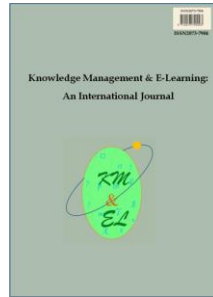


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### **The impact of downsizing on knowledge sharing in an airline company**

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## **The impact of downsizing on knowledge sharing in an airline company**

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**Abstract:** Companies are becoming more proactive towards changes in face of the turbulent environment. As the market becomes increasingly unpredictable, people are forced to develop their individual potentials for the sake of survival. Besides personal development, interaction among people through sharing of knowledge is equally critical. This paper discusses the impact of downsizing on knowledge sharing environment in an airline company. The findings reveal that employees had different views on the impact of downsizing on knowledge sharing. Their views were influenced by self-enthusiasm towards knowledge sharing. The availability of media for sharing also had an influence on knowledge sharing.

**Keywords:** Knowledge management; Knowledge sharing; Downsizing; Airline industry

**Biographical notes:** Nuril Kusumawardhani Soeprapto Putri is a faculty member of School of Information System, Bina Nusantara University, Indonesia. She finished her Master of Knowledge Management, from Multimedia University, Cyberjaya, Malaysia, in the year of 2007. Her research interests include knowledge management, e-learning, and green computing.

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### **1. Introduction**

The issue of downsizing is increasingly becoming an important concern for practitioners and researchers in order to understand the full impact of its practice (Cameron, Freeman, & Mishra, 1993). As Labib and Appelbaum (1994) mentioned downsizing has become the most prevalent dilemma in recent years, since it always results in the reduction of the workforce of an organisation (Appelbaum, Patton, & Shapiro, 2003). The consequences are perceived not only by persons losing his/her job, but also by managers who made the decision and the surviving employees (Appelbaum, Patton, & Shapiro, 2003). For that reason, Mishra, Spreitzer, and Mishra (1998) recommend downsizing organisations manage and maintain good communication during and after downsizing to promote a sense of trust and avoid any unpleasant impact such as the reduced concomitant in sharing.

This study aims to investigate the impact of downsizing on knowledge sharing in an airline company which has resorted to downsizing due to poor business performance. On 6<sup>th</sup> of July 2006, the management of one of the biggest airlines in South East Asia made a drastic decision to release 3,089 of its employees between July and December,

and another 3,000 employees within the next two years. The well-established national carrier which used to enjoy near-monopoly was finally being challenged by the growth of low-cost carriers in South East Asia (De Launey, 2006). As a result, the Chief Executive Officer of the airline had no option but to downsize the company, since the company was not making any profit (Strauss, 2006). As one of the region's most prestigious and fastest-growing airlines in the 1990s, this company has steadily fallen behind its high-end rivals such as Singapore Airlines and been battered by the rise of Asia's budget carriers like AirAsia (Hamzah & Govindasamy, 2014). Currently, the 19,500 staff members of this airline might lose their jobs, impacted by the two disasters happened in 2014.

This research focused on the impact of downsizing on knowledge sharing. According to Dalkir (2005), organizational climate and culture may either help or hinder knowledge sharing. In the downsizing condition, the sense of belonging and cooperation tends to be weak. Dalkir (2005) defines this culture as mercenary culture. However, several researchers found that the impact of downsizing is not always negative (Bediako, 2002; Lee & Corbet, 2006). Employees may develop positive outlook of the future, gain mastery, develop broader working knowledge, and increases commitment.

In this study, it was posited that the airline company would lose its quality of knowledge sharing if downsizing is not properly managed. People either keep their faith of trusting everyone in the company especially towards the management, or they end up keeping all the information to themselves.

## **2. Literature review**

### *2.1. Downsizing and its impact*

Downsizing has become a global phenomenon especially during the 1990s where it bears significant impact on people, corporations and economies. The U.S. became the country with the heaviest downsizing at that moment (Laabs, 1999). As a matter of fact, around 85% of Fortune 500 companies downsized during the 1990s and 100% of them were planning to downsize by mid-1990s (Bennett, 1991; Buch, 1992). These companies were struggling to meet the expectations of Wall Street (Laabs, 1999). Another downsizing practice was conducted after the September 11 crisis which included airlines in order to survive (Gittel, 2005). According to Gittel (2005), the leaders of U.S. airways conducted the highest level of layoffs in the industry at 24% compared to the industry average of 16%.

According to Nienstedt (1989), ineffective management and decision making that impact on the growth of firms is the likely reason leading to downsizing. On the other hand, recession could also become the main cause of downsizing as firms struggle to cut costs and remain competitive in an ever-increasing complex global marketplace (Tzafrir, Mano-Negrin, Harel, & Rom-Nagy, 2006). Labib and Appelbaum (1994) list four reasons why the management of an organisation may decide to restructure, namely (1) acquisition and mergers; (2) a "quick-fix" to put off closure or bankruptcy; (3) to prepare for privatisation; and (4) to reduce costs in order to remain competitive in this increasingly global market.

Downsizing is a very pervasive organisational process where it affects both the internal and external environments of the organisation, especially its workforce (Armstrong-Stassen, Cameron, & Thornburgh, 2001; Messmer, 2002; Paterson & Cary, 2002). Although there are several presumed benefits of downsizing which include faster

decision making, greater flexibility, improvements in quality, increased efficiency and productivity (Freeman & Cameron, 1993; Tomasko, 1987), there seems to be more negative than positive impacts brought about by downsizing. For instance, Mabert and Schmenner (1997) provide evidence that the profits of downsized firms only increase roughly around 50% and that the productivity of workers only increase by 35%. However, the morale of employees decreases by 85%. The findings found support from a survey by Right Associates which revealed that 74% of senior managers in downsized companies reported decreased morale, trust and productivity (Henkoff, 1990). This is not difficult to understand as many employees who are let go because of downsizing may feel that the organisation is violating the psychological contract they have about job security (Rousseau & Fried, 2001; Roehling & Boswell, 2004).

Cameron, Freeman, and Mishra (1991) and Evans and Lindsay (1996) summarise the negative impacts of downsizing. They include the destruction of personal relations between human capital agents and external stakeholders; disruption to the smooth and predictable processes of the firm; reduction in sharing, development and maintenance of cross-division knowledge (a by-product of longevity and interactions across time); knowledge loss in dealing with non-routine processes affecting the firm; decrease in documentation and concomitant in sharing information about change, disruption and loss of the common organisational culture.

From the perspective of workforce, work is often redistributed among the remaining staff, resulting in an increased workload for the individual (Clemmer, 1995; Eisenberg, 1997; Griggs & Hyland, 2003). Team collaboration is no longer used and sharing is greatly reduced (Cameron, Freeman, & Mishra, 1991; Evans & Lindsay, 1996) and this results in knowledge loss (Flint, 2003). As Dougherty and Bowman (1995) put it, downsizing breaks the networks of informal relationship. It is therefore not surprising when Iverson and Pullman (2000) report that downsizing results in 71% of resignations. Employees generally view the practice as unjust, and those who have not experienced downsizing (the survivors) are not happy with their work environment (Chu & Ip, 2002) due to increased workload, deterioration of teamwork and stress (Bediako, 2002), leading to high turnovers and distrust of management.

However, the impact of downsizing on employees is not always negative. Bediako (2002) found that the survivors develop new behaviours which include a more positive outlook of the future, gaining mastery of their work areas and developing a broader working knowledge of their organisation and the industry. Similarly, Lee and Corbet (2006) conclude that employees are likely to increase their affective commitment to the organisation if they perceive an increase in job complexities and opportunities for promotion, that they receive support from their line managers who treat them with respect and dignity and if they perceive the company as responsive to new ideas and methods, even after the trauma of downsizing.

## *2.2. Knowledge sharing*

Sharing is a process whereby a resource is given by one party and received by another (Sharratt & Usoro, 2003). Chua (2003) defines sharing as the process by which individuals collectively and iteratively refine a thought, an idea or a suggestion in light of experiences. Specifically, knowledge sharing can be created in many forms such as a story describing a similar experience whereby a method or technique is developed or used to solve a problem. If a direct solution cannot be provided, knowledge may be shared in relation to contacting someone who might know and be willing and able to help (Sharratt & Usoro, 2003).

According to Davenport and Prusak (1998), knowledge is transferred in organisations whether or not the process is managed. However, the positive impact brought about by knowledge sharing has stimulated organisations worldwide to implement it legitimately. As such, companies which are categorised as successful companies are those who are capable of capturing the knowledge required by one part of the organisation and leveraging it for the other part (Chua, 2003).

Gurteen (1999) opines that knowledge sharing can be implemented by encouraging people to work together more effectively, to collaborate and to share, ultimately to make organisational knowledge more productive through linking knowledge sharing to solving practical business problems, tying knowledge sharing to a pre-existing core values of organisations, introducing knowledge management in a way that matches the styles of the organisations, building on existing networks that people use in their daily work and encouraging peers and supervisors to exert the pressure to share (Smith, 2005). Gupta and Govindarajan (2000) provide evidence from their study on Marriot International Hotels where employees are encouraged and rewarded when they transfer job-related knowledge, including experience and routines to others by developing and using a codification system. Another notable example of knowledge sharing implementation in organisations is observed by Yang (2004) who elaborated the content of knowledge which employees share in two hotels researched and explored some key approaches which are utilised for knowledge sharing. The findings reveal that employees share when they have spare time during work.

For sharing to occur, it must be supported by several factors which include trust (Schrader, 1990; McDermott & O'Dell, 2001; Yang, 2004), care (von Krogh, 1998), emotional commitment and the quality of the relationship (Weiss, 1999). The literature suggests that trust is the most important factor for knowledge sharing to occur. Without trust, it is impossible for employees to share, collaborate and communicate (Yang, 2004). Yang (2004) further reiterates that the greater the level of trust amongst people, the more the openness and effectiveness of the communication channel. In addition, individuals must also have the emotional commitment in order to volunteer himself/herself for sharing his/her knowledge (Chua, 2003). Without emotional commitment, employees may not want to share their knowledge for knowledge is perceived as power to the individuals. Quality of the relationship is another important factor to consider, particularly in large organisations where members may not be aware of someone who would be interested in the knowledge they possessed or has the knowledge they require (Chua, 2003).

### *2.3. Impact of downsizing on knowledge sharing*

Mitchell Williams (2004) found that downsizing has decreased the effectiveness of intellectual capital and destroy relationships, i.e. connections between employees, departments, customers and other key stakeholders, organisational culture and image. Specifically, knowledge loss from employees who are leaving the company will impact on others who will stay. That is the reason why Yang (2004) mention that it is crucial to educate, influence and coach the survivors in order to continue pursue sharing.

Many researchers have confirmed the negative relationship between downsizing and innovation (Amabile & Conti, 1999; Bommer & Jalajas, 1999; Dougherty & Bowman, 1995). However, Richtnér and Åhlström (2006) found that there are aspects of internalisation process which may be positively affected by downsizing. They discover that the remaining members of an innovation project may find it necessary to share their

experiences and know how as members leave the project which may be facilitated as the remaining members document their works in order to make sure that other employees in the organisation can read and understand what has been done previously in the innovation project.

#### *2.4. Influence of demographic factors on the impact of downsizing on knowledge sharing*

By observing the impact of the level of seniority in the downsizing situation at the workplace, Dolan, Belout, and Balkin (2000) found that seniority may be the fairest and most attractive criterion for determining employees for involuntary layoffs in non-Anglo American countries such as Latin America, Spain or Italy. From the perspective of gender, Chu and Ip (2002) found gender to be a key moderating factor among employees in their reaction towards downsizing. Specifically, they discover that female tend to experience more downsizing than males and that they have a different set of rankings of work expectations. Females are viewed to be more dispensable in the organisation as they are supplying a second income to the family and having less difficulty in finding alternative employment.

#### *2.5. Research question*

Based on the review of relevant literature and the study of company background regarding the downsizing exercise in an national airline company in South East Asia, it was found that there was a contradiction about the impact of downsizing on the employees and the organisation itself. Some studies found a negative impact on employees (Henkoff, 1990; Roehling & Boswell, 2004; Cameron, Freeman, & Mishra, 1991; Evans & Lindsay, 1996; Dougherty & Bowman, 1995), and others mentioned the benefits of downsizing (Freeman & Cameron, 1993; Tomasko, 1987; Lee & Corbet, 2006).

According to above statements and the fact that only small number of researchers studied the impact of downsizing on knowledge management, the research topic of this project focused on the impact of downsizing on knowledge sharing. The research question was defined as:

*What is the impact of downsizing on knowledge sharing environment in the airline company?*

### **3. Methodology**

#### *3.1. Grounded theory*

Since this a case study, the qualitative research method is used based on the grounded theory. Grounded theory is a general method of comparative analysis to realise theory based on four central criteria: (1) work; (2) relevance; (3) fit; and (4) modifiability (Moghaddam, 2006). Taki (2006) elucidates that researchers using this method do not begin a research with a preconceived theory in mind, but instead begins in an area of study allowing theory to emerge through research data, the method, the collection of data, the analysis and the eventual theory, in which all of them are closely related. As a matter

of fact, grounded theory is a theory that is derived from data which is systematically gathered and analysed through the research process (Bryman, 2004).

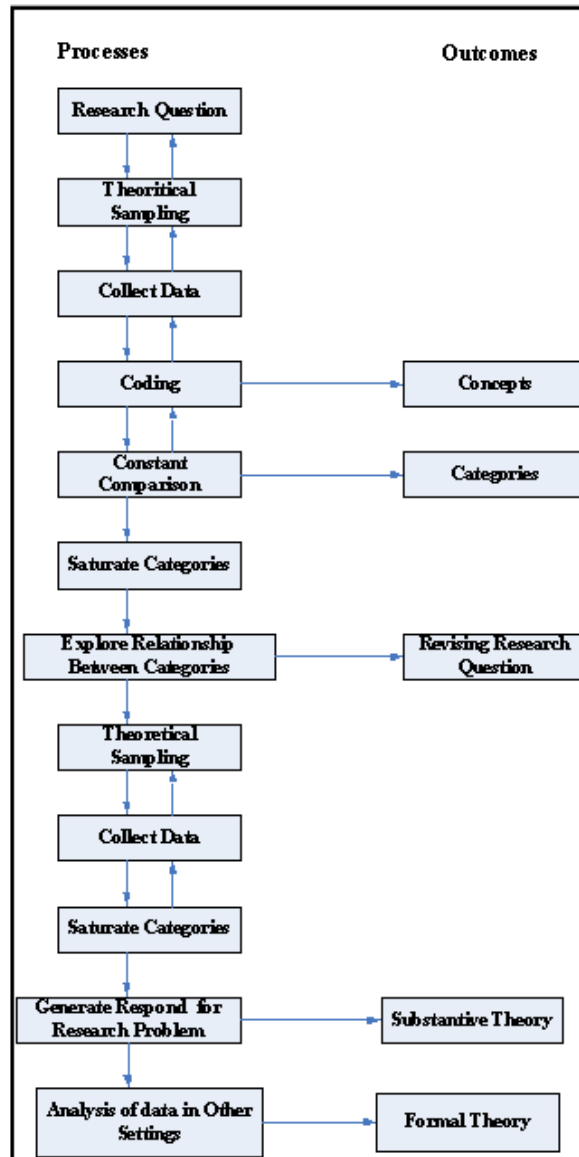


Fig. 1. Processes and outcomes of grounded theory

The process used in this research follows the chart generated by Bryman (2004). Instead of using hypotheses, this research identifies and revises the research questions as it approaches the topic. As illustrated in Fig. 1, the process is initiated by the theoretical sampling based on the general research question formulated. Glaser and Straus (1967) define theoretical sampling as the process of data collection for generating theory whereby the analyst jointly collects, codes and analyses data and decides what data to collect next and where to find them in order to develop theory as it emerges. It is

important to note that the object of sampling is not limited to people but also organisations. In the context of this study, several studies on downsizing in the studied organisation are explored and the key issues of the impact of downsizing are collected and coded. The coding process serves as shorthand devices to label, separate, compile and organise data (Charmaz, 1983).

There are three types of coding according to the grounded theory, which comprise open coding, axial coding and selective coding. Open coding is the process of breaking down, examining, comparing, conceptualising and categorising data. Axial coding refers to a set of procedures whereby data are put back together in new ways after open coding by making connections between categories. The third type, selective coding, explains the procedure of selecting the core category, systematically relating it to other categories, validating those relationships and filling in categories that need further refinement and development (Strauss & Corbin, 1990). For the purpose of this project, only open coding is used due to the fact that not all practitioners operate with those three-fold distinctions as opined by Bryman (2004). Open coding is listed and categorised based on the impact of downsizing on the knowledge sharing environment based on the literature review.

Categories are considered outcomes in the grounded theory. Bryman (2004) defines categories as a concept that has been elaborated so that it is regarded as representing real world phenomena. The constant comparison between the lists of the impact of downsizing is likely to result in two contradicted categories, which are the positive and negative impacts which are shown in Table 1.

**Table 1**

Positive and negative impact of downsizing on the knowledge sharing environment

<b>Positively Impact</b>	<b>Negatively Impact</b>
Mastery of working skills (Bediako, 2002)	Knowledge loss (Yang, 2004)
Development of broader working knowledge (Bediako, 2002)	Impeding innovation (Richtnér & Åhlström, 2006)
Increased commitment of employees (Lee & Corbet, 2006)	Increased workload (Flint, 2003)
	Deterioration of team work (Bediako, 2002)
	Reduced morale of employees (Mabert & Shmenner, 1997; Henkoff, 1990),
	Decreased effectiveness of intellectual capital (Mitchell Williams, 2004).
	Destroying any relationship (Mitchell Williams, 2004).
	Distrust of management (Bediako, 2002)

### 3.2. Conceptual model

Based on the literature review, downsizing is influenced by a number of positive and negative factors related to knowledge sharing environment. At the same time, the relationships are moderated by demographic factors such as gender, age, work span and level of education. A conceptual model was developed as illustrated in Fig. 2. The causes



of downsizing, specifically in the knowledge sharing environment are listed and coded using open coding.

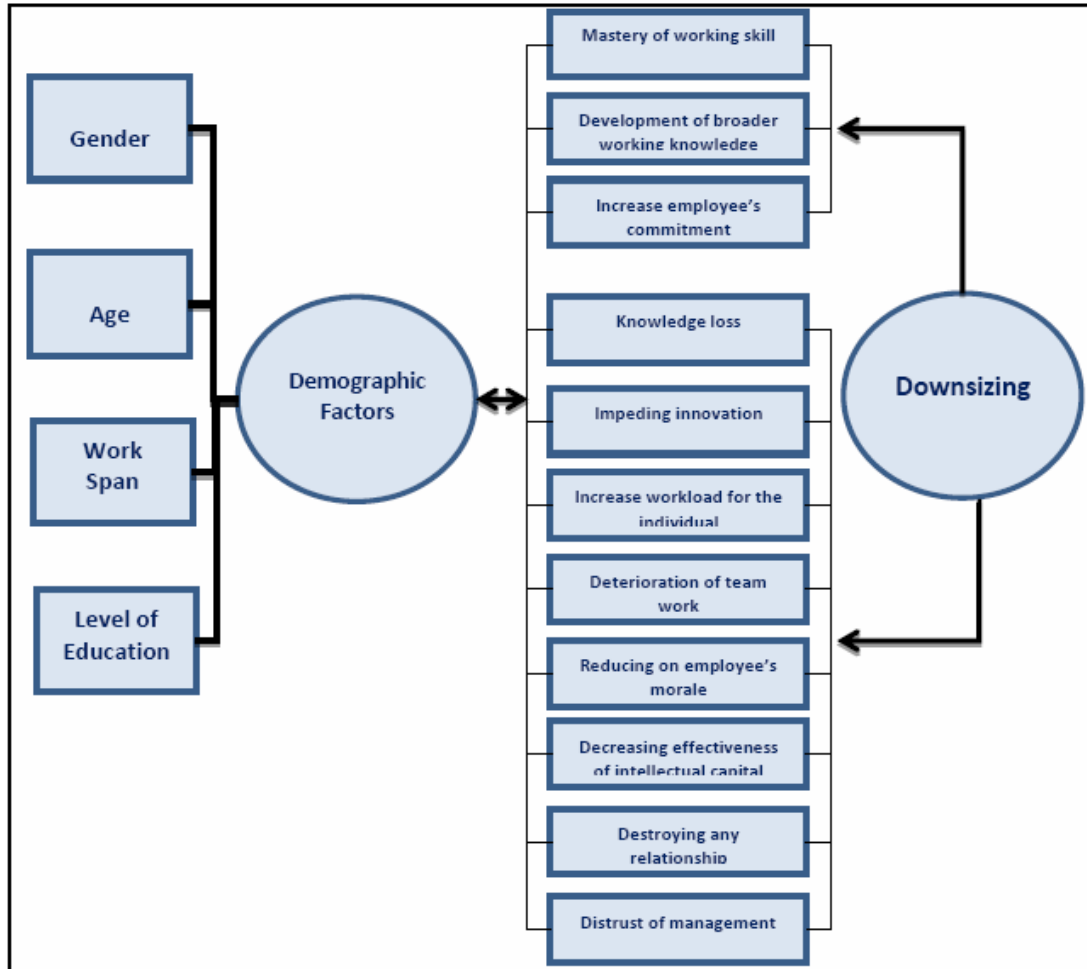


Fig. 2. Conceptual model

#### 4. Data collection method

In order to answer the research question, relevant data were collected from the real situation of downsizing exercise, which took place in a national airline company in South East Asia. Semi-structured interview was adopted as the data collection method. This method allows the interviewer to have a series of questions that are in the general form of an interview schedule but he/she is able to vary the sequence of questions (Bryman, 2004). In this regard, open-ended questions were employed so that this format allows the respondents to reply however they wish. The setting of the layout of the interview session used is a close setting because the project took place in an organisation. In order to reduce the amount of errors in the interpretation of the results, the answers

were recorded (Fowler & Mangione, 1990). Besides the semi-structured interview, a brief questionnaire was also used to collect data from the respondents.

There were 20 respondents who completed the data collection process. Most conversations were recorded without revealing any identities. Each participant was selected by using convenience sampling. Convenience sampling is non-probability sampling technique where subjects are selected because of their convenient accessibility and proximity to the researcher.

The interview started by giving a short self-administered questionnaire to the participants. The questionnaire contains four personal demographic questions including age, gender, work span and the highest academic background of the respondents. The second session was the recorded interview on the topic investigated. As shown in Table 2, the first five questions asked about knowledge sharing environment in the workplace, followed by nine questions on downsizing.

**Table 2**

List of questions on knowledge sharing environment and downsizing

<b>Knowledge Sharing Environment</b>	<b>Downsizing</b>
1. Individual opinion on the working environment	1. Individual view and feeling on downsizing
2. Individual opinion on the information or knowledge sharing environment	2. Individual opinion on the importance of downsizing
3. The knowledge of the participant on any particular media of sharing that has been applied in the organisation	3. Individual opinion on the effect of downsizing strategy in the work environment
4. The contribution of the participant on knowledge sharing activity	4. Individual opinion on the impact of downsizing towards his/her own performance
5. Individual opinion on the importance of media of sharing	5. Individual experience on the impact of downsizing towards the relationship between the employees
	6. Individual opinion on the impact of downsizing on knowledge sharing activity
	7. Individual experience of self-enthusiasm in sharing during the downsizing exercise
	8. Individual opinion on the importance of sharing during downsizing
	9. Individual view and feeling of downsizing

## **5. Data analysis method**

The data collected were analysed using Microsoft Excel and Statistical Package for Social Science (SPSS) version 13.0 software. The frequency distribution of each interview results was first recorded, followed by the analysis on knowledge sharing and downsizing in conjunction with the demographic factors. Cross-tabulation analysis was used in order to study the relations between the two variables (knowledge sharing and downsizing). This study used the rules whereby if the cross-tabulation results show no

difference or association between the two variables, chi-square test is to be conducted in order to know the proportion of each group in choosing their statements.

The use of chi-square statistics require that each individual studied contributes to the count in only one cell in the cross-tabulation analysis and must not have more than 20% of minimum expected counts of less than 5. Since the expected counts refer to the counts that would be expected if the two variables are unrelated or independent, only 8 interview questions in which the participants give one statement were tested using this method. However, the chi-square tests show that the questions are having more than 20% of the minimum expected count of less than 5. For that reason, the correlation lambda ( $\lambda$ ) is used in this project.

The correlation lambda, also known as the Guttman coefficient of predictability is suitable for calculating relationships between the nominal variables (Frankfort-Nachmias & Nachmias, 1996). In SPSS, correlation lambda is defined as the Goodman & Kruskal's Lambda. It measures the proportional reduction in error achieved when membership of a category on one attribute is used to predict the category membership of the other. Accordingly, a value of 1 means that the independent variable perfectly predicts the dependent variable, whilst a value of 0 means that the independent variable is of no help in predicting the dependent variable.

## **6. Findings**

### *6.1. Demographic characteristic of the respondents*

The characteristic of the respondents based on their demographic, female respondents were 10% higher than male respondents. Mostly total respondents were above 45 years old (70%). The third demographic variable was the work span. It was observing the length of work of the participant in the company. It was showed that 75 percent of the total participants have joined the company for more than 15 years, while the smallest result was positioned as the shortest work span (2 to 5 years). Lastly, based on the level of education, 45 percent of the total respondents were having a degree as their highest academic achievement. While, 25 percent of them were getting certificate of specialty and the rest of 20 percent acquired master level. Not more than 10 percent of total respondents were having diploma as their highest academic background.

### *6.2. Findings from interviews and questionnaire*

The participants viewed their general working environment as positive. About 65% of the participants stated that they enjoy the working environment despite the fact that the company downsizes its employees. From the perspective of gender and tenure, male and older employees (particularly those who have been with the company for 10 years or more) tended to be more positive of the working environment than females and younger employees. However, no significant difference was found in terms of education level.

Similarly, more than half of the participants felt that their working environment was supported by information/knowledge sharing. The male participants dominated this response (67%) as well as those with Diploma qualifications. However, participants who had been with the company for less than 2 years did not support this view.

Various media for sharing was used in the company. However, 50% of the participants stated that Intranet was used as the media for sharing and this was dominated by female participants (55% of total female participants) as well as participants who ranged in age of between 35 and 45 and participants who had been with the company for 10-15 years. However, there was only one participant who had been working with the company for 2-5 years.

As far as contributions of the participants on knowledge sharing activity are concerned, the results tend to be positive as well amongst the participants who used media for sharing. The findings indicate that 60% of participants contributed to knowledge sharing activity. Notwithstanding the results, 95% of the total participants agreed that media for sharing is very important.

The participants also somehow tended to be supportive of the downsizing strategy of their company. This is evident from the 50% of participants who agreed that downsizing was the right move due to the overstaff situation experienced by the company. Consequently, the positive results affect the opinion of individuals on the importance of downsizing where 90% of them believed that downsizing is important to be undertaken.

However, their opinions on the effect of downsizing strategy on the working environment tend to be negative. Only 5% of the participants experienced improvement in knowledge transfer, whilst 20% of the participants felt that the impact might take place in other areas of the organisation. Moreover, 50% of them agreed that downsizing had impacted on their individual performance.

On the impact of downsizing on the relationship between employees, 40% of the participants felt that there was no difference in human relationships during downsizing. However, 30% of them were jealous because they could not get approval on the mutual separation scheme. Only 10% of them stated that the human relationship became closer.

**Table 3**

Cross-tabulation result between work span and self-enthusiasm on sharing

			Downsizing_on_Self-Enthusiastic3		
			No	Yes	Total
WS	<2	Count	0	2	2
		Expected Count	.2	1.8	2.0
	>15	Count	0	15	15
		Expected Count	1.5	13.5	15.0
	10-15	Count	1	1	2
		Expected Count	.2	1.8	2.0
	2-5	Count	1	0	1
		Expected Count	.1	.9	1.0
Total		Count	2	18	20
		Expected Count	2.0	18.0	20.0

Note: WS \* Downsizing\_on\_Self-Enthusiastic3 Cross-tabulation

The participants seem to show mixed response on the impact of downsizing on knowledge sharing activity. About 30% of them believed that downsizing restricted people from sharing more, whilst 15% though otherwise. However, positive results is achieved on the experience of the participants on self-enthusiasm towards sharing where 90% of them were still willing to share their knowledge/information. Regardless of the findings, all the participants agreed that sharing was very important during downsizing.

Significant result for Goodman & Kruskal’s Lambda was obtained on the association between work span and the opinion of the participants on self-enthusiastic of sharing during downsizing. As such, cross-tabulation analysis was conducted. As displayed in Table 3, the expected frequencies of the 7 cells are less than 5. Therefore, the chi-square results were not used as a parameter.

Table 4 displays the results of Lambda and Goodman & Kruskal tau. Asymptotic estimate of the standard error of statistics approach the standard error of the population as the sample size increases, so it is a better estimate for a large data set. The low significance value in Goodman & Kruskal tau (0.03) indicates that there is a relationship between the variables. The high value on the self-enthusiasm of the participants towards sharing (0.722) during downsizing implies that there is a strong dependency amongst the variables. However, work span dependency results in low value (0.250), implying that there is a strong dependency. It can thus be concluded that self-enthusiasm of the participants towards knowledge sharing during downsizing depends on the work span factor

**Table 4**

Lambda, Goodmand & Kruskal tau result on work span and self -enthusiasm on sharing: Directional measures

			Value	Asymp. Std. Error <sup>a</sup>	Approx. T <sup>b</sup>	Approx. Sig
Nominal By Nominal	Lambda	Symmetric	.286	.287	.830	.406
		WS Dependent	.200	.179	1.026	.305
		Downsizing_on_Self- Enthusiastic3 Dependent	.500	.612	.582	.560
	Goodman and Kruskal tau	WS Dependent	.250	.097		.003 <sup>c</sup>
		Downsizing_on_Self- Enthusiastic3 Dependent	.722	.087		.003 <sup>c</sup>

Note: a. Not assuming the null hypothesis.

b. Using the asymptotic standard error assuming the null hypothesis.

c. Baesd on chi-square approximation.

In addition, the participants were asked an open-ended question on their views and feelings on the impact of downsizing towards knowledge sharing environment. Differing views were obtained, amongst them: (1) losing expertise; (2) improving sharing; (3) losing continuity; (4) getting closer to each other; (5) some people became self-centred and this impeded sharing because of their increased workload. Despite the findings, as many as 35% of the participants believed that downsizing did not impact on any knowledge sharing/transfer effort.

The cross-tabulation analysis on the association between work span of each participant and their self-enthusiasm towards sharing during downsizing show that length of work determines their willingness to share during downsizing. Accordingly, participants who had worked for less than 2 years and those who had worked for more than 15 years are willing to share information/knowledge during this difficult time. This is despite the fact that those who had been with the company for less than 2 years perceived that their work environment was not supportive of knowledge/information sharing. These participants stated that they were hopeful for changes in the organisation and therefore hoped that the management and their peers to be more open in terms of

distribution of information/knowledge especially after the downsizing exercise. Specifically, they were looking for a better working environment, healthy competition and a stimulating environment which could lead to the development of their skills.

Employees who had been working for more than 15 years felt that retirement was approaching and therefore they were willing to share their experiences for the general good of the organisation. This is supported by the bond that they had with the company as well as the requirements by the company to share their knowledge with newer members.

However, those who have been with the company for between 2 and 5 years and 10 and 15 years were less inclined to share. The main reason is about job security. Unlike those newer members who are hopeful of changes, these employees tended to follow regulations and get their work done without questioning their superiors. This corroborates the earlier findings that half of the participants in these age ranges tended not to share their knowledge.

## **7. Discussion and implications**

Generally, the employees shared different views on the impact of downsizing on knowledge sharing and transfer. This was due to the limited number of media used for sharing in the organisation. The availability of few media also restricted employees from sharing their knowledge with other departments. However, many of them viewed downsizing positively in this regards as they felt that knowledge sharing was enhanced since people felt closer to each other. However, in reality, some of the participants felt that sharing was reduced since they were assigned with additional workload.

Notwithstanding this, the enthusiastic reaction from the survivors on sharing should be given due consideration by management. By enhancing the intranet, it is believed that the sharing environment will be greatly improved. In this sense, Intranet that functions as an information sharing tool from top management to employees is not enough. There should be other ways for sharing across the organisation. Besides intranet, other media such as company gathering, forum and meeting should be conducted in an open setting in order to permit every level of employees to articulate their thoughts and share their experiences effortlessly.

## **8. Conclusion**

This study has investigated the impact of downsizing on knowledge sharing activity in an airline company. The results may provide implication to other airline companies which are experiencing downsizing. The importance of knowledge sharing cannot be overemphasised especially in this turbulent environment particularly when leaner organisations are expected to bring the profit level back to normal.

There are several limitations of the study. The sample size is small and therefore the generalisability of the results could be a concern. In order to obtain more reliable findings, future studies should consider a large sample size across different organisations. It is also interesting to investigate how media for sharing can help to create a knowledge sharing environment particularly amongst the downsized companies.

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