

The Impact of Downsizing to PR1MA Operation during Malaysia Government  
Changes

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Project Paper Submitted in Partial Fulfilment of the Requirements  
for the Degree of Master in Management  
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## DECLARATION

I hereby declare that the case study is based on my original work except for quotations and citations that have been duly acknowledged. I also declare it has not been previously or concurrently submitted for any other degree at Universiti Tun Abdul Razak (UNIRAZAK) or other institution.



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Date: 5 February 2022

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Abstract of the project paper submitted to the Senate of Universiti Tun Abdul Razak in partial fulfilment of the requirements for the Master in Management.

**The Impact of Downsizing to PR1MA Operation during Malaysia  
Government Changes**

**By**

**Nurul Afifah Binti Nik Mahamood**

**February 2022**

This study broadly assesses the association of organizational downsizing to work conditions and employee outcomes, and the extent to which work conditions mediate the association of downsizing to employee outcomes, thereby serving as targets for workplace intervention to reduce the harmful effects of downsizing on surviving workers at PR1MA Corporation Malaysia. As workforce downsizing has grown more common in recent years, research on the topic has become more important. After downsizing and organisational change, survivors and victims of downsizing and organisational change are enduring mental health concerns. Downsizing exposure was a predictor. Although downsizing is common in the United States and other countries, little research has been done on the relationship between downsizing and performance in these countries and others. The issue of downsizing continues to be a source of discussion across the country and in the business community. The downsizing of businesses has become a widely accepted requirement for achieving a competitive advantage in the marketplace; yet, it has not been proven that downsizing actually increases profitability. This study examines the relationship between downsizing and performance using comprehensive multi-year, multi-industry data, and it serves as a first step in understanding the phenomena of downsizing, which is increasing in both frequency and importance. The study makes use of multivariate analysis in order to include a large number of specific variables that have an impact on the economic performance of an organisation in the analysis. The influence of downsizing (as defined by a reduction in the number of employees) on both corporate and strategic business unit (SBU) performance is investigated while accounting for market conditions. Not only is the influence of downsizing on organisational profitability investigated, but also the impact of downsizing on market perceptions is investigated in this study, which employs both an accounting measure and a hybrid market/ accounting measure of performance. The findings of the study reveal that, after accounting for other factors that influence organisational performance, downsizing has some detrimental and some good effects on SBU and corporate performance, and that these effects last only for a short period of time after being implemented. The anecdotal literature suggests that downsizing has some positive impacts; but there appear to be significant negative consequences to downsizing as well, as evidenced by the findings of this study.

## CHAPTER 1: INTRODUCTION

### 1.1 COMPANY BACKGROUND

The 1Malaysia Housing Programme, also known as Perumahan Rakyat 1 Malaysia (PR1MA), is a Malaysia housing development scheme. Former Malaysia Prime Minister, Dato' Sri Haji Mohammad Najib Bin Tun Haji Abdul Razak launched it on July 4, 2011. It is operated by PR1MA Corporation Malaysia, a government-owned business under the Ministry of Housing and Local Government. PR1MA is an affordable housing project established under the PR1MA Act 2012. Planning, development, construction, and maintenance of high-quality housing for middle-income families in key urban locations are the goals of the organisation. Considering that PR1MA is intended to provide an inexpensive housing alternative for Malaysian inhabitants, certain additional conditions must be met in order to achieve that fundamental purpose. These conditions are as follows: PR1MA Homes must be owner-occupied without the possibility of subletting, and owners are not permitted to sell their PR1MA home within five years of purchase. In some areas, extra state rules may apply.

An integrated community, consisting of a range of unit types and sizes to satisfy the needs of inhabitants in Malaysia's rapidly expanding metropolitan areas, is the goal of a PR1MA house design. A PR1MA terraced house is often between 850 and 1,850 square feet in size, whereas a PR1MA high-rise apartment is typically between 600 and 1,200 square feet in size. The majority of the projects under this scheme are placed in areas that are both favourable and attractive, mostly in major cities around Malaysia. As a result, there are numerous amenities in close proximity to PR1MA homes, including schools, grocery stores, public transportation, and other facilities. Houses in PR1MA Malaysia are priced between RM100,000 and RM400,000, with the goal of providing an accessible price point that is in line with the primary focus on middle-income communities. There are several important requirements to meet in order to be eligible for the PR1MA scheme, including being a Malaysian citizen, having an individual or combined household income of RM2,500 - RM15,000, being above the age of 21, and having no more than one property between you and your spouse.



PR1MA also offers a number of financial incentives to those who successfully complete their registration process. The PR1MA scheme does, however, benefit from a number of important financial incentives and home financing opportunities. The first scheme, known as end-financing, provides eligible buyers with finance packages from chosen financial institutions worth up to 110 percent of the SPA price, with no down payment necessary for those who obtain the maximum loan amount. The second scheme is the Rent-to-Own Program, which is available to prospective buyers who have been denied a loan from one of PR1MA's panel banks. Applications are reviewed by a special committee before being accepted. It is not yet known when this plan will be reopened, however it is expected to be sometime in the near future. Another plan is Skim Pembiayaan Fleksibel PR1MA (SPEF), which is an exclusive scheme for PR1MA homebuyers that offers decreased house loan payments with the added benefit of a fixed interest-only payment for the first five years of the loan. More intriguingly, when compared to standard loan rates, the scheme has cheaper monthly instalments to take advantage of. In addition, there is a unique house insurance programme called Care by Prima, which provides insurance coverage for your PR1MA home ownership while also providing peace-of-mind.

Apart from that, PR1MA serves as a developer, constructing high-quality homes and forming integrated community facilities for Malaysians of middle-income. PR1MA oversaw, planned, and managed all elements of the design, building, and maintenance of PR1MA homes and the surrounding community on a day-to-day basis. PR1MA will decide the sales price before beginning their project, assign PR1MA houses through an audited balloting process, and partner with financial institutions to provide homeowners with access to competitive financing options. PR1MA will identify current requirements for monitoring, controlling, and managing the supply and demand for PR1MA homes and its facilities in order to ensure that they can carry out their role successfully. Protect the PR1MA brand by establishing development and execution standards, and then enforcing the standards that have been established. In order to ensure that PR1MA can make use of the function, PR1MA is promoting sensible partnerships between the public and commercial sectors. Planning housing development and integrated community facilities, as well as an improvement in the quality of life for homeowners, are

among the priorities of PR1MA. The organization's goals include the development of modern, comfortable, and high quality homes, as well as the provision of affordable housing for the middle-income group. It also aims at preserving the PR1MA brand by establishing and updating development standards, as well as monitoring the implementation of these guidelines.

PR1MA Corporation Malaysia ("PR1MA" or "the Corporation") and its subsidiaries (collectively, the "PR1MA Group") have consistently adhered to an effective corporate governance structure in the conduct of their commercial activities and internal affairs. As a corporation, PR1MA is governed by the laws of the country in which it was established, which is the Perumahan Rakyat 1Malaysia Act 2012 (Act 739). ("PR1MA Act 2012"). When operating in a dynamic business environment, the risk management and internal control systems must be able to respond quickly in order to assist PR1MA in attaining its long-term business goals. Members of Corporation (MoC) and Members of Management (MoM) are present at the operational level of PR1MA (MoM).

A collective responsibility of the Corporation's Members of Corporation ("MoC") is to ensure proper stewardship of the Corporation's business and general policy, in order to achieve the Corporation's mandate and its objective to provide and maintain affordable housing for middle-income households in urban, new urban, suburban, and other areas deemed strategic, while taking into consideration the interests of other stakeholders. Furthermore, the Ministry of Culture is in charge of ensuring that the Integrity Unit ("IU"), which was established on 1 June 2019 in accordance with the Arahan YAB Perdana Menteri No. 1 Tahun 2018, fulfils its predefined core functions and that the IU's performance is monitored through reporting. This charter, known as the Members of Corporation Charter (the "MoC Charter"), outlines the role and functions of the MoC as well as the composition, operation, and processes of the MoC, as well as matters reserved for the MoC and matters that the MoC may delegate to its Committees and Management, with the goal of streamlining and improving corporate governance practises in order to ensure transparency, accountability, and integrity of the PR1MA Group. When required by other authoritative requirements, the Charter incorporates provisions of the Companies Act 2016 (the "Companies Act"), the Malaysian Code on Corporate

Governance 2017 ("MCCG"), and better practises of good governance issued in other authoritative requirements.

It has been established by the PRIMA Group a defined organisational structure that specifies the reporting line, functions and responsibilities, accountability, and authority at all levels, from the MoC and Management to the operational levels. Management is responsible for putting structures, policies, and procedures in place that have been approved by the MoC at the operational level. It has been delegated to the MEC authority to oversee the day-to-day operations of the PRIMA Group. PRIMA Group Limits of Authority define and formalise the authorities granted by the group to carry out transactional activities ("GLOA"). The MEC's operations are governed by a set of terms and conditions known as its Terms of Reference. The Ministry of Corruption (MoC) enlists the assistance of the MEC in identifying issues, problems, and improvement measures in Governance, Integrity, and Anti-Corruption on the basis of four terms of reference: Policies, Legislation and Regulation, Work System and Procedures, Governance and Integrity Improvement, and finally Detection, Compliance, Punitive, and Recovery.

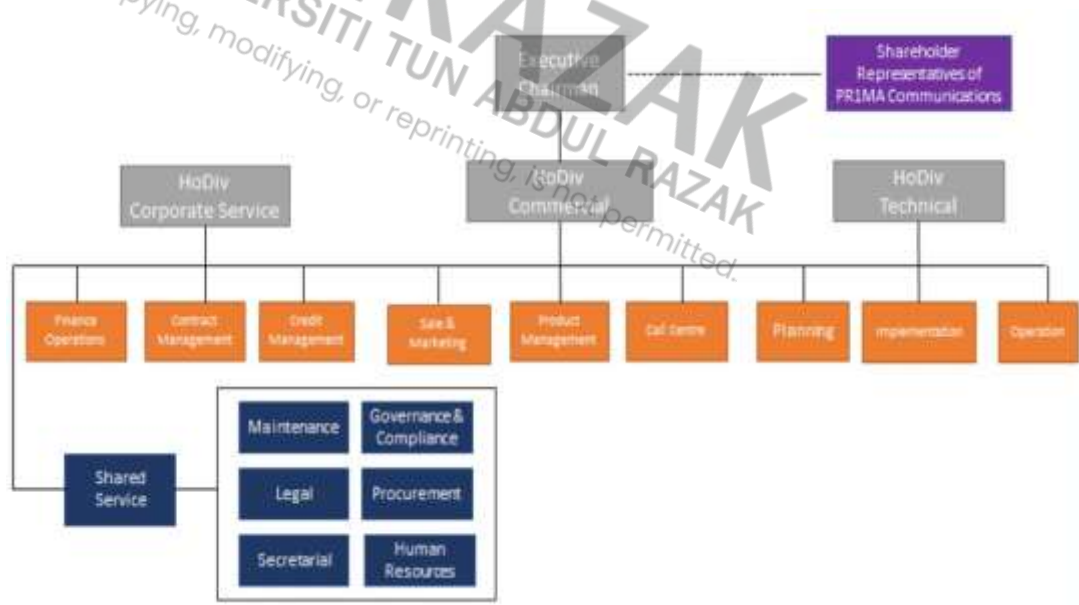


Figure 1.1 PRIMA Corporation Malaysia Organization Chart

## 1.2 BACKGROUND OF THE STUDY

Downsizing is a policy that has been utilised extremely frequently by businesses over the last two decades to deal with the issues that have arisen as a result of the increased competition in the business environment. As a result, downsizing is a type of organisational restructuring that involves reducing the number of employees in order to achieve the necessary improvements in work methods, restructure organisations, and build enough human resources in order to preserve company competitiveness (Kulkarni, 2013). Despite the fact that downsizing is expected to have a favourable impact on an organization's bottom line in theory, in practise, this is not always the case. There are many organisations that continue to employ the layoff technique as a cost-cutting method; however, some of these organisations are realising that they must weigh the costs and advantages of downsizing against the detrimental impact on their workforce (West, 2000). It has been discovered that the implementation of downsizing exercises has substantial consequences not only for the victims, but also for the survivors, particularly when the techniques used are seen unfair by the general public. According to Chu and Ip (2002), a downsizing approach could result in severe economic problems for employees who survive the layoff process, as a means of addressing this issue. Survivors' displeasure with their work environment has been the subject of several studies, such as those conducted on the subject of dissatisfaction with the work environment following the implementation of downsizing methods by firms. In one study, Virick et al. (2007) found that survivors of layoffs may face tough situations such as job overload that produces weariness, which in turn leads to unhappiness in the workplace.

Downsizing is a process of organisational restructuring that results in a reduction in the size of the organisation, resulting in a flat organisational structure that allows the organisation to respond more quickly to the pace of environmental change than previously. Most of the time, downsizing means shrinking the size of an organisation by reducing the number of people on its payroll. Jobs are redesigned in order to consolidate duplicate activities and eliminate superfluous jobs in order to reduce the pay bill and save money. Downsizing as a strategy has been embraced throughout the world in order to create operational efficiencies and boost efficiency in order to be able to survive and develop in the face of an unpredictable environment and fierce competition, respectively. One of the most often sought out

immediate measure is to reduce manpower by firing employees or reduce the payroll payment. This is termed as organizational downsizing which is a reduction in organizational size and operating costs to improve efficiency, productivity, and competitiveness.

Laid-off personnel are those who have been fired from their jobs in an organisation. A layoff can be either a temporary suspension or a permanent termination of their employment with the company. Layoffs and downsizing choices are not always the result of any specific mistake on the part of the employees, but are more often the result of a decrease in sales or clients, as well as a decrease in cash and/or material resources inside the firm. During economic downturns, many businesses make the decision to lay off some of their non-essential employees in order to avoid going bankrupt. Mergers and acquisitions can sometimes result in layoffs as companies strive to transform their organisational cultures into lean operations. It is possible that a layoff is the result of poor management or ineffective administration that was unable to keep the company afloat. Layoffs might occur as a result of a failing industry's performance (such as mining, steel, railway, newspaper, etc.). In the past, firms have employed outsourcing to reduce expenses, which has resulted in enormous numbers of employees being laid off. Layoffs are sometimes caused by simple downsizing, which is another type of organisational reorganisation. Employee layoffs are one of the techniques that businesses employ to reduce labour costs in the near term.

When a large number of employees' employment with an organisation is terminated, the term "layoff" is synonymous with and frequently associated with concepts such as reduction-in-force (RIF), downsizing, rightsizing, termination, firing, reengineering, restructuring, and voluntary separation options (VSO). Organizational layoffs are intended to increase productivity, enhance the economic outlook, and increase overall competitiveness, and they are frequently viewed as the only way to save organisations from bankruptcy, according to some analysts. The announcement of layoffs can be a great disappointment for those who are directly impacted by the decision to make them.

Downsizing or laying off people is frequently the result of a strategic decision to reduce the number of employees or the size of the workforce in order to

improve organisational effectiveness and the economic outlook. Several temporary or immediate benefits of downsizing can be realised, including increased earnings, avoidance of bankruptcy, development of new relationships, reorganisation, and the elimination of "deadwood" or disengaged staff. The downsides of layoffs or downsizing in a business might include a reduction in competent personnel as well as a decrease in morale, as employees experience a range of emotions such as dismay, worry, guilt, and even envy as a result of the situation. In addition, layoffs can impair existing employees' levels of satisfaction and loyalty to the firm, which can result in lower overall performance and profitability. Layoffs have a negative impact on employees, and human resources (HR) experts and management must handle this impact properly. The immediate financial difficulty that results from a layoff can have a negative impact on both the physical and psychological well-being of an individual worker, and can even lead to bankruptcy, depression, and more serious ailments. Because unemployment might linger for up to six months or longer, layoffs may have long-term consequences for the company. When laid-off employees are unable to obtain new job, it is possible that they will feel a sense of despair. Employment downsizing is often implemented during economic downturns as a reactive, tactical action. The most successful organizations, however, use downsizing more strategically as part of an overall workforce strategy. Layoffs become just one tool in a portfolio of alternatives to improve firm performance. Management may view this as an opportunity to enhance the organization's medium- and long-term agility through well-planned and targeted coaching, change and career-management interventions.

Known formally as the 14th Malaysian general election, the 2018 Malaysian general election took place on Wednesday, 9 May 2018, and selected members of the 14th Parliament of Malaysia. All 222 seats in the Dewan Rakyat (the lower house of Malaysia's legislature) and 505 seats in 12 of the country's 13 state legislative assemblies were up for grabs in the election. On April 7, 2018, Prime Minister Najib Razak announced the dissolution of the 13th Parliament of Malaysia. It would have been automatically dissolved on the 24th of June 2018, five years after the inaugural meeting of the first session of the 13th Parliament of Malaysia, which took place on the same date in 2013. It was a historic victory for the Pakatan Harapan (PH) coalition, which had served as the country's federal Opposition prior to the election.



Together with the Sabah Heritage Party (WARISAN), the Pakatan Harapan coalition won an unprecedented simple majority in the Dewan Rakyat, with both the PH and WARISAN parties winning together 121 seats. The election marked the beginning of the first regime change in Malaysia's history, when the former ruling Barisan Nasional (BN) alliance, which had ruled the country continuously since Malaya's independence in 1957, was ousted from office by a landslide. This government changes has impact PR1MA operations and there are also statement released by Datuk Zuraida Binti Kamaruddin on June 13th, 2018 The 1Malaysia People's Housing Programme (PR1MA) will be rebranded and detached from any political agenda as outlined by the former government, while its focus would be tweaked towards delivering affordable homes for Malaysians which particularly those in the bottom 40% (B40) bracket. Housing and Local Government (KPKT) Minister Zuraida Kamaruddin said the new government led by Pakatan Harapan will also steer away from injecting political brands to any of its programmes and initiatives. There also issue raise on PR1MA brand which bring previous government identity.

More particularly, on June 2019 PR1MA Corporation Malaysia also announce for Voluntary Separation Scheme (VSS) after one year of Malaysia government change due to the changing of organisation direction. Voluntary Separation Scheme (VSS) are offered to the employees in order to restructure organisation management, reducing organisation payroll expenses and new direction to future adventurous of the organisation. A voluntary separation scheme ('VSS') is a scheme/ offer where an employer invites and offers the employee to resign voluntarily without the implications of a retrenchment while still receiving fair compensation from it. For VSS, a company will usually make an open announcement that they are not dismissing anyone but will welcome employees' application to be considered for the VSS.

### 1.3 PROBLEM STATEMENT

Organizational efficiency, restructuring, and downsizing are all common business subjects that are related to economic efficiency, and they are discussed here. Downsizing is a process of laying off people wherein the laying off could be permanent or temporary. Temporary could relate with hiring after restructuring, converting them to temporary staff, part-timers. These restructuring tendencies may result in a reduction in the number of human resources in businesses that rely heavily on human resources, such as manufacturing or financial services. Businesses navigate this in the context of megatrends such as demographic shifts, lifelong learning, and a shift in the nature of the workplace. As a result, in order to remain competitive, organisations must consider the impact of financial shareholders while making strategic decisions. Therefore, the key purpose of this paper is the question, “The Impact of Downsizing to The Organization Operation of PR1MA During The Change of Government”.

The study took place in a Malaysian company, PR1MA Corporation Malaysia that holds a concession on plan, develop and market real estate to medium-income households. The company is a Government Link Company (GLC) was previously reported to Prime Minister’s Department until the changes of Malaysia government in June 2018. PR1MA have developed 59 real estate projects around the country which is a large number that contribute to government achievement in providing high quality housing projects. It had been in existence for many years as a government agency and had traditionally provided extremely stable employment circumstances until June 2019, when it announced downsizing as a cost-cutting and performance-enhancing strategy in order to decrease costs while also increasing performance. In light of the fact that the government still maintains some control over the organization, the downsizing proposal gained widespread notice in the country's media. Management has declared that there would be no 'compulsory' redundancies and that anyone who wishes to leave will do so willingly through the company's Voluntary Separation Scheme (VSS) (VSS). They contended that the plan provided a higher compensation package when compared to the compensation package specified in the Employment Act. Other programmes, such as a paid-leave option (12 months of paid leave after which their services would be terminated), and



an early retirement option were also available, although only on a limited basis and in limited numbers.

PR1MA Corporation is a private corporation. Malaysia had watched around 100 employees leave the failing company, either through a voluntary separation scheme (VSS), resignation, or non-renewal of the contracts of key management members, among other methods. The Housing and Local Government Ministry is conducting a due diligence investigation into the state-owned property developer, which has generally failed to deliver thousands of homes since it was established in July 2011. (KPKT). A study by the Special Parliamentary Select Committee, which recently revealed the country's over RM1 trillion in debt, also classified PR1MA as having an RM5 billion debt that will mature between 2020 and 2024, according to the report. It is unclear how PR1MA intends to repay or redeem the debt owed. It was previously under the control of the Prime Minister's Office before the change of administration in May 2018 resulted in the programme being transferred to the KPKT and placed under the jurisdiction of the Ministry of Housing and Local Government. Earlier in April, PR1MA conducted a VSS programme, following which the employees departed the company.

The company spent around RM4 million on the VSS exercise, which had taken place earlier that month. It has been plagued by poor management, financial losses, unfinished properties, questionable projects in unattractive locations, an excessive number of unsold apartments, and mounting debts for several years. As a means of assisting Malaysians in the acquisition of affordable housing, the government had invested the initial funds to kick-start PR1MA. A total of three of the firm's top executives, including the CEO Datuk Abdul Mutalib Alias, COO Datuk Aminuddin Abdul Manaf, and CMO Mohamed Roslan Ismail, had quit after their contracts with the company expired. Mohd Nazri Md Shariff, who formerly served as the company's CFO, has been serving as the company's interim CEO since early January of this year. Prior to this, KPKT Minister Zuraida Kamaruddin stated that PR1MA was clearing up its mess, which included debts and unsold inventory. Zuraida would not rule out the idea of PR1MA being phased out completely. The completion of a due diligence study for PR1MA, which will chart the company's future course, is expected this month. PR1MA is one of four organizations that have been selected to work together to form a single entity to oversee Malaysia's affordable housing

industry. In addition to Syarikat Perumahan Negara Bhd, Housing Project for the Hardcore Poor, and the Malaysia Housing Project for Civil Servants, there are three other companies in the group.

This occurs when a corporation does not intend to retrench all of its employees but nonetheless wishes to lay off a few of them. Typically, the company will issue an announcement to its employees, after which it will state that it is not dismissing anyone, but that it is accepting applications from employees who wish to be considered for the VSS programme. The VSS terms and conditions will also be discussed at length by the organisation (compensation terms, qualifications, and requirements). Because of the structure of VSS, it is more difficult for employees who have left the company while on VSS to bring a legal challenge against this in Malaysian courts. A voluntary restructuring plan (VSS) is a proposal made by an employer who wishes to downsize or restructure his or her workforce. The VSS will be given by the employer through an announcement to targeted employees, with the targeted employees having the option to accept or reject the VSS programme.

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## 1.4 RESEARCH OBJECTIVES

In this study, the researchers will look into the organizational characteristics and processes that have an impact on knowledge retention and, as a result, on perceptions of organizational performance during downsizing/restructuring events. To investigate the links between the essential components, a conceptual framework is built and tested. By examining these links, the research hopes to assist organizations that are undergoing downsizing or restructuring in identifying effective practises for supporting people during downsizing or restructuring and achieving positive organizational outcomes in the process. This research is being conducted to fill gaps in the field, particularly in regards to how downsizing and restructuring affect organizational knowledge and subsequent organizational outcomes. The objectives of this research are to determine the impact of downsizing and restructuring events, which include decisions and processes, on organizational knowledge and effectiveness. It also to understand the impact of downsizing to the organization operation when Malaysia government changes in 2018 that also involved the restructure in Minister level. Additionally, it is necessary to determine the impact of downsizing on restructuring organizations in terms of workforce reduction in order to bring about the necessary improvements in work systems, redesign organizations, and establish adequate human resources to maintain business competitiveness, among other things. In this study, we will examine whether the presence of knowledge sharing (formal knowledge sharing as well as informal networks) has an impact on perceived levels of organizational knowledge and subsequent organizational effectiveness; and whether perceptions of downsizing/restructuring, knowledge sharing and perceived levels of organizational knowledge or post downsizing/restructuring organizational effectiveness differ depending on respondents' roles as Decision Makers and Implementers or Affected Employees in the organization.

In order to allow employees to voluntarily separate from employment when business needs need a decrease in force, the voluntary separation programme was established. As a result of this initiative, PR1MA Corporation Malaysia is able to reduce the negative impact of downsizing by allowing employees to volunteer to be separated in lieu of another employee who is scheduled to be involuntarily separated

as a result of Reduction in Force (RIF) processes. This programme is open to all employees, including exempt and nonexempt, union and nonunion employees, who work in an area where the workload is being decreased. Employees who work in an area where the workload is being reduced are given consideration for participation in this programme. Employees who hold critical or difficult-to-fill roles, or who possess critical knowledge or skills, will generally not be permitted to participate unless they have received prior consent from the project manager. Participation in the voluntary RIF separation programme is not a right granted by PR1MA Corporation Malaysia and is entirely at the discretion of the company. At its own discretion, PR1MA Corporation Malaysia may initiate the voluntary RIF separation programme, which will be followed by the VSS procedure. This programme may become essential due to a shortage of work or funding, or if it is deemed necessary to reduce the number of personnel in the sake of efficiency. The first phase in this approach is to look for ways to reduce the number of employees who need to be cut through voluntary means. A PR1MA Corporation Malaysia employee must have been offered the opportunity to participate in a formal RIF launched by the company and must not have filed a notice of resignation prior to the voluntary separation offer in order to be eligible for the voluntary RIF separation programme.

During this time, the project manager may approve a voluntary RIF separation under the conditions that a voluntary separation can only occur during a formal RIF in which official RIF notices are issued, the voluntary separation eliminates the need to serve a displacement notice to another current employee, and the voluntary separation results in a vacant position that must be filled by an employee from within the facility who has already received a displacement notice. Placements that will result in a promotion must be approved by the project manager before they can be implemented. The human resource department should identify which candidates are the greatest matches for the available positions. PR1MA Corporation Malaysia would process voluntary RIF applicants in the order of seniority if there are more volunteers than is required and all are equally good matches for the position. Volunteering for RIF separation under the terms of this policy is entirely voluntary on the part of any employee to whom this option is made available.

## 1.5 RESEARCH QUESTIONS

The research questions that will be the guideline for the needs of this study are as follows:

- The perception of the degree of operation in an organisation is affected significantly by downsizing or restructuring events (decisions and actions).
- How does information exchange, whether official or informal, affect perceptions of the overall level of the organizational operation?
- The association between downsizing/restructuring events and post-downsizing/restructuring organization performance, as well as the relationship between knowledge sharing and post-downsizing or restructuring organization operation effectiveness, has been studied.
- How can the operation of the organization be improved following the implementation of downsizing or restructuring of the manpower?

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## 1.6 SIGNIFICANT OF THE STUDY

This research is significant both for the discipline of strategic management and for the field of organisational theory. Specifically, it is concerned with the impact of a strategic shift (workforce reduction) on the performance of organizations, which is important to the subject of strategy and management. The book also discusses concerns of scale, which are certainly of relevance to those working in the subject of organisational theory. The study makes use of multivariate analysis in order to incorporate a large number of specific variables that could have an impact on the economic performance of an organisation into the analysis. It makes use of a vast multi-industry database that contains a diverse range of firms of various sizes. Downsizing and profitability are discussed in detail, as well as the influence of downsizing on the organization, in this research study. In summary, the study addresses a topic that, while lacking in theoretical notions at the moment, is extremely important not just to the corporate sector but also to the overall health of the national economy.

It is the managerial authority of an employer to reorganise his or her business. If redundancies occur as a result of the exercise of this prerogative, it will be necessary to terminate the employment of redundant employees who are in excess of the employer's needs through retrenchment. Instead of exercising their right to terminate employees' services unilaterally, excellent industrial relations practises require employers to negotiate a mutually agreed-upon termination of employment with employees before terminating their job. It is possible for two parties to agree to engage into an employment contract. In the same way, they have the option to enter into an agreement to terminate the contract in question.

A voluntary separation scheme (VSS) is a programme in which an employer invites an employee to leave willingly in exchange for a severance benefit. When an employer wants to cut staff, a voluntary separation strategy (VSS) is frequently employed. When parties agree to a VSS and the employee later claims that the exercise amounted to a dismissal, the question becomes whether the parties had a binding agreement to end the work relationship amicably. There would have been a mutual cessation of the job connection and no dismissal if such an agreement had been reached. Simply said, unless there are vitiating circumstances, such as

coercion, inducement, or threats, an employee's claim for wrongful dismissal will not succeed following the implementation of a VSS. When employees have consented to a VSS, the circumstances under which wrongful dismissal can be asserted under s 20 of the Industrial Relations Act 1967 (the Act) are so limited.



## 1.7 THE ORGANISATION OF THE STUDY

The current business, PR1MA Corporation Malaysia, was established in 2012 and is one of the major government-linked developers in Malaysia, specialising in the planning and development of high-quality real estate for middle-income households. In addition, they have a national presence, providing the nation with affordable homes of consistently high quality that are aligned with modern lifestyles. They are backed by a large, innovative, and stable workforce, and are one of the most well-known developers in the industry, employing qualified employees in their corporate headquarters, regional offices, and after-sales channels.

The 1Malaysia Housing Programme (PR1MA) is a Malaysian housing building scheme. Dato' Sri Haji Mohammad Najib Bin Tun Haji Abdul Razak, the former Malaysian Prime Minister, launched it on July 4, 2011. PR1MA Corporation Malaysia, a government-owned company under the Ministry of Housing and Local Government, manages it. The PR1MA Act of 2012 established an affordable housing initiative. Its goal is to design, develop, build, and manage high-quality housing in critical urban locations for middle-income families.

PR1MA is an excellent project for middle-income families or first-time homebuyers. More Malaysians will be able to own a home as a result of PR1MA, ensuring them a better future. However, there has been criticism of the government's "unrealistic" aims and "complete failure" project. During a question-and-answer session at Property Guru's Property Market Outlook 2016, Dr Danielle Gambero, CEO of consultancy group REI Group of Companies, stated that the PR1MA initiative began as a good idea, but it failed to meet its mission of providing affordable housing in the right locations, failing to meet the government's set targets, and that the government, developers, and markets are unhappy with the project.



## CHAPTER 2: LITERATURE REVIEW

### 2.1 INTRODUCTION

The goal of this Chapter is to give a review of the literature on downsizing and restructuring, as well as the areas of organisational functioning that are covered in the literature. Several variables under consideration in this study are explored in detail, and hypotheses based on the variables' relationships with one another are presented. A conceptual framework serves as the foundation for the study design and as a platform for testing ideas in the field.

There is no consensus in the literature evaluated for this study in the areas of organisational size, decline, turnaround and retrenchment, corporate restructuring, and divestiture, and there is no consensus on how to conceive downsizing in the areas of corporate restructuring and divestment. The number of empirical research studies on downsizing has been limited, and there has been minimal theoretical progress in the field. There are, however, a number of publications available that are oriented for practitioners who are implementing downsizing. A small body of literature exists that is concerned with micro-level issues of downsizing, such as the impact on layoff survivors and how managers should treat survivors in order to increase work motivation (e.g., Brockner, Grover, O'Malley, Reed, & Glynn, 1993; Brockner, 1995; Daniels, 1995; Brockner, 1995). Other researchers are examining layoffs, plant closures, and labour displacement on a nationwide scale as part of their research (see Hansen, 1988). Hansen (1988) is concerned with the development of legislation for a displaced worker adjustment programme as part of a comprehensive national employment and training policy for displaced workers. However, it appears that downsizing as a whole has only recently begun to be addressed in the strategic management literature; it appears that downsizing alone has not been considered to constitute a strategic adjustment. According to the literature on decline (e.g., Cameron, Sutton, and Whetten, 1988; D'Aveni, 1989; Weitzel and Jonsson, 1989), downsizing is not synonymous with decline; rather, downsizing may be a strategic response to organisational decline (Greenhalgh, Lawrence, and Sutton, 1988) or turbulence in the environment (Weitzel and Jonsson, 1989).

Generally speaking, the corporate restructuring literature does not specifically mention downsizing as an aspect of restructuring; instead, it focuses on asset restructuring (acquisitions and divestitures), capital restructuring (infusion of debt), and management restructuring (changes in organisational structure) (Singh, 1993). Downsizing is frequently mentioned in this literature as a result of restructuring, which suggests that it is a common phenomenon (Bowman & Singh, 1990; Hoskisson, Hitt, & Hill, 1991). Workforce reduction is seen as a crucial step in the process of achieving long-term organisational reforms, even though there has been little research into its effects on organisational economic performance (Cascio, 1993). "Cut off the fat," "become lean and mean," and other similar phrases are frequently heard in popular business books and publications (Cascio, 1993). Tom Peters (1992) contends that "rethinking scale" is necessary and that "large is no longer alive." However, there is some scepticism as to whether the promised economic benefits of downsizing would truly materialise as expected (Cascio, 1993; Lesly & Light, 1992).

According to studies conducted by consulting firms, in many organisations that have downsized, expenses have not been lowered adequately, profits have not increased as projected, and stock prices have not necessarily increased over the long term (AMA, 1993; Cascio, 1993; Lesly & Light, 1992). For example, according to the American Management Association's (AMA) 1993 Survey on Downsizing, fewer than half of the examined firms that had shrunk since 1988 reported greater earnings during that time period. Whether downsizing has a good or negative impact on a company's success has not been definitively determined. As reported by the American Management Association (AMA) in its 1993 Survey on Downsizing, on average, 45 percent of the organisations polled downsized over the previous five years, with a five-year average drop of 10 percent in their employment. Fewer than half of the organisations that have reduced since 1988 reported increased earnings, according to the survey results. The American Management Association (AMA) (1993) points out that, in addition to staff reductions, a variety of other factors influence profit levels.

While most surveys conducted by consulting and investment firms look at a bivariate relationship between downsizing and profits, they often overlook a wide range of other critical elements that can influence an organization's performance.

Both the practitioner and academic literatures provide theoretical frameworks within which downsizing can be investigated. Indeed, Cameron, Freeman, and Mishra (1993) urge that researchers should begin developing ideas about organizational downsizing while still in the early stages of the research. Moreover, the findings of this study demonstrated that if downsizing is not properly planned before it is done, the chances of the organization remaining in business are reduced as well.

## **2.2 THEORETICAL FOUNDATION**

Another key motive for organisational downsizing and restructuring is to attain some level of increased operational effectiveness in the organization's business operations (Freeman & Cameron 1993; Littler 2000). To demonstrate whether downsizing/restructuring decisions and processes, levels of organisational knowledge, knowledge sharing, and informal networks are relevant considerations for organisations contemplating restructuring/downsizing, it is necessary to include an assessment of participants' perceptions of organisational effectiveness. Many of the measures of post-downsizing/restructuring performance that appear in the literature are based on financial indicators, such as lower expense 33 ratios, higher profits, increased return on investment, and an increase in the stock price of the company (cf Budros 1997; Bruton, Keels & Shook 1996; Cascio, Young & Morris 1997; De Meuse, Vanderheiden & Bergmann 1994; Mentzer 1996; Kabanoff, Palmer & Brown 2001; Worrell, Davidson & Sharma 1991).

Increased productivity, less overhead, and improved internal communications are all examples of predicted organisational benefits that are included in organisational performance measures (Cascio 1993). Such measures, on the other hand, are not always beneficial in the management of human resources. The perceptions of those who work in an organisation are their reality, regardless of what appears on the balance sheet or on the stock market's stock price listings. The ability of an organisation to recruit and retain important workers is highly dependent on how those employees see the organisation and whether or not it is an organisation in which they wish to remain and make a positive contribution. In the research, there are just a few consistent particular metrics of post-downsizing/restructuring organisational effectiveness that have been validated.

Cameron, Freeman, and Mishra (1991) included a set of benchmarks used to quantify perceived post-downsizing/restructuring organisational success in their research of the car manufacturing business in the United States, which was published in the Journal of Management. Among a broad range of measurements, these researchers included one that assessed participants' perceptions of their organization's effectiveness by asking them to compare their organization's performance after downsizing/restructuring against a variety of standards, including the industry average, the performance of the best domestic competitor, the performance of the best global competitor, the stated goals for the current year, and the perceptions of customers.

The researchers aimed to compare employees' opinions of organizational effectiveness prior to downsizing/restructuring with their perceptions of organisational effectiveness after downsizing/restructuring, regardless of whether or not financial or other tangible indicators were used. Using these standards as a starting point, this research will collect 100 assessments of participants' perceptions of the impact on the efficacy of organizational operations.

### **2.3 EMPIRICAL RESEARCH**

Downsizing is the burning issue of today's dynamic organizations. Organizations are shortening their staff to improve their financial performance. This bustle is not only affected its employees at their workplace but also in their private lives. This study has been conducted in order to measure the impact of downsizing to organizations operation. This study has been conducted on government link company in Malaysia, PR1MA Corporation Malaysia. During the changes of Malaysia government in June 2018, PR1MA Corporation Malaysia is one of many governments link company that effected in financial facilities from Malaysia government which resulted to downsizing.

To survive, PR1MA Corporation Malaysia have offer Volunteer Separation Scheme (VSS) to all level of the staffs in starting from March 2019. All applications are compiled before approval decide by the management of PR1MA Corporation Malaysia. The priorities of approval given to those who already get new job offer

and those in higher designation to make sure their objective in reducing company manpower expenses is successfully achieved.

## 2.4 PROPOSED CONCEPTUAL FRAMEWORK

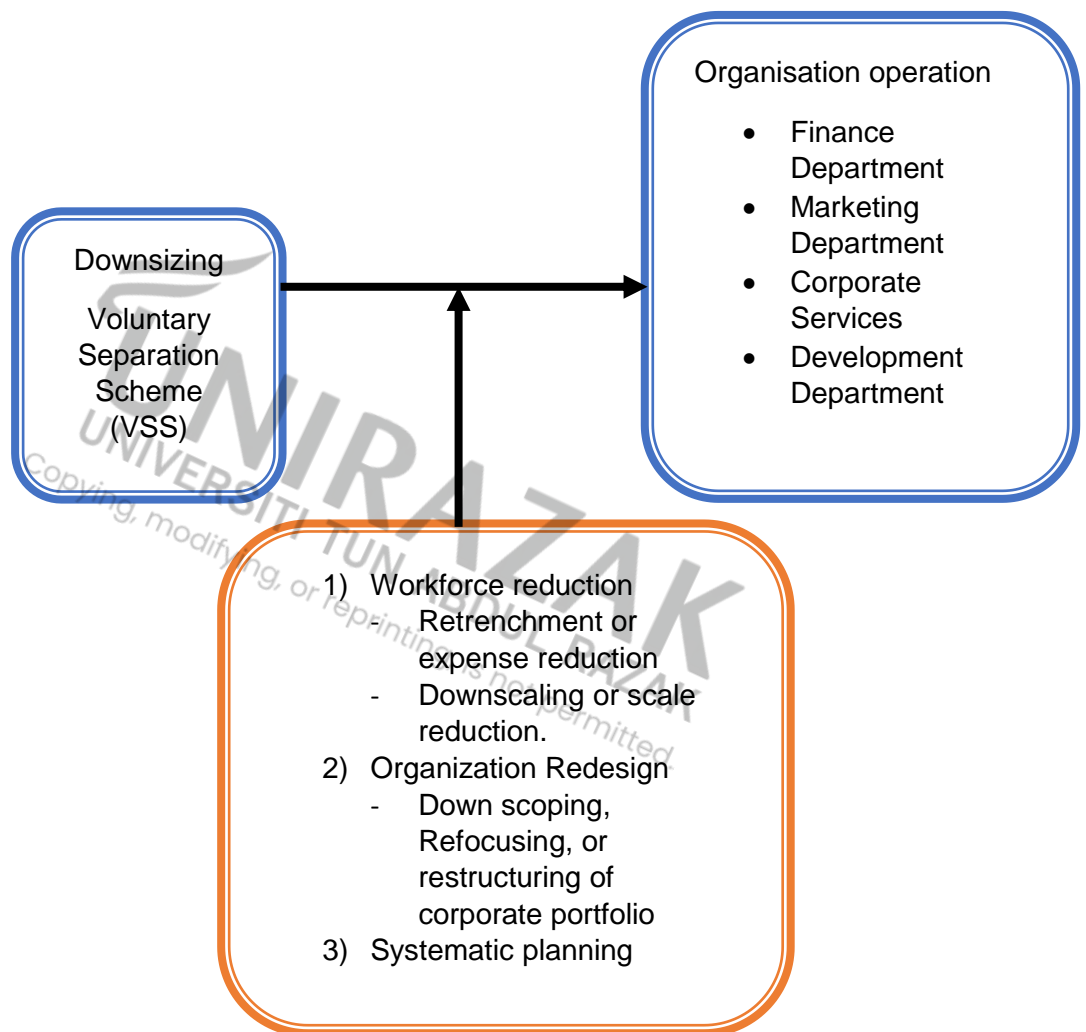


Figure 2.4 Proposed Conceptual Framework

## 2.5 HYPOTHESIS DEVELOPMENT

A hypothesis, according to Terre Blanche and Durrheim (1992), is defined as "informed guesses or predictions regarding differences between groups in the population or about correlations among variables." The mode of implementation chosen to bring about the reduction in headcount may also be appropriate or inappropriate for the organization's needs and circumstances. It is possible that a badly managed process will result in a negative outcome even if all of the decisions are appropriate for the organisation (that is, proper for the circumstances and consistent with the organization's culture). In line with the findings of Cole, Harris, and Berneth (2006), who investigated the three-way interaction between vision, appropriateness, and execution in broader organisational change initiatives and discovered that this interaction was able to predict outcomes such as job satisfaction and intention to leave the company. The following hypotheses have been proposed in light of the importance of perceived relevance of downsizing/restructuring decisions and perceptions of downsizing/restructuring processes on the ultimate outcome:

Hypothesis 1:

The perceived relevance of downsizing or restructuring decisions to Decision Makers, Implementers, and Affected Employees is inversely proportional to the perceived efficacy of post-downsizing or restructuring organisational operations.

Hypothesis 2:

The greater the positive impressions of downsizing or restructuring processes held by Decision Makers and Implementers, as well as by Affected Employees, the greater the perceived efficacy of post-downsizing or restructuring organizational operation effectiveness believed to exist.

## 2.6 SUMMARY OF CHAPTER 2

Organizational downsizing affects the work processes of an organization since the end result of the downsizing is typically fewer people performing the same workload that existed before the downsizing took place. The act of downsizing results in two categories of people: Victims, the people who involuntarily lose their jobs due to organizational downsizing, and survivors, the employees who remain after organizational downsizing takes place. When the management of an organization determines that their organization is not operating at peak efficiency, they typically look for ways to make the organization more productive. This is frequently accomplished via organizational downsizing, which is a reduction in organizational size and operating costs implemented by management in order to improve organizational efficiency, productivity and/or the competitiveness of the organization.

Reduced size is desired by organisations because it allows them to be more effective and efficient. It is also desired by organisations because it allows them to be profitable in order to compete and be recognised in the global stock market. Organizations want to maintain their competitiveness in the global market, which can be difficult given the current economic climate. Operating and production expenses must be kept to a minimum, and organisations are under tremendous pressure as a result of the requirement to employ low-wage labour.

## CHAPTER 3: RESEARCH METHODOLOGY

### 3.1 INTRODUCTION

This literature study will give a description about the concepts “organisation operation”, “downsizing” and the impact of downsizing on organisation operation in PR1MA Corporation Malaysia. This section also describes the research method and research design used to develop and analysis for the impact of downsizing on organisation operation in PR1MA Corporation Malaysia during government changes in June 2018.

During the downsizing implementation, PR1MA targeted about 50% of employees in management level are affected including Chief Executive Officer (CEO), Chief Operation Officer (COO), Chief Marketing Officer (CMO), Senior Vice President (SVP), Vice President (VP), Assistant Vice President (AVP), Senior Executive (SE) and Executives (E) from all divisions such as Human Resources, Finances, Marketing and Developments.

A VSS is a plan proposed by an employer who wants to downsize or restructure their workforce. The VSS will be presented by the Employer via an announcement to targeted employees, who will be given the choice to accept or reject the VSS plan. Such a VSS scheme is typically offered at the discretion of the employer, i.e., it may be offered to a chosen group of employees and/or with benefits packages as determined by the company. In order to persuade the targeted employees to accept the VSS scheme, the corporation would normally offer a VSS package that is more appealing than the statutory benefit for laying-off or dismissal. The Employer's diplomatic approach to lowering its personnel surplus is reflected in the voluntary character of such a scheme.

According to several studies (Goesaerty and Heinz, 2012; Worrall & Cooper, 2012; McDevitt et al., 2013 & Nyasha et al., 2014), downsizing and employee job satisfaction are linked. It has also been discovered that such a link exists. Similarly, at PR1MA Corporation Malaysia, this research proposes the hypothesis that downsizing tactics play a significant impact in influencing employee work satisfaction. As a result, this study is cross-sectional, in the sense that the



authors measured the phenomena at a specific point in time with a qualitative and descriptive focus on determining the relationships between downsizing tactics and employee job satisfaction within a single population.

The influence of forced downsizing tactics on employee work satisfaction in PRIMA Corporation Malaysia was investigated using a qualitative methodology design, which appeared to be more appropriate. The drop-and-collect method was also implemented by selecting certain divisions from PRIMA Corporation Malaysia survival personnel. There would be no "compulsory" redundancies, according to management, and anyone departing would do so voluntarily under the company's Voluntary Separation Scheme (VSS). They contended the plan provided a greater remuneration package than the Employment Act stipulated. Other programmes, such as paid leave (12 months paid absence after which their services would be terminated) and early retirement, were also available, but only on a limited basis. The study's participants are survivors of the organization's downsizing.

The survey was done entirely in English. It is critical to ensure that the original meaning of survey instruments is not corrupted when utilising them in a language other than the one in which they were prepared. Back-translation is typically used to solve this problem. Several additional demographic variables were controlled for in the full model SEM analyses, including position, service duration, and division, to reduce the possibility of spurious relationships based on unmeasured variables, following the widely recommended approach of allowing these variables to covary with each other and with other independent variables. Theoretically, some result variables are expected to be related to one another, hence failing to explain the path between them fails to reflect the real scenario. When it comes to structural equation modelling, failing to provide a theoretically justifiable link between two highly correlated variables tells the modelling software that there is no relationship between them.

### 3.2 RESEARCH DESIGN

Researchers' study designs serve as a foundation for the methods and approaches that they will utilise in their studies. Researchers can concentrate on research procedures that are suited for the subject matter and set up their studies for success as a result of the design of their investigations. The design of a research topic explains the type of research (experimental, survey research, correlational, semi-experimental, review) and its sub-types (e.g., qualitative, quantitative, and mixed methods) (experimental design, research problem, descriptive case-study). These are three of the most popular sorts of study designs. Data collection, measurement, and analysis are the other two.

The qualitative approach and a variety of qualitative development tools were used in the design of the study. Based on the development of a flexible model for providing high-quality support services, it will be implemented.

#### *Qualitative Methods*

Qualitative research is a type of market research that relies on open-ended and conversational contact to gather information. This strategy considers not just "what" people believe, but also "why." Based on this research proposal, qualitative research methods been used is record keeping, case study research and process of observation.

Psychology, sociology, and anthropology are just a few of the social science domains where qualitative research is conducted. Consequently, qualitative research methods allow for in-depth and follow-up probing and questioning of respondents based on their responses, with the interviewer/researcher aiming to understand their purpose and feelings in addition to understanding their responses. Understanding the decision-making processes of your target audience may help you get more accurate market research conclusions.

Qualitative research methods are designed in such a way that they can reveal the behaviour and perceptions of a target audience in respect to a given topic. Interviews in-depth, focus groups, ethnographic research, content analysis, and case study research are just a few of the qualitative research approaches that are frequently used.

### 3.3 STUDY POPULATION AND SAMPLING PROCEDURES

#### *Population*

The most practical strategy to survey research is to choose a group of persons from within a defined target demographic and conduct the survey on them (Zikmund, 2003). This study are based on data collected from PR1MA staff as they are the target population in operational level. The downsizing proposal garnered widespread prominence in the country's media because the government still maintains some control over the organisation.

#### *Sampling*

Because the researcher was aware that PR1MA had just undergone downsizing or organisational change, he chose the participants by convenience sample method. The researcher approached the management for their permission to conduct the survey. To reduce the possibility of spurious relationships based on unmeasured variables, several additional demographic variables were added to analyses, including position, service duration, and division, following the widely it is advised that these variables be allowed to covariate with one another and with other independent variables.

#### *Survey and Instrument*

This study was founded on the results of a descriptive analytic survey. With Likert scales ranging from 1-strongly disagree to 5-strongly agree, as well as yes/no questions, the survey instrument addressed a variety of study concerns. One of the study questions is discussed in detail in this portion of the research paper.... *“In your opinion, did Voluntary Separation Scheme (VSS) give impact to PR1MA operation?”*

Separation volunteers will be sent RIF separation notices during the course of the VSS application submission process, which will inform them of their rights under the RIF during this time period. Volunteers who have been issued a RIF separation notice must sign a statement stating that they understand the action they are doing is final and irrevocable. PR1MA Corporation Malaysia, on the other hand, has the right to cancel the action if required. The employees subject to involuntary

RIF separations will receive all of the same benefits and entitlements as the employees subject to voluntary RIF separations.

### **3.4 DATA COLLECTION METHOD**

The phrase "data" refers to a collection of facts, statistics, items, symbols, and events that have been gathered from a variety of sources and combined together. Businesses gather information in order to make more informed decisions about their customers. Data is collected from a variety of sources and at various points in time since it is difficult for businesses to make good decisions without it. For example, before releasing a new product, a corporation needs gather information about product demand, customer preferences, competitors, and other factors. The failure of a newly introduced product of a company may be caused by a range of factors, including a lack of demand and an inability to meet customer expectations if data is not collected beforehand. Despite the fact that data is a valuable asset for every firm, it is meaningless unless and until it is examined or processed in order to get the desired results.

This survey was conducted by google form link randomly send to PR1MA staff that have experienced organizational downsizing. Collectively, PR1MA current staff number is appropriately 350. Not all of those 350 staff experiencing the downsizing process as the number include new recruit staff after the event. Thus, I did conduct a preliminary survey to identify the impact of the downsizing to PR1MA operation as a government link company (GLC) during Malaysia government changes in June 2018. The preliminary survey has revealed that partial of survivor staff are affected their job scope and department operation level due to the restructure.

A questionnaire is a printed set of questions that can be answered in either an open-ended or a closed-ended manner. The responders' responses must be based on their knowledge and experience of the subject matter at hand. The questionnaire is included in the survey, even though the questionnaire's final purpose may or may not be a survey in the first place. I conduct the survey to assess survivors' perceptions, and they respond using a Google form questionnaire that contains five linked questions. In order to ensure that the data collected is accurate and

dependable, I evaluated all survey measures using multiple choice questions that I created.

### **3.5 OPERATIONALISATION AND MEASUREMENT**

#### **3.5.1 Independent Variables**

The independent variables (IV) is the characteristics of a psychology experiment that is manipulated or changed by researcher and not by other variables in the study. For example, in a study that looking at the impacts of downsizing to organisational operations, studying would be the independent variable. Independent variable is what researcher expect will influence dependant variables. As such, independent variables might carry different names in various research fields, depending on how the relationships between the independent and the dependent variable are defined.

Mediating Variable explains on how or why of an observed relationship between an independent variable and its dependent variable. Mediating variable is a little more straightforward in its naming convention. The purpose of mediating analysis is to see if the influence of the mediator is stronger than the direct influence of the independent variable. Meanwhile Dependant Variable in continuation to above discussion “Organizational Operation” is the lifeline of business and any deviations beyond or below can extinguish the whole organization forever. Moreover, this must be noticed that “Organizational Operation” needs hard work to make it successful where tough challenges may be faced to bring in increase, but the fact is incompetency of hired management becomes the reason of the decline.

## 3.6 DATA ANALYSIS TECHNIQUES

### 3.6.1 Descriptive Analysis Techniques

It is a form of data analysis technique that assists in describing, showing, and summarising data points in a constructive way, such as patterns that may develop from the data and fulfil every condition of the data. One of the most significant tasks in the process of doing statistical data analysis is to create a data set. It helps to reach a conclusion about the distribution of data, assists in the detection of typos and outliers, and facilitates the process of discovering similarities between variables, so ensuring the readiness to execute additional statistical analyses. Descriptive analysis techniques often include constructing table of means and quantiles, measures of dispersion such as variance or standard deviation, cross-tabulation or “crosstabs” that can be used to examine many disparate hypotheses.

When conducting descriptive analysis, data aggregation and data mining are two strategies that are utilised to generate historical data. In data aggregation, data is first gathered and then sorted in order to make large datasets more manageable, as in data mining. Measures such as segregation, discrimination, and inequality are investigated through the use of specialised descriptive techniques, which are described below. Discrimination can be quantified by audit investigations or decomposition approaches, for example. In and of itself, more segregation based on kind or inequality of outcomes is neither good nor bad, but it is frequently regarded as a hallmark of unjust social processes; proper assessment of the different steps over space and time is a precondition for comprehending these processes.

A table of means by subgroup is used to demonstrate significant variations between subgroups, which in turn leads to inferences and conclusions being drawn in the majority of cases. It also falls under the purview of impact measurement, which necessitates the application of a variety of approaches. The majority of the time, random variation is responsible for mean differences, and statistical inference is required to establish if observed differences may have occurred only by chance. Typically, a crosstab or two-way tabulation is intended to display the proportions of components with unique values for each of two variables accessible, or the proportions of cells in each of the two variables.

### 3.6.2 Inferential Analysis Techniques

Inferential Analysis Techniques is used to generalize the results obtained from a random (profitability) sample back the population from which the sample was drawn. Inferential analysis techniques take data from a sample and makes inferences about larger population from which the sample was drawn. It is because the objective of inferential statistics is to draw conclusions from a sample and generalise them to a population.

By using inferential analysis, it able to reach conclusions that extend beyond immediate data alone. For instance, inferential analysis is used to try the infer from the sample data based on what the targeted population might think or to make judgements of the probability that an observed differences between groups is dependable one or one that might have happened by chance in this study. Inferential analysis is the ability to make descriptions of data while also drawing inferences and conclusions from the facts in the context of the analysis. By using the inferential analysis technique, an individual can come to a conclusion about what a population may think or how it has been affecting them based on the facts they have.

When making inferences about a big group or population, inferential analysis is mostly utilised to derive estimates and draw conclusions from the data based on hypothesis testing procedures. This method relies on sample data since it is both more cost-effective and less time-consuming than gathering data from full populations. It also enables one to make valid inferences about the larger population based on the characteristics of a sample of individuals. In order for statistical conclusions and inferences to be validated, sampling procedures must be unbiased and random in nature.



### 3.7 SUMMARY OF CHAPTER 3

Downsizing may reduce labour expenses in the short term, but it has the potential to destroy both employee and, eventually, customer loyalty in the long term. De-hiring, de-engineering, rebalancing, and outplacing are just a few of the phrases or euphemisms used to describe downsizing, a phenomenon that has become a ubiquitous fact of modern-day organisational life. Restructuring, rightsizing, streamlining, making redundant, retrenching, reduction in force, selective shrinkage, de-hiring, delayering, reengineering, rebalancing, and outplacement are Downsizing in an organisation no longer carries the same connotation as it did in the past, and it has lost its significance. While corporate managers are increasingly concerned with keeping knowledge-based personnel, the emergence of the internet as a means for knowledge-transfer, with built-in efficiency for work processes to be made easier, has heightened the stakes in this age of information overload. Managers were well aware that, in order to remain competitive, they would have to reduce their personnel while maintaining high levels of production.

Throughout this research, it should be underlined that downsizing does not have an adverse effect on employee innovativeness or goal-orientation following downsizing. The current view of managers is that layoffs and downsizing are beneficial to both employees and employers, because employees who are skilled but no longer required in the main operation often have the ability to transfer their knowledge and experience into different departments or areas of the organisation. Prior to downsizing, the objective is to present options to employees and the organisation through a redesign of work tasks in order to keep the same level of quality for consumers.

When it came to organisations, downsizing was not always seen to be the most beneficial course of action. This perception has shifted, in part as a result of a shift in the requirements for surviving in a competitive setting. The environment is characterised by rapid technological advancements and globalisation forces, all of which necessitate the elimination of underperforming company units. The realisation has dawned on organisational managers that bigger is not necessarily better, especially when there are limited resources available; those resources that are required to supply customers with the same level of quality before to and following



downsizing. As a result of cultural factors, service and product quality is a process that requires managers to minimise their operations in order to concentrate on their core offering. Thus, managers downsize (lower labour) in order to reallocate scarce resources toward building relationships with target markets through the provision of superior service and product offerings. Downsizing is here to stay; it is a performance driver, notwithstanding the problems that resident employees are experiencing as a result of the process. The whole organisation, its managers, and shareholders, on the other hand, desire higher levels of performance from employees in order to remain competitive and survive in rapidly changing business conditions.

Anderson and Gerbing offer a two-step approach for Structural Equation Modelling, which was used in this work (1988). The first step involves evaluating the measurement model, and the second involves evaluating the structural model. Two stages were included in the measurement model stage: the assessment of one-dimensionality, followed by the assessment of reliability and validity of the study's primary components. Furthermore, Structural Equation Modelling gives unbiased estimates with standard errors for postulated factor loadings. It also provides a systematic assessment of discriminant validity by estimating correlations between theoretical conceptions and statistically testing each inter-construct correlation that differs from unity. Finally, by confining factor loadings across contexts, Structural Equation Modelling allows for direct testing of measurement equivalence across several contexts.

## CHAPTER 4: RESULTS AND DISCUSSION

### 4.1 INTRODUCTION

Since the Federation's inception in 1963, the year 2019 has the potential to be the most significant in Malaysia's political history. While the historic change in government that ended the Barisan Nasional (BN) coalition government's sixty-year reign last year was significant, the transition of power will be far less meaningful if the new Pakatan Harapan (PH) government led by former Prime Minister Mahathir Mohamad fails to deliver on the promises of broader national transformation. The People's Party's 194-page Buku Harapan ("book of hope") manifesto included sixty pledges, ranging from reforming the Anti-Corruption Commission to ensuring "transparency and robustness of our election system," as well as promises to "abolish oppressive laws" and "enhance the transparency and integrity of the budget and budgeting process."

It would be easy to point to the manifesto's myriad unfulfilled promises in order to declare 2019 a complete failure for the young PH government. Many observers have used the first hundred days of the PH administration and the one-year anniversary of its electoral victory to compare the new government against its manifesto pledges, which has become a well-worn path for many experts. The political sector isn't the only one where reform is moving slowly. Stock withdrawals and a weak ringgit continue to wreak havoc on the economy, as global funds express concern about the absence of changes. While Malaysia "faced many issues" in terms of foreign and security policies, "not much is likely to change" under Mahathir's "new Malaysia," according to Elina Noor.

Due to this new policy by new government, other than PR1MA Corporation Malaysia many of other old government related also affected including Utusan Malaysia due to failure of salary payment. This happen during government changes because of Utusan no longer under direct ownership by UMNO after 31.6 per cent stake of its parent company was acquired by Abd Aziz Sheikh Fadzir. In a meeting held on October 11 in Putrajaya between UHY Advisory Sdn Bhd (the interim liquidator appointed by Utusan) and the Department of Labour in Peninsular (JTKSM), the company (UHY) was instructed to ensure that all affected workers

received their compensation in accordance with the Employment Act 1955. Workers at the newspaper's parent firm, on the other hand, have been required to file an Employment Retrenchment Form and either give a notice of termination or pay an indemnification to the employees.

#### 4.2 DESCRIPTIVE ANALYSIS

The initial stage in doing statistical analyses is to conduct a descriptive analysis. It offers a sense of how data is distributed, aids with the detection of outliers and mistakes, and allows to spot relationships between variables, preparing for future statistical analysis.

Employers shall provide employees who want to leave their jobs as part of a formal voluntary RIF separation with notice severance compensation. The amount of the severance payment is determined by the duration of employment and the wage at the time of separation.

<b>Length of Service</b>	<b>Salary at Separation</b>
Less than 1 year	2.5 weeks base salary
1 but less than 5 years	5 weeks base salary
5 but less than 10 years	12 weeks base salary
10 but less than 20 years	20 weeks base salary
20 or more years	26 weeks base salary

The Reduction in Force (RIF) separation notices will be provided to volunteers who are being separated and will inform them of their entitlements under the Reduction in Force programme (RIF). Volunteers who have been issued a RIF separation notice must sign a statement stating that they understand the action they are doing is final and irrevocable. PR1MA Corporation Malaysia, on the other hand, has the right to cancel the action if required. The employees subject to involuntary RIF separations will receive all of the same benefits and entitlements as the employees subject to voluntary RIF separations.

### 4.3 DISCUSSION OF RESULTS

Several organisations offer severance money, outplacement services, extended health care benefits, and prior notification to downsized employees. Even when organizations try to help, the downsizing process is nevertheless stressful for both the downsized employees and the survivors. The objective of the discussion section is to explain any new understanding or insights that occurred as a result of your study and to interpret and characterise the importance of your results in connection to what was already known about the research problem being studied. The discussion will always link to the introduction through the research questions or hypotheses you posed and the literature you reviewed, but it will not simply repeat or rearrange the first sections of your paper; it will clearly explain how your study advanced the reader's understanding of the research problem from where you left them at the end of your review of prior research.

Based on the study, 85% of survivor employees stated that they are affected with the restructure of the organization. The great majority of research found that restructuring has a detrimental influence on employee happiness. Staff reductions were found to have a negative influence on general health, physical health, mental health, sick leave, and job attitudes in research. Organizing for efficiency and modernization is the goal of restructuring, but it can result in job losses and employee layoffs if done incorrectly. Restructuring is a procedure that focuses on issues related to debt financing and that typically entails the sale of portions of a company to outside investors.

Employees are frequently panicked by restructuring and worried how the changes would affect their job security. When word comes out that the company is going through a reorganisation, some employees may start seeking for new jobs. The stress of the restructure can make it difficult for employees to focus on their actual task. The changing environment in which an organisation operates requires entities to react and respond quickly to new issues that develop in this environment if they are to maintain their competitive advantage. Companies and other organisations must recognise that they will be unable to function in the same way in the modern world unless they make significant adjustments to their policies and strategic plans. Global market trends and developments internationalisation force

organisations to operate in highly competitive environments, which frequently necessitate collaboration with other entities, the use of new technologies, and management techniques that are inventive. Restructuring frequently entails significant changes in the organization's many departments and locations, as well as procedures and processes.

Organizing for efficiency and modernization is the goal of restructuring, but it can result in job losses and employee layoffs if done incorrectly. Restructuring is a procedure that focuses on issues related to debt financing and that typically entails the sale of portions of a company to outside investors. Overall, some internal restructuring or decrease of operations is involved in the process of decommissioning a facility. Although the restructuring can be carried out by the organization's internal executives, it is occasionally required to recruit the services of financial and legal specialists to assist with the intricacies and negotiations of the restructuring. In order to successfully steer the company through the transition, the restructuring procedure must take into consideration both the ability of the personnel to adapt and the effectiveness of the organization.

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## CHAPTER 5: CONCLUSIONS AND RECOMMENDATIONS

### 5.1 CONCLUSION

Security (financial) requirements were demonstrated to be a significant discriminator of VSS acceptance or non-acceptance in this study. This is due to the fact that workers in a corporatized firm were largely reliant on their monthly salary to meet their fundamental financial necessities. As a result, the priority for financial security may be an acceptable cause for the VSS's rejection. This study also reveals a substantial link between self-esteem and the decision to accept or reject the VSS, with those who have high self-esteem needs being more likely to accept the VSS. This can be explained by the fact that those who believe self-esteem is vital would choose to move on in life rather than stay with their current employer.

These findings have offered critical feedback to firms considering this risky method as a future strategy. It is not necessary to have a VSS to achieve its aims; other activities in preparing a worker for VSS, such as early retirement counselling, should be considered. One issue that has arisen as a result of this exercise is the impact of co-workers and the VSS consultant, both of whom have been detrimental to the workers in that they were not adequately prepared for what was ahead after accepting the VSS.

Reducing the number of people employed is not a cost-cutting panacea, and it does not ensure that short-term savings will balance long-term expenses. At the same time, cash flow is the lifeblood of every firm, and it may be necessary to cut the number of employees in order to keep it flowing. Before opting to shrink, managers should consider the variety of viable choices that are accessible to them. Whenever it is determined that downsizing is the best option, firms should follow the guidelines stated in this study to treat employees with respect and to be proactive in responding to the sentiments and needs of survivors.

Many businesses utilise downsizing as a method to deal with structural and fundamental changes in the global economy. It is predicted that downsizing will not go away, with 60% of businesses continuing to downsize. Downsizing should always start at the top, but it demands active participation from all employees.

Decision-makers should pinpoint where inefficiencies, redundancies, and access costs occur and concentrate their efforts there. Workforce reduction must be applied selectively and with a long-term focus. Those who lose their positions and those who stay in the organisation should be given special attention. The research technique and statistical methods used to analyse the data acquired from the questionnaire were discussed in this chapter. To offer the approach that this research pursued, the hypotheses, sampling strategies and descriptions, and data gathering method were discussed. The research methods and design used in this study were described in the previous section. The preceding chapters' information will serve as a backdrop against which the contents of this chapter will be presented and evaluated, and it will be based on empirical investigations undertaken to test the hypotheses.

When it comes to organisational reorganisation, a large amount of change management is required. Because of this, communication becomes one of the most crucial parts of a successful organisational restructuring effort. Employee communication is crucial throughout the restructuring phase of any firm because it allows employees to be fully informed about the changes taking place. This has the effect of countering any resistance that may occur as a result of the removal of uncertainty and assuaging concerns among staff.

Preparation, though, and after the transition are all critical components of change management. Communication is essential at all stages of the process. The vast majority of CEOs are unable to communicate directly with their employees. The result is that adequate warning must be provided, particularly when an expected response is expected. Rather than depending on internal processes to cascade important news to line management, who then communicates it to their employees, ensure that employees are aware of who they may contact questions or concerns about their jobs.

## 5.2 IMPLICATIONS OF THE STUDY

Downsizing could be the decrease that is permanent of a business's labour pool by reducing unproductive employees or divisions. Downsizing is a very common training that is organizational often connected with financial downturns and failing companies. Terminating staff is never a pleasant experience. Even the word "termination" conjures up images of doom, finality, and permanence. People work to provide for their families and to maintain their way of life. It is exceedingly difficult to provide for yourself and others who rely on you if you do not have a steady employment. Delaying or cancelling job offers puts former employees in a difficult position, and they should never be handled lightly. Despite the fact that downsizing may be judged necessary, the decision to make significant reductions in the firm's staff will have an impact on a huge number of employees, both those who are terminated and those who are retained in the organisation. Employees who are laid off are supposed to be upset and astonished, and this is normal. When announcing layoffs at a company, employers may face opposition from their employees. Although these are natural short-term reactions and repercussions of downsizing, there is a wide range of long-term ramifications that businesses should expect to suffer. Here are some examples.

Based on the study, voluntary separation scheme has left implications to those employees that remain in the company in order to make sure organization can still operate as usual even the number of employees already reduce. During this event, PRIMA Corporation Malaysia has to let go their experience employees which cause the lack of experience manpower in some area of the operational level. When a company downsizes, it may discover that it lost more good people than it anticipated, or that market conditions suddenly imply that it should begin planning to expand its personnel when the economy improves. Employees who are laid off retain their knowledge, which is frequently lost as a result of downsizing. In the course of the firm's restructuring, knowledge categories like problem-solving methodologies, client preferences, operational approaches, and business history were among those that were lost. Companies may be able to encourage recording or the transmission of key knowledge prior to a downsizing announcement; yet, many critical skillsets and business information will still be lost when employees leave. Companies devote a significant amount of time and resources to the hiring and



training of new personnel. In theory, every employee should be equipped with the critical skills and knowledge base necessary to carry out their work responsibilities. Aside from that, the longer an individual remains with a company, the more information and skills they can accumulate. Employees who are laid off during the downsizing process are losing more than simply a warm body; they are also losing the knowledge, experience, and competence of those who were laid off. Furthermore, organisations that are downsizing do not often hire new personnel, so there will be a void rather than a replacement for those who are laid off.

When PRIMA reduces its workforce, it creates gaps in its work load. Because of this, the surviving employees are under increased pressure to not only complete their present job tasks, but also to take on additional work to compensate for the lost productivity of the terminated employees. Taking on extra obligations on top of their current responsibilities may put additional stress and pressure on the remaining employees, which can have a detrimental impact on their morale and motivation. Furthermore, when employees are bogged down in the day-to-day activities of their jobs, they have little time left over to learn a new skill or broaden their present knowledge base, which is a problem. This can result in a stagnant work atmosphere and limit the possibility for advancement of present personnel. Downsizing is one of the factors that cause a decrease in creativity in the workplace. The workplace becomes a less creative environment and employees don't make as many bold, creative moves in their work. In some cases, the employees may reserve ideas in case they too are downsized or decide to move to a different company. Lower creativity sometimes translates into lower productivity and fewer innovative ideas to keep your company competitive. Work overload in the workplace can profoundly affect mood and emotional well-being, which also affect performance on the job. Moodiness can strain relationships with co-workers, supervisors, friends and family. Ruminating over workload heightens anxiety and increases overall dissatisfaction with work.

As soon as the reduction announcement is made, expect a decline in company morale. Employees are anxious about who will lose their jobs and how the company would run in the event that they do not return. Following the downsizing, remaining employees may be required to take on extra responsibilities without receiving greater compensation, further depressing morale. Another round of layoffs

may be on the horizon, which may cause fear among employees. If the reasons for downsizing or the process of dismissing people are called into question, it is possible that employees will lose faith and respect. Layoffs anger the majority of the population. As a result of being dismissed, employees understandably feel uneasy because they are driven to leave the organisation and seek new employment. As a result of the reduction, it is possible that the surviving employees will face challenges. Knowing that their company is willing to lay off employees in order to save money, even if their position has not been removed, may cause some people to feel uneasy. Despite the fact that the remaining employees are relieved that they will not be laid off, there is often a loss of confidence in management as well as a lack of security in their current positions.

Downsizings may be viewed favourably by stockholders or business owners, but layoffs often have a detrimental impact on potential employees and current customers. This poor reputation may jeopardise the organization's capacity to attract and retain top people, which will be required to expand the company in the future. Customers may seek service or products from competitors if downsizing affects customer service, support, or product quality. Client connections may be harmed if a high number of staff are laid off. The customer experience will suffer if there are fewer personnel employed to handle clients and their accounts. Clients may also be dissatisfied with a new person allocated to their account if they had a good working relationship with an employee who was later sacked. These annoyances could result in a drop in profitability and client satisfaction.

### 5.3 LIMITATIONS AND FUTURE RESEARCH DIRECTION

Downsizing is the process of shrinking an organization's size, human resources, and operating expenditures. Downsizing might include things like integrating sales and marketing teams in order to cut headcount by 20%, as well as eliminating a branch office. Putting a hiring freeze in place, encouraging workers to work part-time hours, or incentivizing people to retire early are all examples of downsizing from a human resources perspective.

The convenience google form method was used for the purposes of this study; however, because this type of questionnaire is not a probability method, it is considered a limitation because the findings of the research cannot be confidently generalised to the entire population of employees at PRIMA Corporation Malaysia. Because a number of employees who were subjected to the change process have left, retired, or been promoted, and because some of the employees are new and were not affected by the reduction, there is a temporal constraint on the amount of study that can be done. It is also possible that the respondents simply completed the questionnaire for the sake of completing it (low quality of response), so lowering the overall quality of the research findings.

Inefficient and ineffective processes inside the organisation that need to be addressed through organisational redesign may result in workers being terminated or demoted from their positions. Finally, when a corporation is confronted with financial limits that prevent the organisation from expanding or maintaining its current cost structure, the organisation is forced to cut costs and reduce the number of personnel. Furthermore, despite the fact that it is a costly means of downsizing, firms are progressively utilising it to reduce their workforce. Employees find this strategy appealing since the best employees depart because of a demand for their skills, while the poorest employees remain because they are less marketable than the top employees. Employees who choose to be released from their positions have a better chance of coping with the loss of their jobs. Employees who opt to leave their jobs early have a reduced possibility of returning to them later on. Early retirement provides a number of advantages, including the fact that it is more socially acceptable to be retired at the age of 29 than it is to be laid off at that age. Older employees are protected from being laid off under the last in first out (LIFO)

redundancy selection criteria because of their seniority, making them disproportionately vulnerable to being coerced into early retirement under employers' labour-saving programmes..

As always, the study's findings and implications must be viewed in the context of its limitations. First, we used data from a single source with self-report survey measures, which raises the possibility of common method variation, in which the observed connection was artificially exaggerated due to respondents' propensity to respond consistently. A meta-analytic investigation on the percept – percept inflation, on the other hand, implies that, while this issue is still being discussed, the degree of the relationship inflation may be exaggerated (Crampton and Wagner III 1994). Furthermore, the current study's longitudinal design should lessen the possibility of this bias. Another potential flaw is non-response bias, which occurs when individuals who remain in the study are not representative of the entire population. However, in terms of demographic features, the sample was representative of the entire community, and the sample size achieved was large when compared to previous downsizing research.

Finally, given the study's emphasis on negative affectivity and the psychological contract framework, we believe that future research should focus on the roles of other personality and individual predispositions (such as value orientations) in understanding the employment effects of downsizing, in addition to replicating the current study in other national settings to confirm the findings.

## 5.4 RECOMMENDATIONS

Survivors of downsizing may benefit from emotional support in order to stay productive. By assigning a therapist, the workers will be more likely to stay motivated in the long run as a result of the advice they receive. In order to maintain a high level of productivity, the organization's leadership should strive to motivate employees at all times as survivors of downsizing. To keep employees engaged at work, communication lines at work should be open. Employees who want to stay engaged at work should focus on positivity when dealing with the effects of downsizing. At work, graciousness should be a virtue that is promoted at all times. The leadership joining the workplace personnel by motivating staff to encourage increased productivity should be the most significant feature at work places. Staff will respond positively if management supports efforts to boost workplace output despite downsizing calls from previous projects. Once workers are supported by the leadership, a favourable mindset shift will emerge. Workers will have job security once the leadership is on board to support and complement the efforts of downsizing survivors.

When considering a layoff, organisations and HR leaders typically overlook an opportunity to increase employee loyalty and profitability by failing to recognise the importance of supporting and attracting individuals who are not directly affected by the layoff. Naturally, businesses will focus on arranging warnings and severance packages to ease departing employees' transitions into the next phase of their careers, but they frequently overlook the importance of developing a step-by-step plan to return remaining employees to profitability by modifying a positive work environment condition. Make it clear, understand the additional responsibilities that some representatives must accept, as well as the additional strain that some must endure. PRIMA Corporation Malaysia should demonstrate how intend to assist them in organising and managing the adjustments, with an eye toward success. Make every effort to eliminate unnecessary responsibilities from the duties that different personnel have been expected to perform.

Other than that, PRIMA Corporation Malaysia concentrate on the positive aspects of your life. Discuss how the difficult transitory advances will have a significant impact on the future. You anticipate more wonderful, more secure

prospects as a result of the accomplishments you've made. When business improves, you should be able to rehire some of the sacked employees. Encourage them to express their feelings and make an effort to relate to them once more. The people who report to you are stressed for a variety of reasons. Some layoff survivors are concerned that they lack the necessary knowledge and skills to take on new or extended work. A few folks are worried about not having enough time and energy to take up the bigger challenge. This creates an opportunity for you to have a career development conversation with everyone who reports to you. Begin by identifying the additional training, resources, and support that each representative believes they require, and then make certain you provide it.

The management of PRIMA Corporation Malaysia should accept my heartfelt gratitude for everyone's efforts to comprehend the difficult steps you've taken, as well as their consideration, concern, and willingness to put in extra effort to get through these trying times. Leaders are driving downsizing implementation techniques. It virtually always resulted in a reduction in the number of affected agencies and was largely accepted. Large workforce cutbacks, on the other hand, necessitate multi-step planning encompassing strategic planning, labour-management relations, communications, and human resources. The process of arranging for a voluntary separation scheme begins with a team meeting to inform employees of the organization's decision to downsize. Maintain an authentic relationship with them. For instance, inform them if you've decided to downsize since the company has missed revenue targets three quarters in a row. Alternatively, inform them if the company has lost some of its largest accounts. Additionally, if possible, explain to staff why the organisation selected downsizing over other operational savings. By remaining transparent, you may assist prevent the spread of rumours that can cause anxiety and distraction. When employees are not attempting to forecast what will happen next, they are more likely to remain engaged and optimistic during the transition.

PRIMA Corporation Malaysia should find a strategy to alleviate employee concerns while also setting new objectives and assigning new duties in relation to the event. When a business undergoes downsizing, it's natural for employees to feel fearful and unclear about their future roles and responsibilities. Maintain a higher level of team and individual meetings at this challenging time. Establish goals for staff to

work on between meetings to give them something to look forward to. Having this can help kids keep on track despite all of the changes that are taking place in their environment. Once employees have grasped the reasons for the company's decision to downsize, management must inform them of the potential changes to their positions. Determine the new objectives and responsibilities for each member of the team. It is important to constantly remind them of how their jobs are crucial to the achievement of the company's larger goals and objectives. Inform them of how the company believes they will fit into the new group. Explain what makes their responsibilities distinct and what is critical to their future success before moving on to the next step. Employees will be less afraid about losing their jobs and more interested in their daily tasks if they have a clear understanding of how they fit into the organization's long-term plans. While this study has demonstrated a generic and likely generalisable relationship between a variety of employment relationship variables and behavioural outcomes associated with downsizing, it has also signalled some important ways in which understanding of cross-cultural differences in antecedents such as personality and values may in the future help us to better understand downsizing reactions.

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## APPENDIX A: GOOGLE FORM QUESTIONNAIRE

### The Impact of Downsizing to PR1MA Operation After Malaysia Government Changes

Hi, my name is Nurul Afifah Binti Nik Mahamood. I am currently completing my study in Master of Management at Unirazak. Appreciate if you can participate in my questionnaire as data collection for my research proposal with above topic. I would like to thank you for your support.

1. What is your designation in PR1MA?

*Mark only one oval.*

- Non Executive  
 Executive  
 Senior Executive  
 Management Level (AVP/VP/SVP)

2. What is your division?

*Mark only one oval.*

- Marketing  
 Development  
 Corporate Services  
 Finance

3. How long is your duration of service with PR1MA?

*Mark only one oval.*

- Below 1 year  
 1 to 3 years  
 4 to 5 years  
 More than 5 years

4. Did you apply for Volunteer Separation Scheme (VSS) offered by PR1MA in April 2019?

*Mark only one oval.*

Yes

No

5. In your opinion, did Voluntary Separation Scheme give impact to PR1MA operation?

*Mark only one oval.*

Yes

No

Maybe

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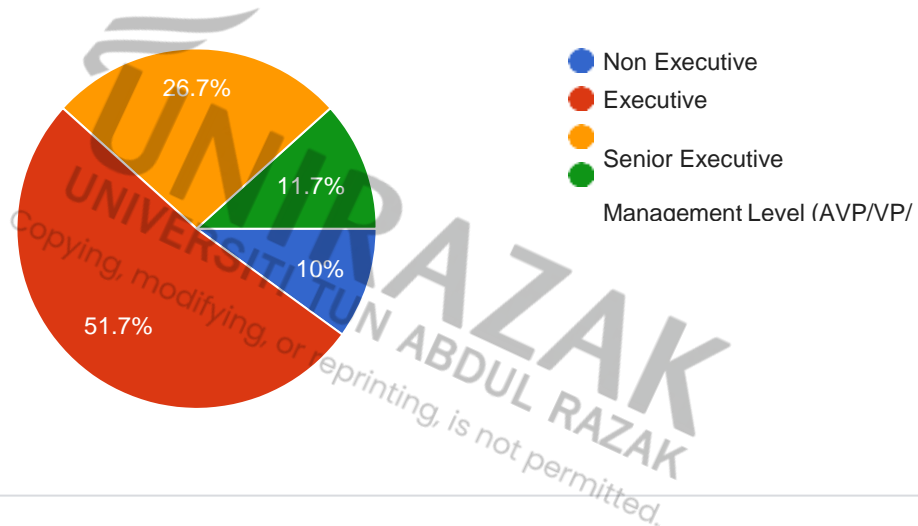
## APPENDIX B: RESULT FOR GOOGLE FORM QUESTIONNAIRE

# The Impact of Downsizing to PR1MA Operation After Malaysia Government Changes

60 responses  
[Publish analytics](#)

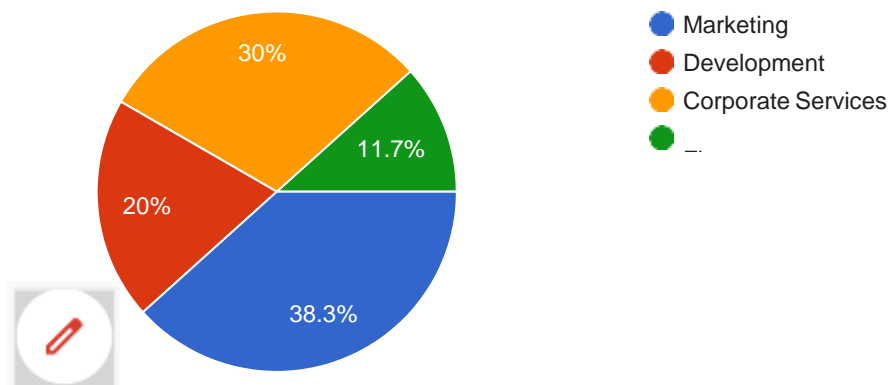
What is your designation in PR1MA?

60 responses



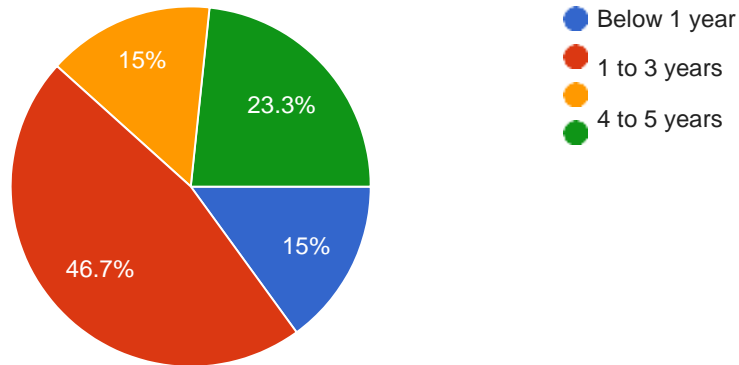
What is your division?

60 responses



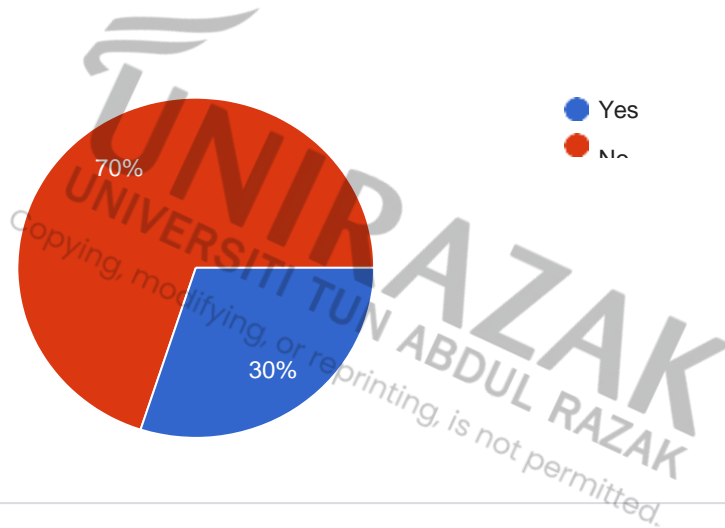
### How long is your duration of service with PR1MA?

60 responses



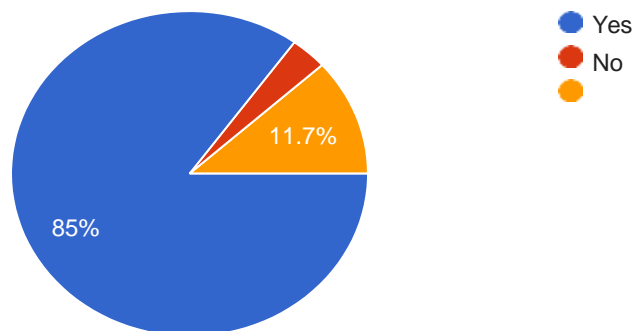
### Did you apply for Volunteer Separation Scheme (VSS) offered by PR1MA in April 2019?

60 responses



### In your opinion, did Voluntary Separation Scheme give impact to PR1MA operation?

60 responses



## APPENDIX C: PR1MA VSS APPLICATION FORM

 VOLUNTARY SEPARATION SCHEME (VSS) APPLICATION FORM PERBADANAN PR1MA MALAYSIA	
Application has to be submitted using this form. Submission deadline for this application will be on <b>12<sup>th</sup> April 2019 at 5.00 pm</b> . Kindly complete and sign this form before submitting it to the VSS Secretariat. Incomplete or unsigned forms will not be accepted and processed by the VSS Secretariat.	
To :	VSS Secretariat 7 <sup>th</sup> Floor, Block F, No 2, Jalan PJU 1A/7A Oasis Square, Oasis Damansara 47301 Petaling Jaya Selangor
<b>SUBJECT:</b>	<b>APPLICATION TO PARTICIPATE IN VOLUNTARY SEPARATION SCHEME (VSS)</b>
Full Name (as per NRIC) :	_____
NRIC Number :	_____ Staff ID No: _____
Position :	_____
Division/Department :	_____
I wish to be considered in the Voluntary Separation Scheme as invited by the Company.	
I hereby irrevocably agree that should my offer be accepted by PR1MA;	
(i) I shall have no further claims against PR1MA arising from my service with PR1MA, its Directors, agent or other Companies related to PR1MA in proceedings under s.20 (1) of the Industrial Relations Act 1967 or otherwise.	
(ii) I shall remain in service until 31 <sup>st</sup> May 2019 unless otherwise stated by the Management of PR1MA.	
I also understand that the Company retains complete discretion whether or not to accept my offer for VSS.	
Thank you.	
_____	
(Signature)	
Name:	
Date:	

**APPROVAL PAGE**

TITLE OF PROJECT PAPER: THE IMPACT OF DOWNSIZING TO  
PRIMA OPERATION DURING  
MALAYSIA GOVERNMENT CHANGES.

NAME OF AUTHOR : NURUL AFIFAH BT NIK MAHAMOOD

---

The undersigned certify that the above candidate has fulfilled the conditions of the project paper prepared in partial fulfilment for the degree of Master in Management.

**SUPERVISOR**

Signature : \_\_\_\_\_

Name : \_\_\_\_\_

Date : \_\_\_\_\_

**ENDORSED BY**

\_\_\_\_\_

Dean

Graduate School of Business

Date:

