

## **Organizational Ebb or Tide: An Aftermath of Downsizing**

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*In almost every industry and business sector competition is intensifying now a day, as new business models and distribution patterns are changing the basic rules of game. The exclusive proprietary technology of IT organizations that use to guarantee their almost virtual monopoly, is being compared with new technologies of new players. The competitive advantages with corporate giants that had helped them to attain geographical proximity to customers and capital once, are being expunged due to changing demands of business in the current global economic environment. 'A lifelong relationship between employers & employees' is a thing of past in this uncertain scenario, as firms are opting "downsizing" to attain significant economic and organizational benefits of efficiency, effectiveness and performance. The present study focuses on the problem of fundamental change in the business model of Indian IT companies namely a Tata Consultancy Services Ltd (TCS) and Wipro Ltd., which have larger global footprints. An attempt has been made to investigate empirically how frequent lay-offs taking place in these organizations are affecting employees' organizational citizenship behaviour as well as their performance. With Exploratory Factor analysis technique the factors indicating employee citizenship behaviour and performance have been identified and a correlational study amongst these has been made.*

**Key Words:** *proprietary technology, competitive advantages, virtual monopoly, downsizing, organizational citizenship behavior.*

### **Introduction-**

In almost every industry and business sector competition is intensifying now a day, as new business models and distribution patterns are changing the basic rules of game. The exclusive proprietary technology of information technology organizations that use to guarantee their almost virtual monopoly, is being compared with new technologies of new players. The competitive advantages with corporate giants that had helped them to attain geographical proximity to customers and capital once, are being erased due to changing demands of business in current global economic environment. There is a question mark on their "organizational capability" – the unique way in which organizations configure their work & motivate employees to attain specific strategic goals. These capabilities include the core competencies like technological innovation, low-cost manufacturing, sustainability and market leadership. An organization having these capabilities remains ahead to attain its long run goals despite altered conditions, modified strategies or loss of key employees. In uncertain business scenario a lifelong

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relationship between employers & employees is a thing of past, as firms are opting "downsizing" to attain significant economic and organizational benefits. The main inducement for most downsizing activities is the desire to attain higher levels of efficiency, effectiveness, profitability, and competitiveness.

Indian Information technology (IT) companies are in belt-tightening mode with the industry's largest retrenchment drive. As per latest news seven of the biggest IT firms are planning to sack at least 56,000 engineers this year, which is a number almost twice the employees laid off by the companies last year. Executive search firm *Head Hunters India* also predicts that the job cuts in IT sector will be between 1.75 lakh and 2 lakh annually for next three years. Even the mass hiring companies like Tata Consultancy Services Ltd (TCS) and Wipro Ltd. which used to pick huge crop of engineers at placement drives, have also adopted this strategic move to the employees surprise and dismay. Tata Consultancy Services Ltd (TCS), the largest IT employer with close to 390,000 employees has laid off around 25,000 in the name of "performance-related send-offs",

While IT employees have alleged that they have been kept on the bench for long and have not been reinforced in case of low performance rating. Similarly Wipro also being a performance driven organization, indulged in huge separation of employees on the basis of rigorous performance appraisal. Most employees being chucked off are engineers with at least six-eight years' experience. The entire organizational structure is getting disrupted. This bloodbath can be attributed to many reasons-

1. Poor growth and decrease in profitability is compelling most of companies to save on costs. In the first quarter of 2017, TCS and Wipro grew slower than industry body Nasscom's 8.6% growth forecast at constant prices, for the first time since 2009-10. The profitability of all the companies in IT sector has declined leading to a retrenchment trend
2. Since traditional business is slowing, firms have to re-look at the existing talent pool to align it to future needs. IT companies have started working on newer technologies such as cloud computing and are fast moving from a people-led model, which requires fewer employees. Along with it, many of the IT companies have incorporated automation tools to perform the routine, repeatable tasks that were performed by an army of engineers earlier.
3. Trump's protectionist policies have also created mess for Indian IT companies. US proposition to raise the minimum income requirement for H1B visa to \$130,000 from existing \$60,000 and 'Insistence to go for more localization' is forcing Indian IT companies to make Indian H-1B Visa holders to return back home. TCS recruited over 11,500 people outside India during 2016-17, including graduates from engineering and B-

schools in the US. Similarly Wipro has hired over 2,800 Americans over the last 18 months and expects half of its total workforce in the US to be locals by the end of June 2017.

4. Many of Indian IT companies are facing corporate governance troubles now a day, which is harming the trust and respect of their stakeholders at home and abroad. TCS has seen Tata Sons being mired in a dirty and ugly boardroom struggle, which to some extent, has reduced the competitive advantage coming from impeccable brand image of the company.
5. Sluggish demand in global economy is resulting in fewer big ticket projects for Indian IT sector. Since there is more competition for lesser projects, it is leading to more stress on the margins and further pressure to cut on workforce cost. More of the IT biggies like TCS are cutting back on their bench strength as part of their cost-cutting measures.

### **Conceptualization and Literature Review-**

Downsizing or layoff denotes the process of reducing the size of workforce by terminating the employment of employees. Generally common in a recessionary situation it helps to cut costs. Firms tend to lay off a percentage of low performers every year to maintain a competitive and efficient work force also. Downsizing is defined as purposeful reduction in the size of organization's workforce (Casio, 1993) as well as a deliberate organizational decision to reduce workforce with an intention to improve organizational performance (Kozlowsky, 1993). The economic perspective behind it rests on the assumption that management's actions are inherently rational and downsizing is undertaken with a view to increase an organization's future productivity and economic performance (McKinley, Zhao and Rust, 2000). There are many synonyms for the term 'downsizing' namely, consolidating, rightsizing or de-hiring etc.; but the available literature generally articulates two distinct types of organizational change arising from downsizing: convergence and reorientation (Freeman and Cameron, 1993; Tushman and Romanelli, 1985). The 'Convergent downsizing' is an activity targeting reduction in costs through lay-offs or reducing headcount. It is also related to cutting employee benefit expenditures, decreasing facilities, salary freezes and designation correction or cut in employees' variable pay etc. In fact organizations under convergent downsizing aim at working more efficiently by reducing their operating costs and tend to serve the same markets with the same goods or services. On the other hand 'Reorientation downsizing' is sudden change from past strategies and proposes for a shift in organization's strategic focus with respect to products, processes, technologies and markets. It involves the redesigning in organizational structure, work flows and control systems through changes in technology or top management (Freeman and Cameron, 1993). In fact convergence suggests the organization to do the same things, though more efficiently, whereas reorientation calls for transformational direction, product lines, and markets served (McCure, 2009) to achieve organizational objective. The present research is about the convergent

downsizing practices adopted by two IT giants Tata Consultancy Services Ltd (TCS) and Wipro Ltd. Many researchers (Bruton et al., 1996) have considered downsizing a step to improve internal dynamics of an organization. According to this concept it is a reactive response, in contrast with the proactive model proposed by (McKinley et al., 1995) which reiterates that organizations adopt downsizing strategy with an intent to improve their financial performance. It depends upon the approach, or the metrics to evaluate outcome of downsizing that makes different impact on organization's financial performance. It has been, however, supported by many studies. A study made by (DeMeuse et al., 2004) of Fortune 100 firms slashing the number of employees, concluded that firms laying off 10% or more of their workforce underperformed on financial variables like Profit margin and ROA. But (Gandolfi, 2008) in his study on the consequences of downsizing concluded that downsizing firms generally under-performed than other firms not engaged in downsizing. Another longitudinal study of 258 Korean firms (Yu and Park, 2006) clinched that downsizers outperformed non downsizers on various metrics like Asset turnover and operating income per employee and increase in stock price. In UK listed companies announcing layoffs, whereas profitability was not affected, but stock prices declined as per study of (Hillier et al., 2007). While making a research on Fortune 100 firms making layoff announcements (Love and Nohria, 2005) also concluded that overall downsizing has no effect on net profits, but larger firms and proactive downsizers tend to perform better in the long run. (McClure, 2009) in his research resolved that reduction in headcounts by organizations lead to degradation in their performance rather than improving it. In a study made upon Spanish press (Bullon, Bueno, 2012) found an insignificant relation between downsizing and profitability, with a view that corporate performance is not only contingent on strategies but on the means of strategy implementation as well. The downsizing strategy formulation and implementation captures an explicit tension between the organizational control of decision to downsize & uncertainty about its outcome; as well as an implicit tension between the potential impact of downsizing on retained workforce and impending benefit to the organization (Kurebwa J. 2011). If taken as a whole, it is difficult to portray a single, unified picture of the relationship between downsizing and organizational performance, as performance up to great extent, is an outcome of employees' behaviour, which ensure smoothness of activities within and outside the organization (Romle, Talib and Shahuri, 2016). The approach of 'cutting out the fat', especially through headcount reduction, for long-term improvements (Cascio, 1993) may impact upon human behavior, an important element of organizational performance. In an attempt to adjust with external environment and improve its position the strategic move taken by the organizations impacts its internal dynamics especially organizational citizenship behavior. The study made on large urban hospitals by (Chadwick et al., 2004) indicate that downsizing does not lead to improved organizational performance generally, as employee behavior and morale during layoffs is directly related to success of downsizing and financial performance. Up-front perfunctory shifts in the organization are not the only factors that decide its performance, rather employees' attitude and motivation also contribute to it. Several

authors have studied the behavioral and cultural consequences of downsizing on the members of the organization. (Cameron et al., 1987) identified a number of dysfunctional effects such decreasing levels of trust, morale and communication as well as increasing levels conflict and threat-rigidity reactions. Other behavioural consequences are increased absenteeism, turnover and degraded organizational commitment (Allen et al., 2001; Cascio, 1993; Hallier and Lyon, 1996; Lewin and Johnston, 2000). Cascio (1993) suggests that the poor financial performance experienced by some organizations may be linked to certain behavioural consequences of downsizing. (McKinley, Mone and Barker, 1998) studied the consequences of downsizing on the individual employee as well as on the organization as a whole. Effects on the individual employee can be studied predominantly from a psychological and behavioural viewpoint with a focus on the surviving employees who remain in the organization after downsizing. Conducted under the assumption that downsizing splits relationships and destroys a firm's existing networks, the study revealed that survivors exhibited negative reactions to loss of friends but positive reactions to the loss of co-workers in similar structural positions since it improved their promotional and career opportunities within the organization. (Bhattacharya & Chatterjee, 2005). Few researchers have tried to locate the outcome of downsizing taking it as an event that brings differences in organizational culture or structure. The firms that opted to reduce headcount generally had a tendency to under-perform than those that sought new technologies or business practices. Moreover, downsizers tended to under-perform the firms that had stable employment. On the contrary several studies found either no effect on performance, or a negative effect, stemming from downsizing.

In spite of the scarcity of research on the impact of downsizing on organizational economic performance, workforce reduction is viewed as part of the process necessary for long-term organizational improvements (Cascio, 1993). But, even though downsizing helps to enhance operational efficiency, researchers are yet to prove conclusively that downsizing results in improved financial performance of a firm (Bhattacharya & Chatterjee, 2005)

The relationship between downsizing and performance is quite intrigued, but a relationship between organizational citizenship behaviour and organizational performance can be studied to understand the downsizing-performance relationship (Batra, 2017). Employees' attitudes and behaviours give way to their commitment such as organizational citizenship behaviour leading to performance (Paul, Bamel and Garg, 2016). Organizational Citizenship Behaviour was proposed by Organ, specifying its five facets or factors: altruism, courtesy, conscientiousness, civic virtue, and sportsmanship. Three out of these five factors can be readily distinguished by managers: sportsmanship, civic virtue, and conscientiousness (Bell & Menguc, 2002& Hui, Lee, & Rousseau, 2004& Lam, Hui, & Law, 1999). In fact workers who go above and beyond the minimum requirements of their job description and reflect industriousness, affect organizational performance as they bring enhanced workgroup efficiency and decreased inter-group conflict which lets managers to focus on more pressing matters (MacKenzie et al., 2009). Sportsmanship

describes employees who are willing to tolerate difficulties in the workplace that are intended to improve the organization, abstaining from unnecessary complaints and criticisms. Civic virtue refers the active constructive involvement, interest, and participation in organizational life, such as functions, events, and meetings as well as keeping abreast of larger issues of organization. Conscientiousness, sometimes referred to as compliance, reflects the genuine acceptance and adherence of workplace rules, regulations, and procedures (Moss, 2016). It indicates behavioral pattern of surpassing minimum required levels of attendance, housekeeping and punctuality (Paul, Bamel and Garg, 2016). Whereas sportsmanship refers to a behavior that tolerates inevitable inconveniences, crisis or adversity without any complaint or grievance. (Williams and Anderson, 1991), also suggested a different taxonomy differentiating behaviours directed towards individuals, called OCBI, and behaviours directed towards the organization, called OCBO. Conceptually Sportsmanship, Conscientiousness and Civic virtue (Coleman & Borman, 2000) & (Hoffman, Blair, Meriac, & Woehr, 2007) reflect OCBO affecting organizational performance.

A review of respective literature streams reveals that convergent downsizing has been used as antecedent to study the consequences, i.e. organizational performance, either studied as financial performance through Return on Assets ratio, Operating profit ratio, Return on sales ratio and Value added per employee ratio, which assess profitability, operational efficiency and productivity. But a mediator variable also exists which represents a mechanism through which an independent variable influences the dependent variable (Baron & Kenny, 1986; Peyrot, 1996). This mediator i.e. OCBo explains how or why a relationship exists between the independent variable,i.e. convergent downsizing and dependent variable, organizational performance. The mediator is often an attribute or an intrinsic characteristic of individuals (Holmbeck, 1997; Lindley & Walker, 1993; Peyrot, 1996). The moderating effects are generally introduced when there is an unexpected weak relationship between independent and dependent variable. There must be a significant relationship between the independent and the dependent variable before testing for a mediating effect (Baron & Kenny, 1986), but relation between the independent and the dependent variable becomes insignificant after introduction of mediator variable.

### **Objective of the study:**

The broad objectives of the study are the following-

- i. To study the influence of convergent downsizing on organizational financial performance.
- ii. To establish the constructs related with organizational citizenship behavior (OCBo)
- iii. To discover the relationship between identified (OCBo) constructs and organizational performance

### **Research Methodology:**

The research aims at studying convergent downsizing approaches adopted by the Tata

Consultancy Services Ltd (TCS) and Wipro Ltd., which make impact upon organizational performance. The financial performance of Tata Consultancy Services Ltd (TCS) and Wipro Ltd. has been observed through Return on Assets ratio and Return on sales ratio from year 2008 onwards, which evaluate profitability and productivity of the organization. Since organizational performance is the outcome of employees' performance, which again is the aftermath of employee citizenship behaviour; this research paper identifies the constructs associated with organizational citizenship behaviour. It also analyzes the relationship between identified constructs and employee performance. This study consists of two parts. The first half consists of exploratory analysis based on literature and articles of various experts and researchers. This study is based on both primary as well as secondary data. The secondary data has been collected from various books, journals, business magazines, newspaper reports, published and unpublished business reports as well as company's website and annual reports. The second part of this study has more practical approach as it deals with primary data. Primary data has been collected through semi-structured questionnaires distributed amongst employees of Tata Consultancy Services Ltd (TCS) and Wipro Ltd. to get information regarding constructs of citizenship behaviour and employee performance. Probability sampling method has been followed and to stratify the heterogeneity of population stratified random sampling has been used. Information has been collected from junior level employees and middle level employees. Reliability and validity of the constructs has been measured using Cronbach's Alpha, AVE, and the Square Root of AVE. Principal Component Analysis has been used to reduce the number of variables and to detect structure of relationships between variables. The Kaiser- Meyer-Oklin criterion to measure sampling adequacy and the Bartlett's test of Sphericity have been used. Correlation analysis has been used to locate the relationship between identified constructs and employee performance. The KMO value .702 indicates the presence of sufficient inter-correlations in the data set and appropriateness of factor analysis. Bartlett's test of Sphericity is significant at  $p=.000$ , which indicates that correlation matrix is not an identity matrix. Only factors with eigen value greater than 1 have been retained. To check the adequacy of the data for extraction of principal components, the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and the Bartlett's test of sphericity have been used.

### **Data Analysis-**

From financial data available on company's website of TCS, the financial ratio Return on Assets ratio and ROA have been calculated on yearly basis from year 2008 onwards which reflect a meagre increase in profitability. As we see the ROS for both the companies is oscillating and not improving. Similarly ROA for TCS is deteriorating and for Wipro has shown a slow recovery and then declining trend. Such performance on financial front signals a different aspect of employees' behaviour, which has been explored with the help of mediating variables of organizational citizenship behaviour i.e. Sportsmanship and Civic Virtue and Conscientiousness. The study tests the following null hypotheses:

**H<sub>o1</sub>:** There is no significant effect of convergent downsizing on organizational citizenship behaviour

**H<sub>o2</sub>:** There is no significant effect of organizational citizenship behaviour on performance

**Table 1- Financial Ratios: TCS**

Year	ROS	ROA	Value Added per Employee
2008	24.28%	37.86%	13.11%
2009	26.75%	35.67%	14.81%
2010	27.98%	34.64%	15.05%
2011	27.65%	31.28%	15.34%
2012	26.93%	28.43%	16.51%
2013	29.10%	33.98%	20.08%
2014	23.97%	27.94%	21.21%
2015	23.37%	26.40%	21.42%
2016	25.71%	--	24.26%

Source: Company's Annual Reports

**Table 1I - Financial Ratios: WIPRO**

Year	ROS	ROA	Value Added per Employee
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2008	18.40%	22.92%	15.79%
2009	20.43%	25.67%	15.04%
2010	20.24%	29.91%	15.44%
2011	18.92%	27.40%	16.47%
2012	18.78%	30.07%	17.83%
2013	20.68%	29.53%	21.07%
2014	20.67%	29.40%	21.77%
2015	18.76%	13.45%	18.42%
2016	16.94%	11.89%	17.93%.

Source: Company's Annual Reports

### **Demographic Profile-**

Out of 175 questionnaires distributed to the respondents, only 126 complete questionnaires were returned, which gives a response rate of approximately 72 % percent. Amongst 126 respondents 113 were males and 13 were females, i.e. 89.68% male respondents and 10.31% female respondents. Approximately 81% respondents were in the age group of 23-30 years whereas 19% respondents were in the age group of 30-40 years. Only 27% respondents were middle level managers and 73% were junior level employees.

**Table 3 Factor Analysis**

1. Convergent DS	Items	Item Loadings
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There is reduction in employment by lay offs	DS1	0.828				
There are employee pay-hikes on regular basis	DS2	0.813				
There are systematic departmental promotions	DS3	0.794				
2. Civic Virtue						
I try to avoid problems with my team-members.	CIV 1		0.973			
I welcome change without any resistance	CIV 2		0.977			
I do not complain about insignificant things at work place	CIV 3		0.899			
I volunteer to take additional tasks at work	CIV 4		0.781			
3. Sportsmanship						
I am enthusiastic about my work	SP01			0.948		
I encourage my team members when they feel low	SP02			0.897		
I try to resolve issues between supervisors and my colleagues.	SP03			0.994		
4. Conscientiousness						
I am keen to perform my duties at job promptly	CON1				0.810	
I come to my work every day on time	CON2				0.768	
5. Performance						
I follow rules of the firm while completing the task assigned	PER1					0.602
I love to perform my promptly	PER2					0.882
I have received recommendation from superiors for my good work.	PER3					0.715

**Source: Author's Findings**

**Table 4 Descriptive Statistics**

Construct	No. of Items	N	Mean	Std. Deviation	Skewness	Kurtosis
Convergent DS	3	126	2.94	0.74	0.58	-0.634
Civic virtue	4	126	3.13	0.95	0.62	-0.742
Sportsmanship	3	126	3.75	0.91	0.85	-1.441
Conscientiousness	2	126	1.52	0.63	0.49	-0.301
Employee performance	3	126	3.35	0.85	0.57	-0.453

**Table 5 Total Variance Explained**

Component	Extraction Sums of Squared	Rotation Sums of Squared
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	Eigen values	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative
<b>1</b>	1 7 . 0 3 3	4 8 . 5 4	4 8 . 5	17.033	4 8 . 5	4 8 . 5	14.78	4 2 . 2	4 2 . 2 2 7
<b>2</b>	5 . 4 0	1 5 . 4 4	6 4 . 1	5.406	1 5 . 4	6 4 . 1	4.847	1 3 .	5 6 . 0 7 7
<b>3</b>	3 . 5 2	1 0 .	7 4 . 1	3.528	1 0 . 1	7 4 . 1	4.058	1 1 . 5	6 7 . 6 7 1
<b>4</b>	1 . 8 5	5 . 3	8 8 . 6	1.856	5 . 3	8 8 . 6	3.241	9 . 2	8 7 . 5
<b>5</b>	1 . 8 0	5 . 1	9 3 . 8	1.806					

Rotation Method: Varimax with Kaiser Normalization

**Table 6 Constructs' Cronbach Alpha and AVEs**

Construct	Cronbach's Alpha	AVE	Square Root of AVE
Convergent DS	.815	.727	.854
Civic virtue	.865	.783	.886
Sportsmanship	.714	.684	.827
Conscientiousness	.702	.691	.741
Performance	.726	.673	.819

**Source: Author's Findings**

Reliability of constructs was checked firstly through loading of each construct as individual items and secondly through Cronbach's alpha. According to the quality of measurement model the loading of each construct was found to be significant. Cronbach's alpha is another measure of reliability with the threshold limit of 0.7 (Hair et.al.). It is very evident from Table 6 that Cronbach's alpha coefficient for 'Conv DS' is .815, for 'Civic Virtue' .865 for 'Sportsmanship' .714, for 'Conscientiousness'.702, and for 'Performance' .726 respectively. Since all the constructs are above .7 so the measurement of this study is acceptable as per reliability. Validity of the constructs was verified by Average Variance Explained (AVE) and the Square Root of AVE. The measure of Average Variance Explained (Fornell & Larcker, 1981) is used to measure discriminative validity. To fulfil the condition of discriminative validity the square root of construct's AVE must be greater than the correlation between the construct and other constructs in measurement model. The square root of AVE for the constructs reflected in above table is .854, .886, .827, .741and .819 is more than the value of correlation between them observed in correlation table no.7 , which proves there was an adequate discriminative validity between the constructs and the measure for the same is acceptable in the study. Similarly the value of AVE should be greater than the threshold limit of 0.5 to prove the condition of convergent validity in the data set. The Average Variance Explained for these constructs is .727, .684, .783 and .683 respectively, which happens to be greater than threshold limit of 0.5. So these results indicate adequate convergent and discriminate validity in the study.

**Table 7 Correlation among Constructs**

	Conv. DS	Civic Virtue	Sportsmanship	Conscientiousness	Performance

Conv. DS	1				
Civic Virtue	-0.393	1			
Sportsmanship	-0.414	0.709	1		
Conscientiousness	-0.302	0.645**	0.698**	1	
Performance	-0.271	0.831**	0.718**	0.727**	1
	** Correlation is significant at the 0.01 level (2-tailed)				

Correlation table indicates the relationship between antecedent variable i.e. convergent downsizing, mediating variables i.e. Civic Virtue, Sportsmanship and Conscientiousness and dependent variable i.e. organizational performance. The study analyzes a moderately negative relationship between convergent downsizing and mediating variables namely Civic Virtue, r - 0.393; Sportsmanship, r -0.414 and Conscientiousness r -0.302, which signals a mild negative effect on citizenship behaviour in the organization. This is ultimately making a moderately negative impact on employee performance, i.e. r -0.271( $p<0.01$ ) showing that 27.1% negative impact on employee performance. On the other hand findings reveal that 'Civic Virtue' is positively associated with employee performance with r 0.831 ( $p<0.01$ ) indicating a significant i.e. 83.1% positive relationship with employee performance. Further Sportsmanship is also positively and significantly correlated to employee performance with r 0.718 ( $p<0.01$ ) showing that it has 71.8% positive relationship with employee performance. And Conscientiousness is also positively and significantly correlated to employee performance with r 0.727 ( $p<0.01$ ) showing that it has 71.8% positive relationship with employee performance.

Hypothesis 1(Ho1) states that convergent downsizing has no significant effect on citizenship behaviour. Findings show that coefficients of estimate which was significant basing on  $\beta_1 = 0.302$  ( $p$ -value = 0.05 which is less than  $\alpha = 0.05$ ).The null hypothesis is thus rejected and it has been concluded that convergent downsizing has a significant effect on citizenship behaviour in the organization. The effect of convergent downsizing was around five times the effect attributed to the error, this has been indicated by the t-test value = 5.003. Hypothesis 2 (Ho2) states that organizational citizenship behaviour has no significant effect on organizational performance. However findings indicate that coefficients of estimate which is significantly based on  $\beta_2 = 0.383$  ( $p$ -value = 0.02). The null hypothesis is thus rejected,  $\alpha$  being less than 0.05 and the t-test value 8.609 showing more than eight times standard error association with the parameter. So organizational citizenship behaviour has significant effect on organizational performance.

Multiple regression analysis offers a mean of objectively assessing the degree and character of the relationship between the independent variables and dependent variables (Sekaran and Bougie, 2013). In the given model first a direct and significant relationship between convergent downsizing and organizational performance has been established. After introducing the mediating variable organizational citizenship behaviour (OCBo) civic virtue, sportsmanship and

conscientiousness the path between convergent downsizing and organizational performance becomes nonsignificant. However convergent downsizing now influences organizational citizenship behavior and OCBo (civic virtue, sportsmanship and conscientiousness) influence organizational performance. This can be interpreted as convergent downsizing having an indirect effect on organizational performance through organizational citizenship behaviour. After establishing correlation amongst these three, multiple regression analysis has been performed. In the first regression the significance of path from convergent downsizing to organizational citizenship behavior has been analyzed, which observes the value of Beta .302 at p= 0.05. In the second regression the significance of path organizational citizenship behavior to organizational performance has been examined using convergent downsizing and organizational citizenship behavior as predictors of organizational performance, which shows the value of Beta .383 at p= 0.02. Finally in third regression the significance of path from convergent downsizing to organizational performance has been examined, which indicates the value of Beta .081 at p= 0.05. R square value is 0.345, implying that 35%of the variance is significantly explained and influenced by the independent variables. The simultaneous entry allows for controlling the effect of convergent downsizing, while the effect of organizational citizenship behavior on organizational performance has been examined. Similarly the effect of organizational citizenship behavior has been controlled, while examining the effect of convergent downsizing on organizational performance. The higher value of Beta i.e. .383 identifies organizational citizenship behavior to be more important variable influencing organizational performance.

**Conclusion:**

The organization's choice of convergence downsizing mainly has the objective of improving internal inefficiencies like productivity, profitability and operational efficiency. For both the organizations, Tata Consultancy Services Ltd (TCS) and Wipro Ltd. calculated financial ratios on yearly basis since 2008, especially Return on Assets ratio and Return on sales show not much increase in profitability due to convergent downsizing, as we see the ROS as well as ROA have rather decreased when sizeable layoffs were made. This goes in conformity with the study made by (DeMeuse et al., 2004) and (McClure, 2009). But the Value added per employee ratio, which evaluates productivity of employees in the organization has shown a slow but rising trend which is not in line with the observations of (Allen et al., 2001; Cascio, 1993; Hallier and Lyon, 1996; Lewin and Johnston, 2000) as well as (McKinley, Mone and Barker, 1998). It rather supports the observations made by (Bhattacharya & Chatterjee, 2005), implying layoffs motivated employees to work harder as it offered promotional and career opportunities within the organization.

The employees' behaviour as a reaction to implementation of convergence downsizing strategies (Bullon, Bueno, 2012) and (Romle, Talib and Shahuri, 2016) cannot be left un-noticed by the organizations. This has directed the study towards mediating variables of OCB, and further focused on OCBo namely Civic Virtue, Sportsmanship and conscientiousness approving the observations of (MacKenzie et al., 2009) and (Moss, 2016). These three identified mediating

variables i.e. are significant constructs to predict organizational performance, and have strong positive correlation with organizational performance. This again conforms to the observation made by (Coleman & Borman, 2000& Hoffman, Blair, Meriac, & Woehr, 2007). The behavioural consequences in terms of OCBo matter a lot during a strategic change opted by the organizations. Even the most efficient employee does experience negative impacts of situational changes caused by downsizing and uncertainty, but the trait of resilience may help employees to swim the tide and perform better. We can say that the mediating factors of OCBo make significant influence on performance augmentation of organizations.

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