

\*\* . Correlation is significant at the 0.01 level (2-tailed).

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.920 <sup>a</sup>	.847	.764	.364	.847	10.248	7	13	.000	1.596

a. Predictors: (Constant), IR2, R4, R3, R2, R6, R5, IR3

b. Dependent Variable: IR1

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.514	7	1.359	10.248	.000 <sup>b</sup>
	Residual	1.724	13	.133		
	Total	11.238	20			

a. Dependent Variable: IR1

b. Predictors: (Constant), IR2, R4, R3, R2, R6, R5, IR3

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations		
		B	Std. Error	Beta			Zero-order	Partial	Part
	(Constant)	1.608	.859		1.872	.084			
	R2	-.041	.158	-.033	-.260	.799	.100	-.072	-.028
	R3	.051	.103	.065	.496	.628	-.027	.136	.054
	R4	.187	.108	.249	1.729	.107	.067	.432	.188
	R5	-.056	.155	-.070	-.358	.726	-.352	-.099	-.039
	R6	-.234	.113	-.316	-2.066	.059	-.038	-.497	-.224
	IR3	.235	.157	.307	1.494	.159	.742	.383	.162
	IR2	.520	.194	.670	2.680	.019	.852	.596	.291

a. Dependent Variable: IR1 (Authors SPSS, 2023)

*Table 5 Correlation And Regression Analysis*

## **CHAPTER FOUR: DISCUSSION & ANALYSIS OF RESULTS**

### **4.1. Chapter Overview**

This chapter seeks to discuss and analyze all the results derived from the data collected from the field. This discussion will be done in view of the research questions. The demographics will be discussed along with the various test conducted on SPSS; reliability, correlation and regression analysis.

### **4.2 Demographics**

In the demographics, we see that majority of the respondents were male. The data revealed 66.7% male and 33.3% female. With reference to the topic, the study infers that males are more affected by redundancy than women.

Almost all the age brackets was reflected in the survey which shows an even distribution of data collection. 52.4% are between 30-39 years bracket, 33.3% are between the 40-49 yrs range, 9.5% were above 60yrs while 4.8% are between the 50-59 years bracket. Redundancy surely affects all age brackets.

Curiously all the respondents were either graduates or post-graduates. This means that all the respondents were literate enough to understand the questions and the essence of the research study. 61.9% were postgraduates while 38.1% had HND or Bachelors degree.

In terms of cadre, the majority of the respondents are in the Management cadre with 75% belonging to Management and 25% belonging to the Non-management cadre.

The years of experience of respondents span 0-26 years. 57.1% have 11-15 years of experience, 23.8% have 6-10 years of experience, 9.5% have above 21 years of experience, while 0-5yrs

experience and 16-20 years of experience both have 4.8%. The even spread of the experience suggests that the respondents must have witnessed several redundancies across their career life.

All the regions in the country were represented among the respondents except for two regions that have insecurity issues that have affected manufacturing in the regions; the regions are North East and North West. In other regions we had, 9.5% from North Central, South East and South-South each had 19% while South West had 52.4%. This is a representation of the number of manufacturing companies in these regions. Almost all manufacturing companies are domiciled within the South West region.

The demographics shows that the reason for redundancy is many but economic recession scored 40%, merger & acquisition is 20%, repositioning was 20% while company financial constraint occupied 20%. This showed the major reason for redundancy in the manufacturing companies examined. So statistics show that 4 out of 10 redundancy

#### **4.3 Test of Reliability**

There were two tests of reliability using Cronbach Alpha test. The first test was a test of the question on redundancy and the result was 0.732 while the second test was the test of questions on the impact of redundancy and the result was 0.900. The summary descriptive report is shown in Chapter 3.7 The reliability of a measure is determined by experimenting with both consistency and stability. Cronbach's alpha is a reliable tool for measuring reliability and validity. The Cronbach's alpha  $\alpha$  must be higher than 0.7, and the optimum value for Cronbach's  $\alpha$  is near to 1.0 (Kline, 2013; George & Mallery, 2003; DeVellis, 2016). The scores show evidence that the questions passed the test for reliability and validity.

#### 4.4 Correlation Analysis

Correlations are relationships between two or more variables or sets of variables. Cohen and Cohen, (1983) stipulate the following values for magnitude (strength of relationship); Very low:  $r < 0.2$ ; Low:  $0.2 < r < 0.4$ ; Moderate:  $0.4 < r < 0.7$ ; High:  $0.7 < r < 0.9$ ; Very high:  $r > 0.9$ ;  $p < 0.1$ ;  $p < 0.05$ ;  $p < 0.01$ .

In the result, we see that R2 only has values less than  $r < 0.2$  for R5, IR1, IR2 and IR3. The implication is that R2 does not correlate with R5, IR1, IR2 and IR3. R2 is about the causes of redundancy (Recession and the economy causes redundancy). R5 is about the preparedness of employees towards redundancy. The lack of correlation suggests that the causes of redundancy is not related to the preparedness of the employee towards it. IR1, IR2 and IR3 are about the impact of redundancy. The lack of correlation also shows that the causes of redundancy is not related to the impact.

On the other hand, R3 is not correlated with R5 (0.168), IR1 (-0.27), IR2 (-0.73) and IR3 (0.051). R3 is about possible outcomes of redundancy (Redundancy causes strikes and civil disobedience). R5 is about the preparedness of employees for redundancy. The correlation table showing that they are not related means that the outcome of redundancy is not linked to employees' preparedness and the impact of redundancy.

R4 from the table is correlated to R2, R3, R5, and R6 but not correlated with IR1, IR2, and IR3. This is because R4 is about communication of redundancy to employees affected. The significance of the tables is that the communication is not related to the impact of redundancy. This is the same with R6 which talks about companies giving severance packages to employees affected by redundancy. The impact of redundancy is unrelated to these two aspects as shown in the correlation table.

IR1, IR2 and IR3 talks about the impact of redundancy. From the tables, we see that all of them are correlated each other with significant scores like 0.832, 0.721 and 0.742.

#### **4.5 Regression Analysis**

According to (Churchill 1995; Field 2005), relationship between two variables is distinct if  $t > 1.645$ ; beta has to be positive and close to 1, while  $p < 0.001$ . Regression result shows a negative value for beta and t, moreso  $p > 0.001$  when relationship between variables are not strong. Regression is a measure of how a variable impacts another variable. For distinct relationships between variables, then one can cause an effect on the other (Cohen et al, 2002).

From the table we can see that for IR1 as dependent variable, only three other variables had positive t values.  $R4 = 1.729$ ,  $IR2 = 2.680$ ,  $IR3 = 1.494$  and  $R3 = 0.496$ . According to (Churchill 1995; Field 2005; Cohen et al 2002), IR1, IR2, IR3, and R4 can affect each other. R4 relates to the extent of communication made available to employees of redundancy. We can also see a subtle effect of R3 (which is the outcome of civil disobedience and strikes resulting from redundancy) on the impact of redundancy.

Additionally, the values of beta for the above-mentioned variables are positive in varying magnitudes;  $R3 = 0.065$ ,  $R4 = 0.249$ ,  $IR3 = 0.307$ , and  $IR2 = 0.670$ . As shown in the tables R3 and IR1 have the least impact on each other. The regression results of R4 and IR1 are an indication that prior and effective communication can mitigate the financial impact of redundancy on employees. Then the results of IR1, IR2, and IR3 show that the financial implications of redundancy can have a heavy impact on the mental and psychological well-being of employees.

## **4.6 Test of Hypothesis**

### **H1: Redundancy does not affect SME employees.**

A combination of inferential analysis on our quantitative statistics with the correlation and regression analysis table will be used to prove our hypotheses. With reference to IR1 (Redundancy has financial impact on employees). 61.9% strongly agrees that redundancy has financial impact on employees while 33.3% agree. So 95.2% of the respondents agree that redundancy has financial effect on employees. Likewise IR2 (Redundancy has psychological and mental effect on employees) shows that 52.4% strongly agree that redundancy has psychological and mental effect on employees while 38.1% agree to it making a total of 90.5%. Moreso, IR1, IR2 and IR3 were correlated with each other judging from the correlation table. They were also significantly related judging the regression analysis. So based on above we can reject the Hypothesis 1 and affirm that Redundancy affects SME employees.

### **H2: Redundancy cannot be managed through a redundancy policy.**

Part of the literature mentioned redundancy policy as having a severance package for affected employees of redundancy. R6 (My company gives severance package to employees affected by redundancy) from quantitative statistics shows that 38.1% disagreed that their company pays any severance package to redundancy employees. 23.8% agreed that their firm pays severance package while 38.1% were neutral. The regression and correlation tables did not show any relationship between the variable associated with redundancy policy (R6) and its effect on employees. R5 also indicates that most employees were not prepared for redundancy. No policy prepares them for that, evident from quantitative statistics that 61.9% disagreed on employees being prepared for redundancy. 14.3% were neutral or undecided. Judging from the research data, we cannot accept or reject the hypothesis because even though there was no clear link between redundancy policy

and managing redundancy. It could be the absence of redundancy policy or ineffectiveness of existing ones.

**H3: Redundancy cannot be managed through the redundancy processes.**

Part of the redundancy processes as highlighted in the literature review was communication. The company as part of its processes would communicate to employees that would be affected by redundancy of their plight. 33.4% agreed that there was sufficient communication about redundancy, 33.3% were neutral. Curiously R4 was not correlated with the impacts of redundancy (IR1, IR2 and IR3), so even when there was no relationship. One has an effect on the other as evidenced by the regression table. Judging from the data we cannot accept or reject the hypothesis as it was not clear if companies were managing redundancy through their internal processes.

**H4: Redundancy cannot be managed through redundancy planning.**

Redundancy planning is part of policy and processes. Since the other two were neither rejected nor accepted. This hypotheses will also not be accepted nor rejected. R3, R4, R5 and R6 gives sufficient evidence to that effect. Lack of redundancy planning will make redundancy cause civil disobedience or strike. R3 shows that 61.9% agreed that redundancy can cause strike or civil disobedience, 23.8% were neutral. Then 33.4% disagreed that there was sufficient communication about redundancy with 33.3% being neutral. Also 61.9% are of the opinion that employees are not prepared for post redundancy life.

**H5: Redundancy is not affected by any of the redundancy management approaches.**

Regression analysis table shows that communication and civil disobedience has effect on redundancy impact. Redundancy is obviously affected by the approaches but not in an effective manner judging from statistics. On the issue of redundancy causing civil disobedience and strike,



42.9% disagreed while 23.8% were neutral. On the issue of communication of redundancy, 33.4% agreed while 33.3% were neutral. On the issue of being prepared for post redundancy life, 23.8% agreed while 14.3% were neutral. Lastly on the issue of severance package, 23.8% agreed while 38.1% were neutral. These data shows that some companies has some approaches that mitigate redundancy either through policy, process or planning but its not widespread given the sample population. So we can reject the hypothesis. Redundancy is affected by redundancy management approaches. Recall that R4, communication effects the impact of redundancy as stated in the regression table.

#### **4.7 Research Questions**

**What are the different types and reasons for redundancy in SMEs in the manufacturing industries in Nigeria?**

According to quantitative statistics, the most prevalent reason for redundancy is economic recession. This represents 40% of the several reasons for redundancy. Another dominant reason for redundancy is company financial constraint which is represented by 20% followed by merger & acquisition which also has 20%. Repositioning was the last reason for redundancy as represented by 20%.

**How does redundancy impact the well-being of employees in SMEs in the manufacturing industries in Nigeria?**

From the quantitative statistics, 95.2% agreed that redundancy has financial impact on employees affected. 90.5% also agreed that redundancy has psychological and mental effect on affected employees. Lastly, 85.8% agreed that they were affected as third party by redundancy even though they were not the ones involved.

What are the challenges faced by SMEs in managing redundancy in the manufacturing industries in Nigeria and what are the best practices and strategies for managing redundancy effectively in these SMEs?

Responses from respondents suggest that insufficient communication, absence of severance package to prepare employees for post redundancy life. Absence of effective communication can cause strike and civil disobedience. 61,9% agreed that redundancy if not handled well can cause civil disobedience or strike while 23.8% was neutral. 33.4% agreed that there wasn't sufficient communication on redundancy with 33.3% being neutral. 61.9% were of the opinion that employees were not prepared for post redundancy life with 14.3% neutral. 38.1% said there was no severance package for redundancy while 38.1% were neutral.

## **CHAPTER FIVE: CONCLUSIONS & RECOMMENDATIONS**

### **5.1 Chapter Overview**

This section contains the summary of all the arguments, data analysis, observations and inferences. Recommendations will also be proffered.

### **5.2 Conclusions**

The study successfully examined the different types and reasons for redundancy in SMEs within the manufacturing industries in Nigeria. The research revealed that the most prevalent reasons for redundancy were economic recession, company financial constraints, merger & acquisition, and repositioning. These factors contribute significantly to the occurrence of redundancy in manufacturing companies. The identification of these reasons provides valuable insights for understanding the dynamics of redundancy in the SME sector.

The study highlighted that redundancy has both financial and psychological effects on the affected employees. The majority of respondents reported experiencing financial hardships and emotional stress due to redundancy. This indicates that the consequences of redundancy extend beyond the immediate job loss and affect the employees' mental and emotional health.

The study identified several challenges faced by SMEs in managing redundancy, these challenges include insufficient communication, absence of severance packages for affected employees, and inadequate preparation of employees for post-redundancy life. Additionally, the research observed the potential for civil disobedience and strikes arising from poorly managed redundancy processes.

### **5.3 Recommendations**

a. Establish Comprehensive Redundancy Policies: SMEs should develop well-structured redundancy policies that address the various aspects of redundancy, including communication

strategies, severance packages, retraining, and support services. Clear guidelines and procedures within these policies will help in managing redundancy in a more empathetic and efficient manner.

b. **Prioritize Employee Well-being:** During the redundancy process, SMEs should prioritize the well-being of their employees. This includes providing access to counseling services, career transition support, and facilitating networking opportunities to assist redundant employees in finding new job opportunities.

c. **Promote Transparent Communication:** Effective and transparent communication is essential in redundancy management. SMEs should engage in open dialogue with affected employees, providing clear explanations for redundancy decisions and offering support throughout the process.

d. **Offer Redundancy Preparedness Training:** SMEs should invest in programs that prepare employees for the possibility of redundancy. These training sessions will focus on financial planning, coping mechanisms, and skill development to increase employees' resilience and employability in the job market.

e. **Foster Positive Work Culture:** A positive and supportive work culture can significantly impact how employees perceive redundancy. SMEs should foster a culture that values and appreciates employees, which can help mitigate the negative effects of redundancy on morale and motivation.

f. **Continuously Evaluate and Improve Redundancy Management:** SMEs should regularly assess the effectiveness of their redundancy management strategies. Continuous evaluations will enable them to identify areas of improvement and implement necessary adjustments to better support affected employees.

By adopting the recommended strategies, SMEs in the manufacturing industries in Nigeria can better understand and manage redundancy, leading to a minimized negative impact on employees. Creating a supportive and proactive approach to redundancy will enhance employees' well-being and contribute to building a more resilient workforce in the face of economic challenges. Additionally, these measures will help SMEs navigate the challenges of redundancy effectively, fostering a more supportive and resilient work environment for their employees and safeguarding their overall well-being and future career prospects.

#### **5.4 Scope for Future Studies**

**Long-Term Impact of Redundancy:** Conduct a longitudinal study to examine the long-term effects of redundancy on employees' career trajectories, mental health, and overall well-being. This study could follow up with the same group of employees over several years to understand how redundancy experiences influence their lives beyond the immediate aftermath of job loss.

**Government Policies and Redundancy:** Analyze the role of government policies and regulations in managing redundancy in the manufacturing industries in Nigeria. This study could explore how supportive or restrictive policies impact SMEs' decisions related to workforce downsizing and employee support.

**The Role of Trade Unions:** Examine the role of trade unions in negotiating redundancy terms and supporting affected employees, hence investigate the collaboration between trade unions and SMEs during redundancy processes.

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## **Appendix**

### **Appendix 1: QUESTIONNAIRE**

Dear Respondent,

I am a student of the Business School for the Creative Industries. As part of the requirements for Ma/Msc Human Resource Management For The Creative Industries, I am conducting a research study on the topic “**Evaluate the Impact of Redundancy on SME Employees in Manufacturing Industries in Nigeria**”. Consequently, you have been selected as part of the respondents; I therefore humbly solicit your co-operation in providing answers to the questions asked. Your view on the questions asked will be highly appreciated, as this will help in the validity and reliability of the outcome of the research. Please be assured that responses will only be used for academic purpose, and as such will be treated with strict confidence.

Yours faithfully,

**AGBOKE OLAWUNMI BOLATITO**

**2214087**

# **QUESTIONNAIRE**

## **SECTION A: DEMOGRAPHICS**

### **1. Gender**

- a. Male
- b. Female

### **2. Age**

- a. 18 - 29
- b. 30 – 39
- c. 40 – 49
- d. 50 – 59
- e. 60 above

### **3. Highest Academic Qualifications**

- a. Primary School
- b. Secondary School
- c. HND/BSc
- d. Post Graduate

### **4. Cadre**

- a. Non-Management
- b. Management

### **5. Experience**

- a. 0 – 5yrs
- b. 6 – 10yrs
- c. 11 – 15yrs
- d. 16 – 20yrs
- e. 21 – Above

### **6. Region**

- a. North East
- b. North West
- c. North Central
- d. South East
- e. South South
- f. South West

(Note: Questions in the preceding section have option A to E ranging from Strongly Agree, Agree, Not sure, Disagree, and Strongly Disagree)

## SECTION B1: REDUNDANCY MANAGEMENT

7. What was the reason for the redundancy you have witnessed or the one that affected your relative or co-worker (Re-engineering, repositioning, merger & acquisition, financial constraints)

8. Recession and the economy causes redundancy.

9. Redundancy causes strike and civil disobedience.

10. There is sufficient communication about redundancy to those that will be affected.

11. Employees are prepared for post redundancy life.

12. My company gives severance package to employees affected by redundancy

## SECTION C: IMPACT OF REDUNDANCY

13. Redundancy has financial impact on employees.

14. Redundancy has psychological and mental effect on employees.

15. Redundancy affected us even when we were not involved.

## **Appendix 1: Research Proposal**

**RESEARCH PROPOSAL  
EVALUATE THE IMPACT OF REDUNDANCY  
ON  
EMPLOYEES OF SMALL AND MEDIUM ENTERPRISES (SMEs)  
IN  
THE MANUFACTURING INDUSTRY OF NIGERIA**

**AGBOKE OLAWUNMI BOLATITO  
2214087**

**MA/MSc HUMAN RESOURCE MANAGEMENT FOR THE CREATIVE INDUSTRIES**

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**1. Title:**

Evaluate the Impact of Redundancy on SME Employees in Manufacturing Industries in Nigeria

**2. Research Aim:**

The aim of this research project is to evaluate the impact of redundancy on employees of Small and Medium Enterprises (SMEs) in the manufacturing industries in Nigeria.

**2.1 Research Objectives:**

1. To examine the different types and reasons for redundancy in SMEs in the manufacturing industries in Nigeria.
2. To investigate the impact of redundancy on the overall well-being of employees of SMEs in the manufacturing industries of Nigeria.
3. To identify the challenges faced by SMEs in managing redundancy in the manufacturing industries in Nigeria and recommend best practices and strategies for managing redundancy effectively in these SMEs.

**2.2 Research Questions:**

1. What are the different types and reasons for redundancy in SMEs in the manufacturing industries in Nigeria?
2. How does redundancy impact the well-being of employees in SMEs in the manufacturing industries in Nigeria?
3. What are the challenges faced by SMEs in managing redundancy in the manufacturing industries in Nigeria and what are the best practices and strategies for managing redundancy effectively in these SMEs?

### **3. Background**

SMEs are a major driver of economic activities in developing and developed countries. In the US, SMEs form over 50% of the private non-agricultural GDP and generate 75% employment. In Europe, SMEs constitute 95% of registered businesses and employ 76 million people. SMEs are recognized as the backbone of the economy and play a critical role in creating jobs, improving human resources, developing a philosophy of entrepreneurship, supporting large scale industries, and setting-up new business opportunities (Etale & Light 2021).

Staff of SMEs are most times laid off. Redundancy occurs when a person or group of employees loses their jobs as a result of the closing of a business or a reduction in the workforce. It might be caused by a lack of accessible work or by financial constraints, and it can lead to increased absenteeism and turnover. Downsizing is the deliberate process of reducing human resources (Anekwe et al 2019). Organizations in Nigeria are increasingly adopting redundancy as a strategy of downsizing due to the economic depression. This is due to issues such as growth, economic depression, strategic options, technology, market trends, and government policy inconsistencies (Miebaka & Karibo 2018).

According to Bain study, roughly half of UK firms have made layoffs, which has a negative influence on share price performance. A year-long study of 500 companies indicated that organizations with few or no layoffs had a 9% increase in share price over three years, whereas firms with 10%+ layoffs saw a 38% drop in share price. According to a 3,000-person survey conducted by the Chartered Institute of Personnel and Development (CIPD), seven in ten (70%) employees report that redundancies have harmed their morale, with more than a fifth (22%) of employees so dissatisfied that they intend to change jobs as soon as the labor market improves.

The findings show that redundancy circumstances influence not just individuals who are made redundant, but also survivors, which is likely to have an impact on organizational performance (CIPD 2008). Some businesses are tempted to make workers redundant because they believe it is the simplest way to cut expenses, however there are a variety of direct and indirect costs involved with redundancy that can have an impact on organizational performance. (Nyasa 2016).

Furthermore, the negative effects of redundancy on employees go beyond the workplace, affecting mental health, personal finances, and social relationships. As Isa A.A et al (2016) point out, redundancy raises the risk of depression, anxiety, and other psychological issues, especially in the lack of effective support from the employer or the government. Redundancy causes income loss and restricted access to critical benefits such as healthcare and pension, which adds to the mental and social difficulties of impacted employees.

Overall, redundancy presents substantial issues to SME employees in Nigeria's manufacturing industry, harming their well-being, productivity, and lives. Addressing these problems necessitates a holistic approach that considers the problem's legal, social, and economic components, as outlined in the proposed study project. Despite the significant impact of redundancy on employees of SMEs in Nigeria's manufacturing industries, there has been little research on the subject.

As a result, the purpose of this study is to assess the impact of redundancy on employees of SMEs in Nigeria's manufacturing industries, with an emphasis on the psychological, social, and financial well-being of employees. The study will also look into how redundancy affects employee motivation, productivity, and overall job satisfaction. The findings of this study will add to the existing literature on redundancy and provide insight into the issues that SMEs experience in handling redundancy in Nigeria's industrial sector.

#### **4. Literature Review:**

##### **4.1 Definition of Redundancy:**

The term "redundancy" refers to the "involuntary job loss resulting from a layoff, downsizing, etc." (Brand et al 2008: 701–702). Despite the fact that most often a financial compensation package is offered, it is commonly seen as a bad life experience that is linked to a later fall in people's finances. According to research (Brand and Bugard, 2008; Vickers, 2009), redundancy also causes emotional and social repercussions relating to the loss of professional contacts, a change in interactions with family members, and an effect on how people view themselves. In some literary works, redundancy and downsizing can be used interchangeably. Redundancy will also be referred to as downsizing in this study.

According to Oguniyi (1991), section 19 of the 1974 Labour Acts governs redundancy in Nigeria. Redundancy, according to the Act, is "the involuntary and permanent loss of employment resulting from an excess of manpower." "Redundancy" is largely a byproduct of hard times when economic activity is low as a result of low demand and investment, as seen by poor returns and a rise in business bankruptcies. Redundancy is a phenomenon that neither the company nor the personnel intended or instigated. Regardless of how redundancy in organizations is seen, the forms and nature of redundancy can be determined based on their causes. Ajunawa (2003) lists four reasons for labor redundancy, including reengineering, repositioning, mergers, and acquisitions—all of which are survival tactics in tough circumstances.

##### **4.2 Causes of Redundancy**

Reengineering: Reengineering is defined as "radically rethinking and redesigning those processes by which an organization creates value (for the customer) and does their work" (Stoner et al 2002). The main reason is to improve strategic speed (which lowers errors and time waste), service

quality, and overhead. Reducing headcount in accounting reduces labor expenses and is viewed as an efficient approach to minimize overhead by the majority of accountants. (Stoner et al, 2002).

Repositioning: In this fierce global market, it is always imperative that companies reposition in order to stay competitive, avoid threats, or take advantage of new opportunities. When this happens it might become necessary to minimize organizational activities and this comes with job cuts.

Merger and Acquisition: According to Utomi (2000), it is a process by which corporate entities unsatisfied about the level of their internally generated growth, seek to synergize the resources of independent corporate entities, anticipating that the union of their assets and other capabilities that will be opened up by the union will expedite the birth of new or enhanced value to customers. Consequent to this fusion is that some employees might be laid off.

Studwick (2002) proposes in a similar study that "redundancies may arise due to a variety of causes." The first is when an organization or a portion of it is sold, merged, or taken over, which is similar to the previous submission by Ajumawa (2003). Mostly in mergers or takeovers, the new owner seeks to exploit new opportunities in the bid to generate more profit through cost saving. The closure of some operations as a result of duplication or poor performance can also happen with the restructuring of central services, just to consolidate their mark on the new organization. According to Studwick (2002), redundancy can occur if an organization's business is going through a financial and structural decline.

Economic recession no matter how short-lived has the capacity to reduce demand of the product or services of an organization. In order to remedy such a situation, it might result to job cuts (Studwick 2002). Ajumawa (2003) backs up this claim with the statement "a period of economic

recession provides a platform for redundant labor." Downsizing or redundancy is typically utilized as a temporary solution that, if continued, will end in the liquidation of a plant or corporation.

Fourth is advancement in technology: Dynamism and advancement in technology mostly result in the automation of processes which can reduce the number of employees by a quarter or more. Even when you computerize administrative or data processing, it reduces the number of workers who use to do it manually. Changes in technology can necessitate a redundant skill force who discovers their skills are now obsolete (Ladan 2006).

The last cause of redundancy by Studwick (2002) is when a company is thriving to achieve efficiency through re-engineering or benchmarking; the resultant effect of this is the revelation of benefits to the organization through manpower reduction. These causes tend to align with Ajunawa's (2003) four reasons.

#### **4.3 Effects and Implications of Redundancy**

Redundancy always has a defective impact on the operations of a business organization; Cameron (1994) suggested that where redundancies occur, the problem arising should be tackled headlong by management and employees alike. Brockner (1990) while studying the effects of layoffs on the individual, used several frameworks and contexts to highlight and simulate survivor reactions, based on the equity theory.

#### **4.4 Trends and Threat of Redundancy in Nigerian Industries**

The Nigerian government as part of its policies to mitigate factors affecting the economy and revamp the ailing Nigeria economy put measures in place; deregulation of fuel prices, privatization of government enterprises, liberation, tax reform, monetization, fiscal/budgetary reform, due process, trade reform, so on. More specifically, the hard business climate caused by numerous

variables such as technology advancements, financial crises, and so on has forced many organizations to develop a variety of strategies to address the problems of the competitive environment.

Our national dailies have been riddled with stories of under-capacity utilization, mergers, and acquisitions, takeovers, downsizing of the workforce, and closure of factories which lead to job losses. The banking industry was not spared with many of them laying off their workers. Statistics show that the then Standard Trust Bank plc reduced its workforce to 700 from 1230 while First Bank Plc reduced its staff strength from 7,765 in 2005 to 6,395 in a bid to meet the 25 billion naira capital base as a result of consolidation (Adeniji 2004). The Nigerian banking industry has undergone significant changes in terms of the number of institutions, ownership structure, and depth and breadth of activities since the 2005 consolidation. The majority of the changes were influenced by the challenges posed by financial sector deregulation, globalization of operations, technological innovation, and the implementation of supervisory and prudential rules that met worldwide standards. These changes have resulted in a workforce reduction, and the surviving workers face new obstacles.

#### **4.5 Redundancy Management**

To manage redundancy, we need to see it as a managerial as well as a socio-economic problem. As a management problem Drucker, (1986) contends that unless the gap between the shortage of labor and redundancies is bridged, it will portend serious danger for developed countries. Drucker insists that redundancy should be seen as an opportunity that will motivate existing businesses that possess knowledge and capital to act, if not then developed countries will suffer an ever-worsening problem that threatens the future of any developed economy. According to Richard, human resource Director of Hoechst Ronsel, people should be treated with respect and as humanely as

possible. Employees will most likely not forget how they were handled when they were made redundant, and neither will their friends and colleagues who remained behind (Studwick, 2002).

These statements highlight a critical way of handling redundancies and all forms of unemployment. It behooves on Government and management of companies in developing countries not to court danger by trivializing redundancy and unemployment. It calls for a rethink and proper brainstorming of the way employers handle redundant workers. Thus managing redundancy should be an integral part of a Human Resource Manager's job which requires "tact, honesty diplomacy, and sensitivity". When redundancy is not properly managed, it breaches the trust of the workforce thereby creating long-term problems in productivity and commitment" (Studwick, 2002). The famous management guru, Drucker, maintains that redundancy should be managed by managers in institutions instead of leaving it to governments and politicians. There can be three approaches to the management of redundancy, namely; Redundancy planning, Redundancy policy and Redundancy process.

#### **4.6 Approaches to Redundancy Management**

Redundancy planning, policy, and process are essential components of efficient redundancy management in Nigeria's small and medium-sized organizations (SMEs). Redundancy planning, according to Ladan Sahnun (2012), entails a methodical strategy to recognizing the need for redundancies, estimating the impact on impacted personnel, and implementing methods to reduce the negative outcomes. In contrast, redundancy policy refers to the collection of norms and procedures that govern the redundancy process, such as selection criteria, consultation with impacted employees, and severance payments.

However, in practice, SMEs in Nigeria frequently lack clear redundancy policies and procedures, resulting in unfair treatment and legal disputes. As Ladan (2012) points out, the absence of a



redundancy strategy exposes firms to legal and reputational issues, particularly when discriminatory or arbitrary selection occurs. Furthermore, failure to consult and communicate with affected employees can exacerbate the impact of redundancy, resulting in low morale and poor organizational performance.

To overcome these issues, Nigerian SMEs must implement a complete redundancy procedure that promotes fairness, transparency, and employee participation. This necessitates the use of both legal frameworks, such as the Nigerian Labour Act, and best practices in redundancy management, such as employee consultation and the provision of suitable support services. A better understanding of the challenges and opportunities of redundancy planning, policy, and process in SMEs, as highlighted in the proposed research project, can inform the development of effective interventions that support the wellbeing of affected employees and the organization's sustainability.

#### **5. Research Methodology:**

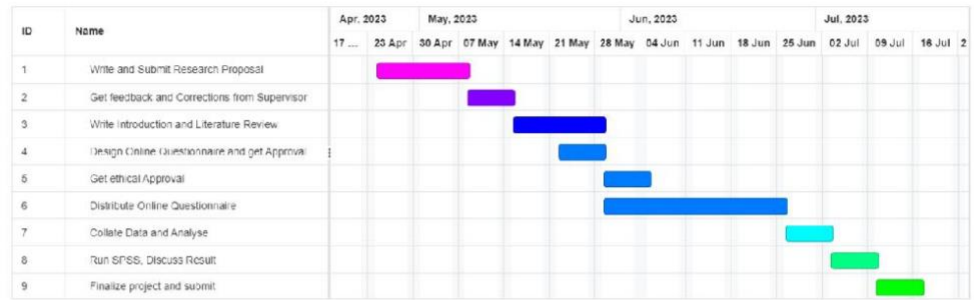
To collect data, the study will use quantitative tools and online questionnaires. The sample population will be Nigerian manufacturing industries, and the sample space will be a random sample of employees and business owners from Nigerian manufacturing industries. The questionnaire will be designed using a 5-point Likert scale ranging from Strongly Agree to Strongly Disagree. To test for reliability (Cronbach), SPSS software will be utilized, and correlation and regression analysis will be conducted to examine the link between variables.

#### **6. Limitations and Timeline**

The limitations of the research includes geographical limitations which restricts the study to Nigeria. Part of the limitations is the focus on manufacturing industries. Another vital limitation is the research objectives which forms the scope of the research. The limitations include the

methodology used which includes the use of online questionnaire, SPSS, correlation and regression analysis.

**Fig 1. Gant Chart (Timelines)**



**7. Research Ethics**

In quantitative research, research ethics are crucial to ensure that studies are conducted in a safe, respectful, and responsible manner. Some of the most essential ethical considerations for quantitative research are informed consent, confidentiality and privacy, participant protection from harm, and ethical data use. Informed permission, confidentiality and privacy, participant protection from injury, and ethical data exploitation should all be covered by ethics.

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## 9.0 Appendix

### 9.1 Appendix 1: Research Risk Assessment



#### Research Risk Assessment

To be completed and attached to Appendices in your work.

STUDENT NAME:	Olawunmi Bolatito Agboke
STUDENT COURSE: Masters Project EBSC 7540	
VISIT DETAILS / PLACES TO BE VISITED – Not Applicable	
PURPOSE OF VISIT	
Visit Date:	
Return Date:	
Duration:	
<b>Emergency contact name and telephone number:</b>	
Name: Not Applicable	
Tel:	
<b>Director of Studies</b>	
<b>Emergency contact telephone number while the student is on fieldwork</b>	
Name: Not Applicable	
Tel:	

<b>Head of School</b> <b>Emergency contact telephone number while the student is on fieldwork</b>					
Name:					
Tel:					
<b>KNOWN (&amp; RELEVANT) STUDENT MEDICAL CONDITIONS / DISABILITY ISSUES</b> (e.g. Diabetes) Not Applicable					
<b>ANY SPECIAL ARRANGEMENTS NECESSARY TO DEAL WITH THESE ISSUES</b> Not Applicable					
Identify the Hazards (Low 1 / Medium 2 / High 3 x Low 1 / Medium 2 / High 3)					
Hazard	Y/N	Severity (1, 2 or 3)	Likelihood (1, 2 or 3)	Overall Risk	Control Measures to reduce risk
2.1 Slips, trips and falls	N				
2.2 Lone working	N				
2.3 Detachment of/from group	N				
2.4 Incidents requiring first aid	N				
2.5 Personal attack	Y				
2.6 Theft	Y				
2.7 Impact of disability/medical/ill health conditions	N				
2.8 Incident arising from transportation	Y				
2.9 Unsuitable accommodation	N				
2.10 Driving	N				
2.11 Workshop/machinery/processes	Y				
2.12 Exposure to hazardous substances	N				
2.13 Access and egress arrangements	N				

2.14 Political unrest	N				
2.15 Disease or infection	N				
2.16 Terrorist attack	Y				

**Off-site Activities/Visit – Personal Declaration Form**

**Confidential Questionnaire for use by students and staff participating in off-site activities**

Course of Study	MA/MSc Human Resource Management	
Year of Study	2022/2023	
Name and address of next of kin	Adewale Agboke /Flt 5 Redgrave court star lane Ash Aldershot Gu126pa	
Contact number(s) of next of kin	07776717388	
Name, Address and telephone number of next of your doctor	Not Applicable	
Do you have any of the following conditions		
Asthma or bronchitis	NO	
Heart condition	NO	
Fits, faints or blackouts	NO	
Severe headaches	NO	
Diabetes	NO	
Allergies to any known drugs	NO	
Any other Allergies e.g. Food	NO	
Other illness of disability	NO	
Travel Sickness	NO	
If you have answered <b>yes</b> to any of these questions, please give details here		
Have you received the full vaccination against Tetanus in the last ten years? (Vaccination is recommended: for further info: <a href="http://www.patient.co.uk/showdoc/23068839/">http://www.patient.co.uk/showdoc/23068839/</a> )	YES	
Are you currently receiving medical treatment of any kind from your doctor or hospital?	NO	
If the answer to either of the last two questions is YES, please give details here. I received anti tetanus injection during pregnancy of my kids		
Do you have a special need that may affect your ability to undertake this visit or which may necessitate special support arrangements to help you to undertake it?	NO	
If yes please give details here and we will contact you.		
Are you currently supported by a Facilitator/Learning Support Assistant?	NO	

If yes, would you require a Facilitator/Learning Support Assistant to attend the study visit?			NO
Signed	Olawunmi Bolatito Agboke	Date	08/05/2023

#### Student Travel Checklist

		Check	Comment
Access	Travel arrangements to, from at location arranged	YES/NO	NOT APPLICABLE
	Accommodation for whole of itinerary organised	YES/NO	NA
	Additional insurance, if necessary, arranged.	YES/NO	NA
Pre-planning	Travel document ordered/received	YES/NO	NA
	Local conditions evaluated	YES/NO	NA
	Risk assessment made	YES/NO	NA
	Health questions completed and action taken	YES/NO	NA
	Next of kin and GP recorded	YES/NO	NA
	Medical problems noted	YES/NO	NA
	Vaccination (tetanus, plus any other suggested for the area to be visited)	YES/NO	NA
	Draft Itinerary available	YES/NO	NA
Health	First-aid kit(s) organised	YES/NO	NA
	Medication to cover the fieldwork period organised (if applicable)	YES/NO	NA
Welfare	Drinkable water or water purification tablets available	YES/NO	NA

	Access to food (dietary requirement – if applicable)	YES/NO	NA
Personal	Risk of attack assessed and provided for (if necessary)	YES/NO	NA
	Method of routine communication established	YES/NO	NA
	System for communication in an emergency in place	YES/NO	NA
	Accident and emergency plans in place	YES/NO	NA
Physical hazards	Normal weather for the area e.g. hot and sunny (sun protection factor) recognised.	YES/NO	NA
Biological hazards	Venomous, lively or aggressive animals considered	YES/NO	NA
	Plan risk assessed	YES/NO	NA
Final check	All travel documents ready	YES/NO	NA
	Insurance cover checked	YES/NO	NA
	Insurance card obtained	YES/NO	NA
	Itinerary checked and up-to-date	YES/NO	NA
	Copy of itinerary included in your travel documents	YES/NO	NA
	Copy lodged with supervisor and Research Office	YES/NO	NA
	Emergency contact arrangements valid and operational	YES/NO	NA



## 9.2 Appendix 2: UCA Research Ethics

The University for the Creative Arts is committed to supporting good practice in research and scholarly activity. Conducting research in accordance with ethical principles is considered to be of fundamental importance. The following Tier 1 Checklist must be completed for all research projects and approved at supervisor/school level.

*Please use the UCA Research Ethics Code of Practice as guidance in completing this checklist.*

<b>Name of researcher</b>	<b>AGBOKE OLAWUNMI BOLATITO</b>
<b>Title of proposed project:</b>	Evaluate the Impact of Redundancy on SME Employees in Manufacturing Industries in Nigeria
<b>Status</b> (are you a member of staff, a Ph.D student or a student at another level)	<b>No</b>
<b>Email</b>	<b>2214087@students.ucreative.ac.uk</b>
<b>Line Manager/Supervisor/Tutor</b>	<b>Mr Mohammed Islam</b>

**Brief outline of the project (250 words maximum):**

The purpose of this study is to assess the impact of redundancy on employees of SMEs in Nigeria's manufacturing industries, with an emphasis on the psychological, social, and financial well-being of employees. The study will also look into how redundancy affects employee motivation, productivity, and overall job satisfaction. The study seeks to answer the following research questions: What are the different types and reasons for redundancy in SMEs in the manufacturing industries in Nigeria? How does redundancy impact the well-being of employees in SMEs in the manufacturing industries in Nigeria? What are the challenges faced by SMEs in managing redundancy in the manufacturing industries in Nigeria and what are the best practices and strategies for managing redundancy effectively in these SMEs?

The study will use quantitative tools and online questionnaires to collect data. The sample population will be Nigerian manufacturing industries, and the sample space will be a random sample of employees and business owners from Nigerian manufacturing industries. The questionnaire will be designed in 3 sections covering: demographics, redundancy and SMEs. The data collected will be subjected to a 5-point Likert scale ranging from Strongly Agree to Strongly Disagree. To test for reliability

(Cronbach), SPSS software will be utilized, and correlation and regression analysis will be conducted to examine the link between variables.

The findings of this study will add to the existing literature on redundancy and provide insight into the issues that SMEs experience in handling redundancy in Nigeria's industrial sector.

**Does the study involve human participants? No**

If **Yes** please continue to Question 1. If **No** please continue to question 12

	<b>Issues that may indicate that mitigation measures and/or ethical approval by Research Committee are necessary</b>		
1	Does the study involve participants who are unable to give informed consent? (see 17.2a below)	Yes	No
2	Does the research involve sensitive topics? (see 17.2b)	Yes	No
3	Does the research involve groups where the permission of a gatekeeper is normally required for initial access? (see 17.2c)	Yes	No
4	Is the research to be conducted without the full and informed consent of the participant? (17.2d)	Yes	No
5	Does the research involve access to records of personal or confidential information concerning identifiable individuals? (17.2e)	Yes	No
6	Does the research induce, or have the potential to induce, psychological stress, anxiety or humiliation or to cause more than minimal pain? (17.2f)	Yes	No

7	Does the research involve, or have the potential to involve, intrusive interventions that participants would not normally encounter, or which may cause them to reveal information that could cause concern in the course of their everyday life? (17.2g)		No
8	Will the research take place outside the UK?	Yes	No
9	Will the research involve respondents to the internet or other visual/vocal methods where respondents may be identified?	Yes	No
10	Will financial inducements (other than reasonable expenses and compensation for time) be offered to participants?	Yes	No
11	Will the study involve NHS patients or staff? (17.8)	Yes	No

If you have answered **Yes** to any of these questions, you should submit further details of measures to mitigate ethical risks and a formal application for ethics approval using the UCA **Research Ethics Tier 2 Application for Approval** form. The form should be submitted to the Research Committee via the Research Office.

If you answered **No** to all the above questions, then you need not submit your project for formal ethics approval. You will need to complete the questions below and file a signed copy of this Tier 1 Ethics Checklist with your School (for staff) and your supervisors (PGT and PGR students), and submit it to the Research Office via the myUCA research ethics pages. The form must be signed by yourself, and your line manager or supervisor.

It is incumbent on you to observe the University's Research Ethics Code of Practice, and to ensure that your research complies with the GDPR (General Data Protection Regulation), by which you are legally bound.

	<b>Further issues that require consideration in research good practice</b>		
12	Have the topic and any ethical implications been addressed with your supervisor/line manager?	Yes	

13	Does the topic merit further research of the kind being proposed and is it appropriate to the level of study?	Yes		
14	Do you, as the researcher, have the skills to carry out this research?	Yes		
15	Are the participant information sheet or leaflet and consent forms appropriate?	Yes	NA	No
16	Are the procedures for recruitment of participants and obtaining informed consent appropriate?	Yes		
17	Are the procedures for ensuring confidentiality/anonymity of respondent data appropriate?	Yes		
18	Has a risk assessment been carried out and the form completed, where necessary?	Yes		
19	<b>An ethical consideration of any work that involves more than one participant, or a public facing research practice (eg., a participant performance in a public place, work with vulnerable groups)</b>  <b>Including a detailed work and contingency plan, according to regional and national variations on health conditions as advised by the UK Govt.</b>		NA	

I have read the UCA Research Ethics Code of Practice  Signature Applicant: Olawunmi Bolatito Agboke	This project complies with the UCA Research Ethics Code of Practice  Signature Line Manager/Supervisor/Tutor:
Date:8/5/2023	Date:

**Below are extracts from the key areas of the UCA Research Ethics Code of Practice:**

3.1 As a matter of principle, all research is subject to ethical considerations and risk assessment taking into account professional codes of practice / standards where these exist, and subject specificity.

3.2 All research involving human participants, whether conducted in a direct or virtual or any other way, must consider the following issues from the inception of the research project. Researchers should be in a position to justify their research methods should it be required:

- i. the value of the research
- ii. informed consent
- iii. openness and honesty
- iv. right to withdraw without penalty
- v. confidentiality and anonymity
- vi. protection from harm
- vii. briefing and debriefing
- viii. reimbursements, payments and rewards
- ix. experience of researcher and suitability of methods employed
- x. ethics standards of external bodies and institutions
- xi. research for clients/consultants
- xii. research data management

3.3 These issues require careful consideration and the principles laid out below provide the basis for good practice in research management.

#### **17. Consideration of Ethical Issues**

17.1 As outlined under 3.1, all research is subject to ethical consideration and requires an assessment of ethical risk, taking into account professional codes of practice where these exist, as well as subject specificity.

17.2 The following research would normally be considered as involving more than minimal risk and therefore **requires documented measures to mitigate potential risks, and consideration by the University Research Committee:**

- a. Research involving vulnerable groups or individuals, for example children and young people under 18, those with a learning disability or cognitive impairment, or individuals in a dependent or unequal relationship.
- b. Research involving sensitive topics such as:
  - Sexual behaviour
  - Illegal, political or religious behaviour
  - Experience of violence, abuse, exploitation and/or other racist or sexist behaviour
  - Mental health
  - Physical health and treatment.
- c. Research involving groups where the permission of a gatekeeper is normally required for initial access to members e.g. ethnic or cultural groups, native peoples or indigenous communities.
- d. Research involving deception or which is conducted without participants' full and informed consent at the time the study is carried out.
- e. Research involving access to records of personal or confidential information concerning identifiable individuals.
- f. Research that would induce psychological stress, anxiety or humiliation or cause more than minimal pain.
- g. Research involving intrusive interventions such as vigorous physical exercise, where participants would not normally encounter such interventions, or which may cause them to reveal information that causes concern in the course of their everyday life.

17.3 Vulnerable groups include any person(s) who may be precluded from giving informed consent. Note that this does not necessarily include all groups whose consent is given by parents or by those *in loco parentis*. It should additionally be noted that even in those circumstances the 'real' consent of those individuals under study should also be sought wherever possible (sample consent forms are available from the Research Office).

17.4 Deceptive research is that which is undertaken when the investigator deliberately conceals or significantly misrepresents his or herself, the true nature of the research or any other significant aspect of the research: examples may include covert observation, the stating of a misleading research purpose or providing a misleading professional identity or institutional affiliation on part of the researcher(s).

17.5 No specific approval is needed for research not covered within the categories detailed in Section 17.2, although all projects must adhere to the principles laid out in this Code and the University requires all staff or students undertaking research to ensure that at each stage of the process, research is undertaken in a professional and ethical manner.

17.6 In particular all researchers will ensure that:

- Respect for Intellectual Property Rights and Copyright law is maintained in compliance with University guidelines.
- Researchers will be open and transparent regarding the purpose, methods and possible uses of research.
- Researchers will maintain the right to anonymity of any research respondents/subjects, and highlight any possible risks to staff or subjects arising from the research.
- Researchers will act within the law regarding the sourcing and use of research information and respect the obligation to acknowledge support and collaboration.
- Researchers will at all times act within the law of the UK and the law of any other country within the research being undertaken.

17.7 Research involving animals/animal tissue requires a license under the Animals (Scientific Procedures) Act 1986. Research involving human tissue including its display requires a license under the Human Tissue Act (2004). Experimentation / anatomical examination in human morbid anatomy requires a license under the 1984 Anatomy Act.

17.8 Research involving NHS patients or staff must be approved by NRES; see the NRES website for further information ([www.nres.npsa.nhs.uk](http://www.nres.npsa.nhs.uk)). Research involving patients or staff of other medical providers must be ethically approved by these institutions.

17.9 If there is any doubt as to whether a particular research project needs approval, advice should be sought, for staff, from the Research Manager or Head of School, and for PGR students, from the Research Degrees Leader or supervisors.

### 9.3 Appendix 3: Supervision Record



## EBSC7540 Masters Project 22-23

### Record of Supervision

#### Stream 1 and Stream 2 Supervision

This Record of Supervision must be completed by the student after each supervision meeting (both Stream 1 and Stream 2).

#### Stream 1:

- A digital copy must be sent to the supervisor as an e-mail attachment within 2 working days after the meeting.
- A copy must also be uploaded by the student to the Record of Supervision submission box on myUCA.

#### Stream 2:

- A copy must be uploaded by the student to the Record of Supervision submission box on myUCA within 2 working days after the meeting.

**NB:** All fully completed and signed supervision logs must be included in the Appendices of the Proposal and the Final Project. Any student work submitted without regular and documented engagement with support sessions and supervisors will be subject to a formal viva i.e., a formal oral examination.

Student name:	Olawunmi Bolatito Agboke
Student ID number:	2214087
Programme of study:	HRM
Supervisor name:	Mohammad Islam
Date of Supervision:	01-05-2023
Supervision Session No.	1

#### Student's comments on progress since last supervision meeting:

There is limited time for the completion of the project, I will make sure I submit all documents and draft as at when due to avoid any delay.

#### Matters discussed in the supervision meeting:

- Research Questions
- Sources
- Quantitative style
- Primary data approval form

**Research and specific actions to be undertaken by the student before next supervision meeting:**

Actions to be taken

- Submission of the proposal by May 9<sup>th</sup>
- Wait for feedback before final proposal submission
- Next meeting date
- Expected research questions; How much data, How long etc.
- Submit primary source approval form.
- Submission of proposal latest by deadline
- More discussion/guidance after proposal feedback

**Supervisor's comments:**



**Date and time of next meeting (must be agreed with the supervisor):**

2<sup>nd</sup> June ,2023

**Signature of student:**     Olawunmi B. Agboke

**Date:** 1-5-2023

## Appendix 4: Supervision Meeting 2

# EBSC7540 Masters Project 22-23

## Record of Supervision

### Stream 1 and Stream 2 Supervision

This Record of Supervision must be completed by the student after each supervision meeting (both Stream 1 and Stream 2).

#### Stream 1:

- A digital copy must be sent to the supervisor as an e-mail attachment within 2 working days after the meeting.
- A copy must also be uploaded by the student to the Record of Supervision submission box on myUCA.

#### Stream 2:

- A copy must be uploaded by the student to the Record of Supervision submission box on myUCA within 2 working days after the meeting.

**NB: All fully completed and signed supervision logs must be included in the Appendices of the Proposal and the Final Project. Any student work submitted without regular and documented engagement with support sessions and supervisors will be subject to a formal viva i.e., a formal oral examination.**

Student name:	Olawunmi Bolatito Agboke							
Student ID number:								
Programme of study:	FBM	LBM	IMM	GMBM	MBA	DIBM	GMC	<u>HRM</u>
Supervisor name:	Mohammad Raijul Islam							
Date of Supervision:								
Supervision Session No.	1	<u>2</u>	3	4	5	6		

Student's comments on progress since last supervision meeting:

I submitted my chapter one and two.

**Matters discussed in the supervision meeting:**

-Supervisor commented on the next step to take and what is expected, supervisor said my chapter 1 and 2 has been well done and gave guidelines on what is expected in Chapter 3 and 4 .

-supervisor advised on the number of questionnaire questions expected he also advised on the expected number of respondents which should be between 15-20

Respondents.

**Research and specific actions to be undertaken by the student before next supervision meeting:**

Specific action are stated below

Chapter 3: Methodology

Research Design

Research Approach

Research Philosophy

Data Collection Method- Primary Data

Data Analysis Methods

Results/ Finding

Chapter 4: Conclusion

Summary

Scope for the future study

**Supervisor's comments:**

Supervisor commented that the chapter one and two has been well done.

**Date and time of next meeting (must be agreed with the supervisor):**

**Signature of student: Olawunmi Agboke**

**Date: 22<sup>nd</sup> ,June 2023.**

## Appendix 5: Supervision Meeting 3

### EBSC7540 Masters Project 22-23

#### Record of Supervision

#### Stream 1 and Stream 2 Supervision

This Record of Supervision must be completed by the student after each supervision meeting (both Stream 1 and Stream 2).

##### Stream 1:

- A digital copy must be sent to the supervisor as an e-mail attachment within 2 working days after the meeting.
- A copy must also be uploaded by the student to the Record of Supervision submission box on myUCA.

##### Stream 2:

- A copy must be uploaded by the student to the Record of Supervision submission box on myUCA within 2 working days after the meeting.

**NB: All fully completed and signed supervision logs must be included in the Appendices of the Proposal and the Final Project. Any student work submitted without regular and documented engagement with support sessions and supervisors will be subject to a formal viva i.e., a formal oral examination.**

Student name:	Olawunmi Bolatito Agboke							
Student ID number:								
Programme of study:	FBM	LBM	IMM	GMBM	MBA	DIBM	GMC	<u>HRM</u>
Supervisor name:	Mohammad Raijul Islam							
Date of Supervision:								
Supervision Session No.	1	2	<u>3</u>	4	5	6		

Student's comments on progress since last supervision meeting:

Completed Chapter 1-5 was submitted

**Matters discussed in the supervision meeting:**

The project was done as expected

**Research and specific actions to be undertaken by the student before next supervision meeting:**

Specific action are stated below

1. You don't need bullet point on the reference list. Just put the list in an alphabetical order.
2. Add all the relevant documents previously submitted to the appendix of the project.

**Supervisor's comments:**

The project is logically presented and it does not require any significant modifications.

**Date and time of next meeting (must be agreed with the supervisor):**



**Signature of student: Olawunmi Agboke**

**Date: 27. July.2023.**