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RETRENCHMENT IMPLEMENTATION:
PROCESS, PROBLEMS AND PROSPECTS

INTRODUCTION

This research attempted to look at the implementation of the retrenchment exercise in Zambia. The areas of concern were the process of implementation and the problems that arose as a result of exercise, and looked at the prospects.

In this endeavour the target group were parastatal organisation. Most of the parastatals were or are earmarked for privatisation and hence there had been a cry to reduce the workforce as a survival strategy in anticipation of competition.

Thus, the need for having looked at the process, problems and prospects on both the part of affected individual and on the part of the organisation.

STATEMENT OF THE PROBLEM

The advent of the political pluralism has brought with it liberalisation of the economies. A trade (including Labour) liberalisation policy is often seen as a measure of primary importance that can be expected to improve allocation of an economy's resources, lead to greater efficiency, expand the economy's output and accelerate its growth. In this view,
parastatals organisations have been labelled as loss makers by politicians mainly in the government of the day. They opted for privatising them and this process was/is undertaken by the Zambian privatisation Agency (ZPA).

The movement for multiparty democracy (MMD) government has seriously effected the structural adjustment programme, which the International Monetary Fund and World Bank (IMF) recommended as pre-conditions for obtaining loans and donor aid. This programme has serious repercussions and benefits on both the society and the industrial sector. As for parastatals, retrenchment has been taken to be the solution to the problem of inefficiency and profit maximisation.

However, this exercise has been a prerogative of management of the individual organisations. The process of implementation has varied from one organisation to another. It is this aspect of retrenchment that has posed problems to both the organisation and the affected individuals especially in the light of structural adjustment programme (SAP).

The organisations that have carried out this exercise have run into operational problems as the personnel received or experienced shocks in their system due to loss of some of their colleagues who could have been all along their source of
inspiration. While in other organisations, productivity has gone down as workers have stopped working to capacity as they anticipated their fate.

The process in itself has called for the concerned organisations to have a sound financial base that would enable them operate efficiently even after parting away with large sums of money as compensation to the affected employees. The duration taken to pay the retrenched workers have varied from one organisation to another. But how were the victims of the exercise picked or selected?

The affected individuals were sometimes caught unaware and hence they ended up not knowing exactly what step to take next. Others were those who were very far from retirement and had no intentions of leaving the organisation as the unemployment situations gets worse. However, other organisations informed their employees well in advance to prepare themselves for exercise to enable them plan in advance. Again, packages for the retrenched varied with each organisation's capability. Some packages given were enough to enable them embark on new projects while others were not sufficient. The care given to the affected workers is of great importance. But how were the workers involved helped to settle in the time of hardships?
How did the affected react to such a development? Where did they go afterwards? Did they remain in the urban, or went to rural areas or settlement schemes? How did they hope to cope? This, by and large, was a shock treatment to the social security of the affected people, let alone to their immediate environment like the family.

However, organisations are optimistic. They perceived positive results. By carrying out this exercise, they in the long run, hope to do better by getting rid of unwanted 'excess' labour or manpower. By having a sizeable and manageable workforce, they hoped to maximise productivity and stand the competition. But how did they envisage sustainable and prosperity? What were the desired goals.

Individuals, especially those that volunteered could have a good direction of their future and hence, they could benefit from the exercise. But what were their developmental priorities? was it involvement in Small Scale Industries, trading, farming? What did they hope to achieve in the competitive economic and political atmosphere? Was it personal, societal or national?

Retrenchment as in component of structural adjustment programme has raised a lot of questions in the Third World where you find
hidden underemployment, low capacity utilisation, high dependency ratio of the population. It is a thorny issue when it comes to political legitimacy.

RATIONALE OF THE RESEARCH

Retrenchment is a Japanese word which means redirecting. So the affected persons are supposed to be retrained and redirected by developing new and different skills. It is for this reason that the research attempted to look at the implementation of the exercise in Zambia and how it has and will continue to be done.

It was also the intention of this research to add a little to the body of knowledge. The results of this research could help planners in both the organisations and government, on how to undertake a similar exercise in Zambia or in other countries. There could be also some organisations that could wish to use the findings to assist those individuals affected by the exercise.

When looking at the effects (Positive or Negative) of structural adjustment programme, the government could find the results of the research helpful in deciding deliberate development policies. The research has attempted to provide the literature to the world of academia on the subject matter.
OBJECTIVES

1. To find out how the exercise was undertaken.
2. To find out the problems encountered by both the organisations and individuals as a result of the exercise.
3. To find out the prospects of both the organisations and individuals which the exercise offered.
4. Recommend possible alternative measures of undertaking the exercise (retrenchment).

RESEARCH METHODOLOGY AND DESIGN

The target group for this research was one parastatal organisation, Zambia National Provident Fund. The method of primary data collection was by questionnaires which were self-administered for some workers who could read and write of course. But on the part of management, interview method was used. Specifically, the personnel or human resources manager was interviewed. However, the option for higher offices were left open, in case need arose.

One hundred and fifty questionnaires were delivered to the affected workers in the organisation. The sampling method was accidental/availability type.
Questions were mainly open ended but allowed a few open ended questions for the sake of obtaining qualitative data. Data analysis was manually done as opposed to the use of computer software.

HYPOTHESIS

1. Retrenchment exercise was a consensus between the individual and the organisation.
2. Retrenchment has caused problems to both the organisations and individuals.
3. Retrenchment has bright prospects for both the organisation and individuals.

IDENTIFICATION OF VARIABLES

1. Retrenchment was the independent variable while consensus was a dependant variable.
2. Retrenchment was the independent variable and problems a dependent variable.
3. Retrenchment, independent variable while prospects was a dependent variable.
LITERATURE REVIEW

Organisations are seen as social units designed by people to collectively pursue certain specified goals. There are two types of organisations, formal and informal organisations.

The concern of this work was with formal organisations, although it is important to note the existence of informal organisations.

During the industrial revolution in Europe, a lot of people were employed in factories. Though many people were employed, they were merely paid subsistence wages, no proper contracts existed, no Unions leading to mass exploitation. This was so because there was abundant labour, so the market forces worked against the workers.

During the first world war, turnover (ratio of employees who voluntarily left a firm in a given year to the average number of employees during that same period) at the first increased because of the greater availability of jobs, the influx of new labour in factories. However, attention began to be drawn to the cost of recruiting and training, the higher costs of supervising a rapidly changing labour force, the low productivity of the new staff and the lost output of experienced leavers. As a result of these costs incurred, there arose a need for employing
permanent labour force which should be paid its benefits upon retirement or when declared redundant - when the position of the firm is financially depressed.

As a result, we saw in the late 1920s and early 1930s the beginning of compensation or redundancy payments for those who were laid off permanently. the flour milling firms under the leadership of Ranks and Spillers, operated a scheme under which those workers made redundant as a result of rationalisation were paid from the employers fund in form of annuities, periodic benefits or lumpsum payments."

In a continued effort to re organise labour in organisations, where previously the foreman was very much involved in the retrenchment exercise, things began to change. There was a growth of the personnel department, recruitment became more centralised and fewer firms allowed foremen to hire. The overall trend was towards centralisation and systemisation... In the area of termination of employment distinction was drawn between redundancy and disciplinary dismissals. In the process of recruitment, various applicants for various vacancies are selected in accordance with how the selectors suited the individual to the job in question, that is, in terms of ability to perform, qualifications and organisational norms, and
expectations. All involved in order to systematise and centralise recruitment.

in the case of redundancy, before the war a few exceptional firms had instituted policies of advance notice of severance payments. After the war, there became more widespread in large public and private sector organisations. In the 1950s, the process or practice of 'Last in, first out' because better established when reduction in the labour force were necessary... for example in the motor industry, a strike in 1955 against British Motor Corporations dismissal of 6,000 workers without notice forced management to accept to pay compensation and accept the 'last in, first out' formula. The legal instruments were put in place in Britain over redundancy payments act in 1965 which compelled employees to make a payment, based on earnings and length of service to employees declared redundant at a certain qualifying period.

In the retrenchment process, it is more the decision of the organisation who to retrench than the decision of the individual. Although in some cases, individuals may volunteer for various reasons—by and large it is the organisation that decides who and when. Presently, the economic environment stimulate the exercise as march and Simon suggested that..." under nearly all conditions, the most accurate single predictor of labour turnover is the state of economy."
The economic situation in Africa and Zambia in particular, continues to be sluggish in growth from the late 1980s to date. There is escalating inflation growing unemployment and mass poverty. The African continent continue also to face four devastating and debilitating problems from 1980s. Chronic food deficits: pernicious drought: the impact of exorably rising costs of imported energy; and deteriorating terms of trade, chronic balance of payments deficits and mounting external debt. Many African countries are today on the verge of economic bankruptcy, while a few others are simply trotting along. In trying to come out of this economic crisis, African nations rapidly adopted the International Monetary Fund (IMF) policies. In the 1980s and continues into the 1990s. When IMF missions visited the affected nations they diagnosed that... excess of aggregate demand over supply, because of public spending and the prescription took exactly the same form of measures which inevitably led to economic recession. Cutting public spending, drastic devaluation, economic and political restraints on wages, rise in the nominal rates of interest—on borrowing and saving, and selective reduction in tariffs. 

But why are parastals considered to be loss makers and hence a drain on government coffers? It is believed that a rise in the wages combined with increase in employment in the public sector
reduces the government's net savings. Financially the resulting deficit can be done initially by increasing domestic credit, but this comes into increasingly severe conflict with the private industrial demand for credit, which is crowded out.

Government to avoid borrowing is forced to retrench some workers and privatise some of these less strategic parastatals.

Economic liberalisation advocated by the IMF creates more room for foreign investors to come into a country and increase among other things employment to the locals. Multinational Corporation (MNCs) spokes men usually have asserted that investment of capital is a prime requirement for the creation of jobs, expand employment, employee training—unskilled and semi-skilled workers in poor countries, and introduction of new technology including robotisation. However, initial results have shown to the contrary because unemployment was a serious and continues to remain a problem..... About 60,000 Malaysian workers were made unemployed in Singapore and the workers were affected by the retrenchment in the electronic and Tin industries. ... about 20,000 tin mine workers became jobless as more than 160 mines went out of production in 1986 while the former was as a result of increased use of new technology—heavy capital investment. Also Jame F. Grant argued that the impact of the population explosion on employment has been aggravated in most developing countries by use of increasingly capital intensive technology.
by financial policies favouring use of capital rather than labour and by an unprecedented migration from the countryside to the cities.

When we examine the prescription offered by the IMF, it cause a recession in an economy. You find there is an escalating increase in inflation which results in a negative real interest rate. Entrepreneurs respond by increasing the use of capital so that unemployment increases.' They try to avoid demands for salary increases which are costs on the firms.

In the same vain workers are called upon to endure reduced real wages, increased prices and often unemployment (retrenchment)... during structural changes, they must shift upon declining to emerging times of activity and endure any transitional unemployment that results while business are expected to be inventive and flexible. "

Further, one observes that in an activity for which protection has been removed, production is likely to decline; resources—labour as well as physical and human capital—will be partially unemployed, rather than transferred immediately to an expanding industry. " This state of affairs will be more severe.
shorter the time elapsed since the policy change and unemployment is found to be a consideration of crucial political importance when decisions are made regarding liberalisation.

During this period that the retrenchment is being undertaken, both organisations and individuals could suffer in various ways. The organisation could incur a lot of costs in the short run through paying the retrenched workers. There is also the danger of description of the performance of the organisation as Mobley observes. Thus "... loss of efficiency on the part of the leaver prior to separation." Also if those retrenched enhanced communication among particular groups, production could be affected as those left behind have to adjust especially in light of work carry over. If the exercise is done without prior notice it could affect the retrenched employees because they could have not planned for it. Depending again on how much the organisation is going to give affected employees in light of the bad economic situation. Organisations may benefit through displacement of poor performers, decrease in absenteeism, reduction in conflict and maintaining a sizeable workforce. While it may allow the individual to embark on profitable ventures from the experience gotten from the routine work.
The interpretation of medium term of employment prospects is deficient. In particular the extent to which it misunderstands the motivation for some of the large scale redundancy programmes certainly as the recession took hold, companies reacted, due to falling demand, concentrated on restricting costs, excess labour, however, paid the price...Rather than shedding labour as a short term technical imperative, it is apparent that many larger companies have taken the opportunity to undertake a wholesale clear out in conjunction with a programme of reorganisation.

While many larger companies or enterprises will undoubtedly continue to employ fewer staff than they did in the 1980s, renewed expansion will require new people, especially those with easily transferrable skills.

Successful countries of the future will be those that employ their citizens in the most productive and imaginative way. The process of creating new productive capacity therefore demands a new interaction between supply side policies and demand management on the other. Therefore, Gordon Brown argued that “it must be our objective to abolish not only youth unemployment, but long term unemployment, with our eventual aim to replace redundancy with the prospects of new work through retraining.”
Therefore for a successful retrenchment exercise, there is imperative need to have foresight in the process, problems and prospects.

The literature has provided us the background to retrenchment, that is, how it evolved and stage it has reached. The literature has heightened experiences of countries in the world who undertook the exercise. We have observed different reasons for undertaking retrenchment, but the common one has been IMF imposed as part of the structural adjustment programme (SAP). This is the category in which Zambia falls.

Since, 1991 after the movement for multiparty democracy (MMD) government took office after an election victory over the United Independence Party (UNIP), it immediately liberalised the economy. Privatisation of parastatals organisation almost all parastatals embarked on a retrenchment programme in view of the prevailing economic environment of recession. Among the parastatals who carried the exercise, Zambia National provident Fund (ZNPF) was one of them.

Therefore, this research on retrenchment focused on ZNPF. Zambia National Provident Fund is a parastatal organisation aimed at providing a financial cushion to retiring employees. Employers of different organisation remit or contribute to the Fund, a percentage of each worker's salary, which the worker is entitled to withdraw upon retirement.
CHAPTER 2

The retrenchment exercise in ZNF began in November, 1992 in a bid to effect organisational restructuring. The workforce at the Lusaka Office which is the headquarters, stood at approximately 3047, at the time the exercise was affected. However, was this figure planned for? Were there any external forces who were responsible for the "over" employment? Is it the Economic environment? or was it an increase in workload?

The general trends in employment in ZNF show steady rise in personnel population since its inception when it was under the Ministry of Labour and Health. Now it is under the Ministry of Labour and social Security. The increase workload as many organisations, especially new ones, either saw the need to contribute to the fund as a way of consolidating their employers Social Security. Upon retirement or were compelled by government policy which emphasised upon this need (Social Security). Also there arose the need to facilitate quick processing of necessary papers for the retirees, hence the need for more personnel and technology at the time was not advanced in Zambia.

The rise in number of personnel can also be attributed to political interference. The government of that day (UNIP) sought to create employment for indigenous people. This they did not
by expanding the business scope of the organisation itself but
mainly creating openings for more personnel by duplicating work,
especially top management. For example, there is the one
department, with the Human Relations Manager, Human relations
Controller and his deputy, and the personnel officer. There are
very little variations in their job descriptions.

Furthermore, the organisation has a large Board of Directors who,
mostly, are political appointees. This means that they owe their
allegiance to the political powers that be and not the
organisation's objectives if they collide with political
interests.

There may be other variables involved in the personnel boom but
by and large the cumulative impact of the variables outlined,
thus, was that the workforce had to expand. The bloated
workforce so far purported, encouraged inefficiency due to
duplicating of work and generally low monthly rewards. Low
wages, salaries and duplicating of work ever above rendered
personnel inactive as there was no incentive to be productive.
This could be attributed, mainly, to lack of definite personnel
policy and practices.

Management, presently, has had to adopt the restructuring of the
entire system as the present economic set up calls for self
sustenance on the part of the organisation. This means no absolute protection from the government.

This retrenchment is intended to boast production by maintaining a sizeable, well paid (motivated) workforce. However, how was this exercise done at ZNPP? The interview was done with industrial relations manager and his deputy, who at the time were carry out a job re - valuation analysis programme.

The retrenchment programme which began in November, 1992 was aimed at reducing the workforce by 3 percent management and 21 percent Unionised employees at the end of the exercise. Management of the total workforce accounted for 1,333 while Unionised workers accounted to 1,714, giving a total workforce of 3047.

The line and staff management announced before hand that the exercise would take place. This exercise was projected at maintaining a productive workforce. Therefore, those nearing retirement age were mostly affected together with the almost superannuated employees. Those that fell within this bracket counted themselves as the most likely candidates for the exercise. In this token, notification period varied. Those that were not likely to be affected with regard to age were given at-most six months notice of their fate.
The Monetary package for the retrenchers was forty five (45) months pay plus Annual Salary plus twenty (20) percent staff savings. K150,000.00 was repatriation allowance. Some retrenches were given almost three (3) months pay lieu notice. This was just about all. Viz-a-vis the monetary rewards, no other benefits were included in the package.

On the part of the organisation, the impact of this process on labour relations and production has been positive according to management's view. The major problem, however, the organisation has faced are court Litigations. Despite everything, it of hopes to prosper in the long run by maintaining a productive workforce.

The average age of the workers affected inclusive of both Unionised and management echelons of the organisation was 45.3 years. Marital status, let alone the number of children came in as an essential way as they help reflect on the affected individual's life style after stoppage of work. Marital status may also have an influence on decisions regarding future occupations. The number of children, especially those who go to school may also direct the priorities of the retrenchees. Zambia's traditions and culture generally recognise dependents arising from the extended family system. The extended family may as well have an impact on the choice of the retrenchee.
The sex distribution stood at the ratio of 4:1 (126:32) i.e., for every five people affected, four were males and one was female. Eighty-four percent (84%-84) were married while sixteen percent (16%-16) were not married. This commanded sixty-two percent (62%-62) female as single.

The average number of children per affected household was 7 children, including those single- with one dependent each. Here the distribution of children was normal. The average four (4) went to school. The averages of children at different levels of education were as follows:

Pre School ...... 0.3
Primary School... 2
Secondary School.. 1
College ........ 0.3
University...... 0.04

For an organisation to perform relatively better than others, it needs trained and competent human resource. To have trained employees, the level of education and aptitude of an individual may help to determine his trainability. The easier it is to train, the cheaper it is for an organisation to maintain that individual. The restructuring programme was aimed at reducing production costs, while maintaining reasonable production levels.
the levels of education in this programme was a categorical variable in selecting would be retrenches. Level of education in this case was measured as:

a) Not having attended school
b) Between grade 1 and 7
c) Between Grade 8 and 12
d) Diploma/craft certificate
e) Degree

The distribution of this variable was follows:

a) Not attended School - 18%
b) Between Grade 1 and 7 - 20%
c) Between Grade 8 and 12 - 33%
d) Diploma/certificate - 25%
e) Degree - 6%
This retrenchment programme has had a lot of impact on the workers affected. The length of service of an individual matters. If an individual has only served five years with an organisation, it is possible to assume probably that the individual is just settling. This may mean that his/her social security has been tempered with. Therefore, he/she will need time to recover from the shock treatment as jobs at this time are scarce since the restructuring programme has swept across the entire economic system. From the interviews conducted, the most affected had served for over fifteen years. However, a slight majority had served for barely fifteen years. Measurements and their respective percentages are as follows:

<table>
<thead>
<tr>
<th>(YEARS)</th>
<th>NUMBER</th>
<th>PERCENTAGE (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 - 4</td>
<td>12</td>
<td>6</td>
</tr>
<tr>
<td>5 - 9</td>
<td>47</td>
<td>29</td>
</tr>
<tr>
<td>10 - 14</td>
<td>25</td>
<td>16</td>
</tr>
<tr>
<td>15 and above</td>
<td>76</td>
<td>47</td>
</tr>
</tbody>
</table>

The average period of service was approximately 12 years.
Meanwhile 8 percent expected their contracts to end between 10 and 14 years of service and 92 percent expected their contracts to end after 15 years.

Annual monetary rewards stood at an average of K245,000 est., taking Unionised and Un-Unionised - where management fails. 63 percent of respondents were non-unionised, 29 percent were non-unionised. While 8 percent were in management bracket. The distribution of their annual salaries was thus:

<table>
<thead>
<tr>
<th>AMOUNT</th>
<th>PERCENTAGE</th>
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<tbody>
<tr>
<td>Below 1 million</td>
<td>4</td>
</tr>
<tr>
<td>Between 1 and 3 million</td>
<td>13</td>
</tr>
<tr>
<td>Between 2 and 3 million</td>
<td>53</td>
</tr>
<tr>
<td>Between 3 and 4 million</td>
<td>16</td>
</tr>
<tr>
<td>Above 4 million</td>
<td>4</td>
</tr>
</tbody>
</table>

[Diagram showing the distribution of annual salaries in millions of Kwacha]
The findings further indicate that 34 percent were clerical staff, 18 percent were general workers, 23 percent were with trades qualification and 3 percent were involved in other jobs. However, it is important to note that some clerical workers and trade holders were part of management bracket.

As for awareness of the exercise, 75 percent admitted knowledge of the exercise, while 25 percent claimed that they were not aware. Further more 42 percent said the organisation did ask for volunteers, 36 percent said no request as regards volunteers was made. Out of the 42 percent who admitted request for volunteers, 42 percent volunteered while 58 percent did not. Out of the 58 percent who did not volunteer, a vast majority of approximately 76 percent were notified of the impending exercise while 24 percent argued that they were caught unawares. Notification period, however, ranged from one to six months. 52 percent were notified between one and three months, while 48 percent were notified between four and six months. Meanwhile 56 percent were still fighting for their money to be processed, as asposed to 44 percent who received their benefits.

IMPLICATIONS

It is important to note that those who have not received their benefits to date have caused a lot sufferings to their families.
Some complained that they have been reduced to beggars. This tarnishes the image of the organisation especially its capacity to plan and implement the programme successfully. The organisation should have budgeted competently to alleviate the sufferings inflicted upon its former employers.

As for 24 percent (36) who alleged that they were caught unaware, the exercise left no room to plan for alternatives. It left them in a valley of decision, leading them to not putting their benefits to profitable ventures. People need to be given ample time to plan and psychologically prepare for the exercise. This will enable an individual to embark on a venture that could be successful.

The sudden departure of colleagues also has psychological effect on those employees left behind as result of that personal friendship developed over the years. It is difficult to fill this void, hence, in the short run output is affected.

Organisations should not retrench if it has no capacity to pay the benefits to its workers as this tends to have negative effect on the image of the organisation.
As of those who received their full benefits were outlined below:

<table>
<thead>
<tr>
<th>AMOUNT</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 1 million</td>
<td>10</td>
</tr>
<tr>
<td>between 1 and 2.5 million</td>
<td>40</td>
</tr>
<tr>
<td>between 2.5 and 4 million</td>
<td>40</td>
</tr>
<tr>
<td>Above 4 million</td>
<td>10</td>
</tr>
</tbody>
</table>

All the respondents on the aspect of training for retrenches, said no retraining was offered and no alternative modes of survival were limited. 12 percent, however, were given, on top of their monetary rewards, tokens of appreciation for long service such as record players, bicycles and ox-drawn ploughs.
After this shock treatment to the social security, 83 percent said they were hiring problems to settle properly while 17 percent said they had no problem. A vast majority (50%) settled for farming and their average age was 30 years, 33 percent settled for business, main average age was 36 years. Despite the problems being encountered, most of the retrenched, 92 percent were hopeful of success in their new endeavours. 8 percent could not respond.

A vast majority of the respondents, 96 percent (153) were of the main view that government should assist the retrenched. They believed that government could assist by having a definite policy on the retrenched. This policy, they suggested, could cover such aspects as concessions in obtaining land, loans and offer free advisory services as they believe that it was not their fault that they had been retrenched. Some believed that government assistance could also be by having to encourage Agricultural production by setting reasonable prices for agriculture inputs. Others, a vast majority insisted that the government involvement could be directed at the time taken in making benefits available. This is to alleviate the delays encountered by most retrenched. They complained emotionally about the late payment of the benefits leading to incoherent planning of how to use the money.
ANALYSIS

Following the findings, it is clear that how the exercise is undertaken did not offer an opportunity of party in terms of percentage to be retrenched in each category, i.e., unionised, non-unionised and management. Indeed, in this case, the non-unionised are grouped together with management. But it is important to note the distinction – by virtue of their jobs and not necessarily fall in management bracket – and those who are non-unionised because the management scale accrues to them.

In this particular case, that distinction has not been made hence rendering the process partial. With a positive bias for management as they masquerade in the general term, non-unionised. The main thrust of the retrenchment exercise was to cut down on the wage bill. But it is common knowledge that management enjoys relatively better working conditions in the Zambia Industrial and Mining Corporation (ZIMCO) group of companies. If the purpose of the exercise is not to be defeated, a larger proportion of the management echelon could be laid off as their main job is not directly in production per se but mainly supervisory, which could be handled by a few people and relatively shorter hierarchy. Moreover, the benefits accruing to those in management and still in employment could cater for more than two unionised workers. They are responsible for the bulk of the wage bill.
The unionised workers, who handle the real production and general paper work were affected in greater proportion. However, the affected individuals were not retrenched instantly. Notification is evident in the funding and a great majority claimed knowledge of the exercise was done fairly, less than half of the respondents acknowledged that volunteers were sought. Even with those that admitted that volunteers were requested (42 percent - .67 pple) less than 50 percent of the 42 percent volunteered.

The interpretation of the above is that whilst retrenchment is a consensus between the organisation and the individual - as volunteers were sought - the actual decision was made by the organisation as who to retrench and the majority did not volunteer. Thus the hypothesis that retrenchment being a consensus between the organisation and individual suffers a slight setback as the majority, 58 percent(38 pple) of those who knew of the voluntary aspect of the exercise did not actually volunteer.

Furthermore, a recognisable 58 percent (93 pple) of the entire sample dismissed the existence of the voluntary aspects. This may mean that in practice, it was not exactly based on consensus. It can be a consensus only if the voluntary aspects is acknowledged and the majority volunteer.
Nevertheless, it is also important to note that the economic situation at present may not stimulate one into volunteering, therefore, the organisation had to trim who was seen through its spectacles as excess 'fat'. The package given to retrenches caused quite enough a lot of disquiet in most individuals let alone the time period taken for the organisation to honour its obligations in time. In a Zambian setting, extended families are common place. The average number of children per household is generally big as the country's demographic trends show a steady rise in population. This means more months to feed. This could have been as a result of the free health and social services, and a relatively cheap life during the humanistic second republican government. Against this background the benefits given to the individuals may not have been enough to meet the responsibilities ahead of them - educating and maintaining, sustainably, his children and also make them law abiding.

Most of the children going to school fall in the primary and secondary school bracket. Very few had their children going to pre-school. Also very few had children going to college and University. Due to this development it means most of the expenses, especially University and college for their children will be or already out of their reach. It is evidently clear that the organisation offered no alternative modes of survival to retrenchee, let alone on training. Training in this token may be seen as retraining an individual and prepare him for his/her
future endeavours and be able to work for himself. The chairman of Zambia Congress of Trade Unions, Mr. Jacob Shamenda, after returning from an overseas trip to solicit for the support of slowing down the structural adjustment programme (SAP) in Zambia, acknowledged the need to retrain retrenched workers and equip them with necessary armour in their fight against the hostilities of the effects of SAP. Lack of training and inadequate benefits have landed the retrenched workers in problems.

From the perspective of the organisation, the exercise has had a positive impact on both labour relations and productivity. However, the organisation has suffered court litigations. This was seemingly a protracted problem. The retrenched workers are seeking redress from courts over 'meagre' benefits offered them by the organisation. This, cumulatively speaking, may conclude or agree with the hypothesis that the exercise causes problems to both organisations and the individual. This can be mainly attributed to lack of consensus between the two parties to have mutual agreement over package prior to the individuals stopping work. Also by the organisation looking at its financial standing before the exercise is undertaken, not merely following the fashion of the day.

Despite the problems encountered by both the individual and the organisation, there is a greater indication of hope. On one hand, the organisation hopes to prosper in the long run by
maintaining a sizeable, productive and well motivated work force. And on the other hand, the individuals hope to prosper with relatively better assistance from the government. The retrenched show their hopefulness by banking on the government, which they believe has not done enough to help the retrenched. This may mean that without government positive interference, their hopes would, to a great extent be shattered. Hence, the hypothesis that there are bright chances of prosperity is overwhelmingly dependent on positive government intervention, as a vast majority prefered to go farming.

CONCLUSION

Having looked at how the exercise was conducted at ZNPF, i.e. the process, problems and prospects, one would conclude to say the exercise, as a tool of institutional restructuring process seem to have concentrated mainly on the reduction of the workforce. This did not directly address the question of irrelevant offices which could be fused into one office. Neither did it also strictly look at the restructuring of the hierarchical structure to suit the present Economic Situation.

The question of consensus between the two parties - organisation and individual - was not of paramount importance as the organisation had its own perspective and projected future needs.
This however, caused problems especially to those with large families and children still going to school. Most of those retrenched fell in the category between not having gone to school and those with trades or diploma qualifications. The majority of those who did not volunteer fell below the level of certificate/diploma qualification those beyond secondary school volunteered.

But largely, because of lack of preparations in terms of retraining programmes, most of the affected individuals found themselves in a crisis of choice. Therefore, those younger ones opted for employment elsewhere. Training in this case has been found to be important. It is ironical to note that the average age of those who opted for farming is 50 years. Taking the low life expectancy in Zambia, these may not actively engage in farming, at least not on the commercial basis but mainly for subsistence. Those aiming for businesses may not have enough capital to start a recognisable business. With retraining they may have a better perspective of what business to embark on and whether it should be a partnership or a sole enterprises.

Furthermore, no additional resources were given other than just monetary rewards. The few who enjoyed additional resources got either radio cassettes, bicycle or an ox-drawn plough. The radio
cassette does not directly help one see a direction of what occupation to go for. A plough to a large extent show direction of what future occupation to go for but also it is a question of interest and ability in that area.

The bright future prospects are only rekindled in the organisation and not the individuals. Unitarily some prospects are bright, others dim and others its hopeless. Many an organisation, however, initially suffer a lot of financial drain as every member retrenched must be paid. This may explain why the packages are not usually lucrative. The organisation not only has to pay the retrenched, but those still in employment (salaries) and debts have also to be settled. By retrenching the almost superannuated and the younger in service the organisation hopes to boost production.

Meanwhile the prospects of the individual lingers on the government especially with the regard to policy and early disbursement of benefits. Late payment has been indicated as a critical problem.
6. Government should set up a monitoring organ to oversee prompt payment of benefits to the retrenched by their former employers. This will help the retrenched plan for their future if they have their money on hand promptly.

7. Since most of these organisations are top heavy, the restructuring should be aimed at reducing the weight at the top by fusing together certain offices into one office. This will certainly reduce the wage bill when considering that these people at the top receive lucrative conditions of service - a car, furnished house, entertainment allowance and other fringe benefits. When you combine what he receives per month salary plus other allowances, he would be able to pay for a number of the unionised workers. So the exercise should be aimed at reducing the weight at the top.
2. IBID P80
3. IBID P153
4. IBID P160
5. IBID P167
8. Trade, Finance and developing Countries; Strategies and constraints in the (1990), Shelin Page, Harvester Wheatsheaf, (1990) P 130
9. IBID P129
11. IBID P40
12. IBID P15
13. IBID P129


16. IBID P 20


MANAGEMENT INTERVIEWS

1. WHEN DID THE RETRENCHMENT EXERCISE BEGIN? ................................

2. WHAT IS THE CURRENT WORK FORCE? .............................................

3. WHAT PERCENTAGE IS TO REMAIN? .................................................

4. HOW IS THE SELECTION PROCESS? DOES IT INVOLVE UNIONISED OR
MANAGEMENT WORKERS? .................................................................

5. WHAT PERCENTAGE IN EACH IS AFFECTED?
   NON - UNIONISED: .................................................................
   UNIONISED: .................................................................
   MANAGEMENT: .................................................................

6. WHAT IS THE NOTIFICATION PERIOD? -------------------------------

7. WHAT ARE THE COMPONENTS OF THE PACKAGE (DOES IT INVOLVE RE TRAINING)

8. HAS THE PROCESS HAD ANY IMPACT ON LABOUR RELATIONS (POSITIVE/
NEGATIVE)

9. HAS THE PROCESS HAD ANY IMPACT ON PRODUCTION (POSITIVE/NEGATIVE

10. WHAT ARE THE MAJOR PROBLEMS BEING ENCOUNTERED?

11. HOW DO YOU HOPE PROSPER IN THE LONG RUN?
Dear Respondent,

We are students of the University of Zambia, in the School of Humanities and Social Sciences, doing Research on Retrenchments: Process, Problems and Prospects.

We are seeking information on the aforesaid exercise. Be assured that your responses will be kept in the strictest confidence.

Your cooperation will be highly appreciated.

Yours faithfully,

BANDA ALIMON
MOYO DIXON
QUESTIONNAIRE

SECTION A

1. AGE (SINCE LAST BIRTHDAY):....................

2. SEX: MALE........ FEMALE:....................

3. NATIONALITY:....................

4. MARITAL STATUS:....................
   i) IF MARRIED, DIVORCED, WIDOWED, HOW MANY CHILDREN?.............
   ii) HOW MANY DEPENDENTS (INCLUDING THOSE WHO ARE SINGLE)?........
   iii) HOW MANY CHILDREN GO TO SCHOOL?....................

   PRE-SCHOOL....................
   PRIMARY SCHOOL............... 
   SECONDARY SCHOOL.............
   COLLEGE....................
   UNIVERSITY....................

5. WHAT LEVEL OF EDUCATION DID YOU ATTEND (eg GRADE 10, 11, ECONOMICS) 
   ....................

6. WHAT POSITION DID YOU HOLD AT WORK?.................... (eg Clerk, Secretary, Manager etc)

7. HOW LONG HAVE YOU WORKED FOR THE ORGANISATION (eg 1yr, 3 yrs etc)?
   ....................

8. WHAT WAS THE EXPECTED EXPIRY OF THE INITIAL CONTRACT? (eg 1yr, 3yrs, 5yrs)
   ....................

9. WHAT WAS YOUR ANNUAL INCOME?....................

10. WERE YOU....................
    a) NON - UNIONED...........(N=NO, Y=YES)
    b) UNIONED...................(N=NO, Y=YES)
    e) MANAGEMENT.............(N=NO, Y=YES)
SECTION B

11. WERE YOU AWARE OF THE EXERCISE (RETRENCHMENT)
   a) YES  b) NO

12. DID THE ORGANISATION ASK FOR VOLUNTEERS?
   a) YES  b) NO

13. IF YES, DID YOU VOLUNTEER?
   a) YES  b) NO

14. IF NO WERE YOU WARNED OF YOUR BEING AFFECTED?
   a) YES  b) NO

15. WHAT WAS THE DURATION BETWEEN TIME OF NOTIFICATION AND IMPLEMENTATION.......... 

16. HAVE YOU BEEN PAID YOUR BENEFITS?
   a) YES  b) NO

17. IF YES, WHAT WAS YOUR MONETARY PACKAGE?  


18. DID THE ORGANISATION OFFER ANY FORM OF TRAINING?
   a) YES  b) NO

19. DID THE ORGANISATION OFFER ALTERNATIVE MODES OF SURVIVAL?
   a) YES  b) NO

20. IF YES, WHAT SECTOR?
   a) AGRICULTURE  b) COMMERCE  c) OTHERS

21. STATE ANY OTHER PART OF YOUR PACKAGE


SECTION C

22. NOW THAT YOU HAVE BEEN RETRENCHED, ARE YOU FINDING ANY PROBLEMS AS AN INDIVIDUAL?
   a) YES  b) NO

23. WHAT DO YOU HOPE TO DO (OR WHAT ARE YOU DOING)?

24. DO YOU THINK YOU WILL SUCCEED?
   a) YES  b) NO

25. DO YOU THINK GOVERNMENT SHOULD ASSIST RETRENCHED WORKERS?
   a) YES  b) NO

26. IF YES, HOW?