

Session 5

DOES ORGANISATIONAL CULTURE MATTER WHILE DOWNSIZING? A STUDY OF PUBLICLY-FUNDED AUSTRALIAN UNIVERSITIES

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Even after three decades, organisations worldwide have continued the practice of downsizing and will irrefutably maintain it greatly in the coming years. Interestingly, the reasons for the differences in organisational approaches to downsizing still remain unclear. This study therefore, was primarily driven by the central research question: Why do organisations differ in their approaches to downsizing? Within the downsizing literature, the role of some internal factors (e.g. managerial ideologies, mutual trust, team composition and structure) has been analysed and that of others (e.g. dynamic managerial capabilities) has been alluded to, without being followed up by actual research. However, the systematic links between downsizing strategies and organisational culture have not been empirically established to date, and this study applies the initiative to such efforts.

In order to answer the central research question, the present study was conducted under practical premise. The intent was to identify the practical downsizing strategy types and subsequently the organisational culture dimensions, so as to determine which cultural dimension is favourable for which practical downsizing strategy type.

The research data was gathered from 255 mid-level leaders in ten publicly-funded Australian universities through a postal survey, and then analysed using exploratory factor analysis, cluster analyses and one-way ANOVAs. Practically, three types of downsizing strategies were identified. Based on these, four clusters were derived and analysed methodically across three organisational culture dimensions, viz. bureaucratic, innovative and supportive culture.

Empirical evidence suggests that organisations which use a dual strategy of voluntary downsizing and study load downsizing are slightly less likely to have a bureaucratic culture and those which use limited or no downsizing are less likely to have a bureaucratic culture. Interestingly, organisational culture dimensions were not differentiated on forced downsizing and also on a dual strategy of forced and study load downsizing.

This study makes the following key contributions to the downsizing literature: Firstly, it introduces empirical typology of practical downsizing; secondly, it develops the empirical model of practical downsizing that accounts for only bureaucratic culture.

From a theoretical standpoint, the conceptual bases of the extant evidence about the role of internal factors, specifically the organisational culture in downsizing were reviewed and a practical downsizing conceptual model was designed. From a practical perspective, the linkages revealed in this study between practical downsizing strategies and bureaucratic culture suggests another way for organisations to employ mid-level leaders that fit the organizational culture and preferred downsizing strategies.

Presenters Biography

B.M.Santosh is an Independent Management Researcher & Consultant based in Brisbane. He has recently submitted his PhD (Business) Thesis at Australian Catholic University, Brisbane campus. He holds M.Eng (Production Management) and B.Eng (Mechanical) from Karnatak and Kuvempu Universities, respectively. He is also a Chartered Engineer (India) and has a 15+ years of professional experience in management & business research, university lectureship & administration, and

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