Downsizing Bureaucracy: Impacts and Anticipation

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Abstract

Administrative reform policies by governments are carried out to fix their bureaucracy. The aims is to create dynamic, agile, and professional bureaucracy through effectiveness and efficiency of organizational performance. Administrative reform is carried out by simplifying government organizations and improving bureaucratic procedures. However, downsizing bureaucracy has certain consequences/impacts. This article explains the concept of organizational downsizing as administrative reform, the impacts as a consequence of implementing the downsizing, and how anticipatory actions need to be prepared. The approach is carried out in a descriptive way, identifying problems, and solutions from the impacts of organizational downsizing. Identification is done by studying cases that have been carried out in various downsizing cases in the world. The impacts of implementing organizational downsizing based on research studies will generally occur in three domains, organizational matter, organizational human resources, and the external environment. Structural change may generate an internal conflict and the work issues. This problem if not well managed could affects organizational behavior, and organizational goals. Identification of significant impacts must be done before the implementation of downsizing. The role of leadership and management is important to prepare actions and instruments to anticipate negative impacts that may arise.

I. Introduction

The ability of public sector organizations in a country to provide best quality of goods and services at cost efficiency is important for the long-term growth benefit (Giordano & Tommasino, 2013). Many reform agendas are proposed for improvement and efficiency purposes. Administrative reform is seen as attractive and can increase legitimacy and trust of the current or the next government (Kim & Han, 2015; Guo, 2017). A successful administrative reform program makes the government more legitimate in the people's view. This is also related to trust in the implementation of public services. Therefore, improvements through administrative reform must be done to restore public trust (Turner & Hulme, 1997). It is also an opportunity to re-evaluate the way the bureaucracy performance (Lee Marks & De Meuse, 2005). Governments in all over the world are more focused on organizational development that is oriented towards flexibility and responsiveness (Ann Feldheim, 2007).

Administrative reform is a deliberate effort to change both the structure and procedures of the public bureaucracy (Quah, 2010). This change is in the institutional aspect as well as reorganization. Kim & Han (2015) mentioned that to improve government performance, administrative reform needs to be pursued collectively by restructuring the organization and rearranging the policy process. Those two things are big challenges for the government. The organizational structure of the government which is

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known to be fat is forced to change and rearrange itself. Waste of resources, poor distribution mechanisms, redundancy of staff lead to inefficiencies. Service structures and systems can be determined politically, but proper regulatory mechanisms are considered an important step to increase efficiency (Kazho & Atan, 2022).

Downsizing are levers to cut costs and budgets, complexity, having the ability to survive from their environment (Halbesleben et al., 2013; López-Bohle et al., 2016) and expected to increase innovation (Van Hootegem et al., 2019) thereby increasing the ability to develop the output of the organization (Gregory in Fernández-Menéndez et al., 2020). Studies on public administration tend to focus on changing structures and processes to improve organizational efficiency, effectiveness, and performance (Kazho & Atan, 2022). The performance of the public sector in providing public services is a measure in assessing the level of one country with another, so that downsizing of the public sector can help improve the performance of public organizations (Kazho & Atan, 2022).

The policy of bureaucratic downsizing certainly has an impact on the organization. The decision to downsize the bureaucracy separately will bring organizational and resource consequences. In general, the series of downsizing design activities are for the purpose of efficiency, both in terms of financing/budget, increasing productivity and competitive power, increasing inputs, organizational benefits, reducing level complexity, faster decision making, and smooth communication (Datta & Basuil, 2015; Barker et al. and Mone in Fraher, 2013). The study of Bowman and Singh (1993) shows that the downsizing implementation can have both positive and negative impacts. The impact of the downsizing may differ from one organization to another.

The positive impact of downsizing will certainly support the achievement of organizational goals. But on the other hand most organizations do not achieve the desired goals but instead experience an increase in negative consequences (Cascio & Wynn, 2004; Datta et al., 2010; Datta & Basuil, 2015). The negative impact needs to get attention for the whole organization, especially the leadership of the organization. Because organizational leaders have the authority to see problems extensively. The impacts and changes that occur need to be realized by organizational/agency leaders (Harney et al., 2017). Anticipatory and corrective actions need to be taken so that the negative impacts do not interfere with the organization function and public services (Kazho & Atan, 2022).

Many researchers study on how the forms of implementation of administrative reforms carried out by governments. Each implementation can have different characteristics and impacts. However, there has been no study on the summary of the impact generated by organizational downsizing. For example, the studies in the JSTOR index have not discussed many forms of simplification of bureaucratic structures and the impact of structures downsizing.

This paper discusses the impacts that occur in organizations, especially in the public sector. The main focus of this discussion is on how the forms of downsizing, the methods, the organizational relationships that occur, the impacts, and how the best way to anticipate these impacts. This will be useful for knowledge of how the downsizing of an organization is carried out, and provides knowledge of what impacts could arise. Based on the study, it can be seen what anticipations need to be prepared in the downsizing planning stage.

II. Research Method

The approach used in this paper is a qualitative approach. The data collection technique using literature review based on studies from Scopus database indexed journals related to the topic. Data sources are those published between the years of 2000-2022. Literature review had been done on articles related to downsizing. The articles search determined through 3 dimensions, downsizing, impacts, and HR management. The search details are shown in table 1 below.

Table 1. Search Terms

Dimension	Search Terms
Downsizing	"downsizing", "downscoping", "restructuring", "consequences", "Public sector downsizing", "downsizing bureaucracy"
Impacts	"effect downsizing", "implementing downsizing", "downsizing impact", "employee impact"
HR Management	"responsible downsizing", "survivor downsizing", "innovation impact", "workplace learning", "public personnel"

The reviewed articles in the study are related to the context of organizational downsizing and the impacts. Besides that discuss the impact on the organization, also articles that discuss the impact on employees. Articles related to the dimensions of HR management that affected by organizational downsizing are also included as study material.

Articles are identified and selected which are related to this research topic directly or indirectly. Total 50 articles were reviewed and took important results related to the topic and explanations. The review is done by skimming method and/or reading the abstract, background, basic concepts, findings and conclusions of each article. In addition, a review of related additional articles is carried out to enrich the explanation.

Based on the literature review, the author discusses and compiles the results of studies related to how the bureaucracy/organization downsizing is carried out, the potential impacts are generated, and how the organization should anticipate and/or handle the effects of downsizing. The results of discussed in each group of related sub-sections on the impact of downsizing and impacts anticipating.

III. Results and Discussion

3.1 Downsizing Concepts

According to Schulz & Johann (2018), downsizing usually is due to efficiency-motivated downsizing, demand-decline-motivated downsizing, and other-motivated downsizing such as reorganization or merger. Downsizing bureaucracy is a process to reduce the size of the bureaucracy, by reducing its personnel, reformulating the organizational framework, and/or rearranging the work procedure system (Villanueva, 1997).

Gandolfi & Hansson (2011) stated downsizing is a complex and multifaceted phenomenon. In a narrow sense as a series of organizational activities to be more effective and efficient, while in a broad sense as a strategic transformation intended to change

organizational design, work processes, organizational culture, values and behavior, and mission.

Downsizing in general can be seen in various points of view. This point of view becomes the background and the way for the organization to downsize or not. The types and methods commonly used in downsizing include:

a. Downsizing done by simplifies the organizational structure through eliminating the work system of the organization. With a certain work system, it can eliminate certain divisions. By downsizing the organization will be structurally lean. HR management must doing something such as employee rotation and reduction. In a simple sense downsizing is converging on a series of activities with the aim of making the organization more effective and efficient (de Vries & Balazs (1997).

b. Downscoping, dispose of work units or divisions that are no longer related to the organization's main business. The main objective of downscoping is to refocus organizational performance on important core business processes and outputs (McKinley et al., 1997). The effectiveness of achieving organizational output is increased because performance is not bothered with various outputs that are not important (Hitt et al., 2013).

c. Delayering, classifying jobs by regrouping the types of jobs that have existed before. With this delayering as well as an evaluation of the organizational structure to identify overlapping tasks and functions within the organization, so that it is more efficient/cost saving (Littler et al., 2003). As a result, any divisions that have complexities and similarities in tasks and functions can be merged into simpler ones (Ferdows & De Meyer, 2016). Likewise with the officials in the previous division. This delayering can be part of a downsizing strategy (Özkanli & Bumin, 2006).

d. Decentralizing. Functions and tasks in the higher structure are delegated to lower structure or organizational units. The structure under become richer in functionality. The number of divisions/structure above is reduced along with employees who are no longer needed. This can change the organizational structure to be more semi-autonomous (Balogun & Johnson, 2004).

e. Reorganization reviewing the duties of the core functions of the division and/or organization by considering competitive factors. If a division/organization is not competitive through a certain evaluation measure, certain adjustments can be made. In addition, changes in socio-economic demands and global challenges can be used as measurement of the need for reorganization (Girod & Whittington, 2016). Considerations from the reorganization include cost efficiency, increased profits or output, product development, service quality improvement, changes in the composition of profit sharing and stock prices (Hirsch & De Soucey, 2006).

f. Information technology innovation. Downsizing and simplification of the structure by using information systems/technology in order to adjust or optimize a job in a particular work unit (Udo & Kick, 1994). Added that information systems will replace humans in manual tasks. The impact is that there is no need for humans in jobs that has been replaced by the system, especially for employees who do not have adequate abilities to deal with technological matter. This can eliminate organizational sub-structures as well.

Downsizing models can be applied in all organizations, private and public. Downsizing bureaucracy implementation as a public organization, adjustments and the right choices are needed because of a number of restrictive regulations. In addition, the characteristics of government organizations are quite different from private organizations.

Political factors that affect the organizational structure of the government are also influencing (Rama, 1999).

3.2 Consequences and Impacts of Downsizing

Kawai's (2015) finding that the downsizing relationship with its benefits is not statistically significant, but the prediction of a negative relationship occurs with employee productivity and motivation. Possible impacts are generally associated with decreased productivity (Carriger, 2016; Kazho & Atan, 2022), creativity (Céspedes-Lorente et al., 2018), innovation (Tsai & Yen, 2018; Fernández-Menéndez et al., 2020), also workload and job satisfaction (Silva et al., 2013; Avgoustaki, 2016; Bakker et al., 2014).

According to Cooper (2012), in general the consequences/impacts of downsizing will be able to affect into 3 (three) domains: impact on the organization, impact on the achievement of goals, and impact on the individual/group. Cooper described in detail the possible impact can occur. The impacts of organizational downsizing that should be considered including:

a. Employees and leaders who lose their job positions.
b. Employees (survivor) in the organization.
c. Leaders who lead and direct downsizing.
d. Families and close relatives of affected employees.
e. Other parties outside the organization, community, stakeholders, or supporters who are involved and/or related to the existence of the organization.

Mondy & Martocchio (2016) added that the potential for employees who plan to look for job opportunities outside (resign) is higher as a result of anxiety and uncertainty when information on downsizing is incomplete. If they remain in the organizational, the impact on employees and their consequences on their work will be greatly disrupted (Flecker & Meil, 2010) and could have medium to long term effects (Arzuaga & Gandolfi, 2021). Fernandez-Menendez et al. (2020) states that restructuring can result in a combination of high threats and weak controls. Below is a discussion of the impacts that often founded from the studies.

a. Welfare Impact

Downsizing can have a negative impact on employee well-being (Harney et al., 2017). They could have a tendency to suffer socially, economically, psychologically, and physiologically effects (Koukoulaki et al., 2017; McLachlan, 2021; Dlouhy & Casper, 2020; Arzuaga & Gandolfi, 2021). Financial impacts for employees may occur if the employee loses his position so that the allowances and facilities previously obtained are lost (Datta & Basuil, 2015). The loss of job positions in the structure usually has implications for the demands of a higher work system, due to the unification of several structural functions. The high work system that demands high performance affects the morale and welfare of employees (Iverson & Zatzick, 2011).

Datta et al., (2010) emphasize that downsizing has a significant impact on changing attitudes and behavior of individuals and groups, disrupts the network of working relationships, and undermines the trust and loyalty that binds employees to their organizations. Negative feelings and behaviors grows such as anger, decreased performance, absenteeism, job insecurity, desire to leave, low commitment, low morale, or motivation (Tsai & Yen, 2018; Céspedes-Lorente et al., 2018). Furthermore, changes in work behavior and employee anxiety have a negative impact on the physical health of employees (Dlouhy & Casper, 2020).

Job insecurity damages employees' innovative behavior through feelings of irritation and low concentration (Van Hootegem et al., 2019; Tsai & Yen, 2018). According to Asford (in Silva et al., 2013) job insecurity occurs when (1) strong threat related to job continuity and career; (2) job facilities including promotions and higher salaries; (3) the alleged threat of change that results in rotation, dismissal, or early retirement; (4) the significance of the downsizing change; (5) powerlessness (lack of control over work). The powerlessness of employees over something that employees can control and influenced by the nature of work exacerbates job insecurity (Silva et al., 2013). Added that the higher the employee's job insecurity, the lower job satisfaction.

Financial impact of this employee affects productivity, so that downsizing often does not get the desired organizational improvement (Yu & Park, 2006; Iverson & Zatzick, 2011; Carriger, 2016). Downsizing has the potential to undermine employee expectations and involve relationships with the organization (Datta & Basuil, 2015). De Jong et al. (2016) in his study found that increased of work demands reduced participation in decision making, reduced discretion, reduced control and supervisor support were involved in the negative impact of employee welfare.

Improvements in the organization must be in line with the welfare of the affected employees (Mishra et al., 2009). Downsizing should create value that is not only in accordance with the overall organizational strategy, but also the effectiveness of its process (Datta & Basuil, 2015).

b. Job Satisfaction

Job satisfaction according to Silva et al. (2013) is an attitude from experience caused by the impact of the work environment. It resulting dramatic and negative experience for its employees characterized by a lack of attention to the process (Kozlowski in Harney, 2017). Uncertainty in work, structure and changes that may be unacceptable to employees can interfere with employee job satisfaction (Silva et al., 2013). There is a positive correlation shown by Amabile & Conti (1999) between the implementation of organizational downsizing and employee job satisfaction. Added that the massive downsizing, the lower the level of employee job satisfaction. It can also result in unstable work groups, high levels of depression, anxiety, discomfort, and low levels of happiness. Amabile & Conti concluded that it could hinder and destroy work creativity in an unstable work environment.

Job dissatisfaction is also caused by the frustration of workers from their work. Job frustration is understood as an embodied response to the inner conflict that results when organizational change expectations are perceived as disturbing and conflicting with the "comfort" of their previous job (McDonough & Polzer, 2012). In addition, high work intensity and working under pressure so that they do not have enough time to achieve work targets can have a negative impact on employee welfare, including fatigue (Bakker et al., 2014). When the work intensity of employees is high, they experience fatigue and dissatisfaction in doing work, and it interferes with their well-being (Harney et al., 2017). In addition, problems with employee motivation can reduce the level of organizational knowledge and can inhibit employee creativity (Céspedes-Lorente et al., 2018).

Therefore, there is importance for organizations to create a positive, controlled, and stable work environment. The role of leadership is very important in intervening these efforts by building good perceptions and team building (Amabille & Conti, 1999). Larger impact can occur if employees have high work intensity, stress, coupled with more burdensome changes such as new work equipment, techniques, or work processes (Fernández-Menéndez et al., 2020).

c. Workload

Workload increase and work insecurity have proven to be direct consequences of organizational downsizing (Foster et al., 2019). This is also another negative impact on employee welfare (Harney et al., 2017). Too much work pressure due to the fusion of organizational division/sub-division functions and confusion in business processes as well. Uncertainty and changes that occur in the work environment are positively correlated with more extensive work effort, higher pressure and workload (Silva et al., 2013; Avgoustaki, 2016; Tsai & Yen, 2018). Work intensity occurs with additional responsibilities and work pressure after restructuring (Russell & McGinnity, 2014). This work demand basically lead to an increase in work effort and the depletion of employee energy (Bakker et al., 2014).

Workload increase can also be caused by unclear business processes. Mckinley & Scherer (2000) said that downsizing resulted new business processes that the subordinates had not been able to adjust yet. In terms of affected employees or division, downsizing will disrupt business processes that are daily used. Mckinley & Scherer added that this adjustment requires time, cultural processes, mechanisms, rules, and other non-physical things that need to be rearranged. Thus the organization must prepare a new business process from the downsizing. If this is not available it will exacerbate confusion in organizational performance, culture, and other negative impacts. This increased workload and confusion has an impact on the mental health of employees (McDonough & Polzer, 2012). Not only an increase in workload, changes in the organization can also reduce the time and effort of employees in innovative activities so can result fewer ideas (Fernández-Menéndez et al., 2020; Van Hootegem et al., 2019).

Another thing that is often forgotten is the leadership's concern for its employees. Leaders must focus on listening and being a consulting mentor with their employees (Harney et al., 2017). Harney argues that the consulting function plays an important role in facilitating employee feelings and values, increasing understanding, and greater involvement in order to reduce the workload.

d. Conflict Escalation

Confusion when implementing downsizing at lower levels is common. Organizational changes have a massive impact because of all sides and work mechanisms (business processes) is different than before. Downsizing causes employees to feel uncertain about the future (Brockner in Fernández-Menéndez et al., 2020). According to research by Mckinley & Scherer (2000), this is where the potential for conflict will occur. Confusion occurs when the organization does not prepare in advance. Who does what and how must be clearly defined. Furthermore, between members of the organization can blame each other, throwing responsibility, and even worse can damage the work culture that has been built before. Besides that, management often does not prepare themselves in a structured manner in dealing with conflicts and interests that arise and the behavior of organizational members in the uncertainty of change (Harney et al., 2017). Dlouhy & Casper (2020) argue that downsizing increases job demands and job insecurity, which can result in stress for existing employees (survivors).

Organization must have a goal to be achieved by the organizational members (Niati et al., 2021). Organization members can be emotionally overwhelmed. Confusion and ambiguity can trigger mistrust, demoralization, powerlessness, stress, and even frustration (Koukoulaki et al., 2017; Campbell-jamison et al., 2001). Management is required to have responsibility and place personnel and the professional needs of their work (McLachlan, 2021). Important job resources are very likely to become scarce or disappear after

downsizing, such as managerial support, educational and development opportunities (Foster et al., 2019).

Fraher's study (2013) proves that weak leadership and fragmented work teams combined with communication failures, conflicts, authority issues causing organizational damage. This is important for the organization's reputation in the public's view. Increased demands coupled with reduced participation in decision-making, reduced discretion, reduced control and support from supervisor help to exacerbate this impact (de Jong et al., 2016).

Organization members' participation is a key variable to reduce the negative impact of downsizing (Brown & Cregan in Harney et al., 2017). Reliable communication and information processes need to be established, including mechanisms to ensure that the flow of information is organized two-way, strategic, current, and rational (McLachlan, 2021). McLachlan added that in a quality management system it is known that when there is strong feedback, an organization will be able to regulate itself and respond to emerging challenges better. Gauld (2003) argues that the role of change leaders is very important to identify affected groups, to build effective support mechanisms to reduce the level of pressure that causes conflict.

e. Environmental Impact

An organization's reputation can be compromised if downsizing is done arbitrarily without considering the actual performance and stakeholder (Love & Kraatz, 2009; Schulz & Johann, 2018). As a result, it can hinder an organization's access to critical resources and ultimately undermine its own performance. The reputation damage of its product/service can occur in the short term (Kawai, 2015). Schulz & Johann (2018) study indicate that during the announcement time period of downsizing, especially in critical events, weak performance, or massive mergers and cuts can have a negative effect on people's views. Whereas employees in the public sector are expected to be able to work well in all kinds of work environments, so that their productivity affects trust in government and accountability (Kazho & Atan, 2022).

In Jeon & Laffont research (1999) said that the outcome targets of each employee often not well defined, especially in public sector organizations. So that information on the efficiency and effectiveness of the performance of certain employees and/or work units becomes less clear. When the downsizing policy is fail in analyzing which organizational structure should be simplified, the productivity and efficiency of the organization's work will decrease. This fail is possible because the government is usually not good at managing human resources (Rama, 1999). This is what affects the results of organizational performance with its environment.

Through workload increase, employees feel that work targets become difficult to achieve, thereby reducing feelings of control over their work environment (Maertz et al., 2010). In addition, new working environment conditions (instruments, techniques, work processes) can create situations where employees feel that they have lack of control and increase threats to them (Fernández-Menéndez et al., 2020). As a result downsizing can break the network of information links and social networks that they previously interacted. The lack of control and information networks affects reducing capacity of the organization to absorb information from both the internal and external environment (Céspedes-Lorente et al., 2018).

Another environmental perspectives, Hirsch & De Soucey's research (2006), organizational change itself will affect the labor market environment, the participation of trade unions (workers' groups). When the organizational environment is seen as a

collection of networks between individuals that generate a knowledge base and learning, the potential damage from eliminating individuals in downsizing is far exceeds what is implied. Eliminating individuals in the learning network will cause a lot of damage to the individual's memory and personal skills, and put a risk on learning capacity and organizational memory (Céspedes-Lorente et al., 2018). Communication problems make the difficult dissemination and interpretation of information, also result in a reducing ability of the organization to solve problems.

3.3 Anticipation

Downsizing impact must be faced and anticipated from the planning stage and can be minimized (Bernardin & Russell in Özkanli & Bumin, 2006). From the existing cases from the results of Mckinley & Scherer (2000) research, these impacts often lost identification and careful preparation. So that management and organizational leaders are not ready to face the "chaos" that arise from these changes. Organizations need to keep save organizational goals with smoother communication, increasing productivity, and building innovation (Mone & Cascio in Fraher, 2013).

Organizational leaders must play a very important role in designing and implementing downsizing. The findings of Liou & Wang (2019) that the combination of downsizing strategies and the importance of managerial values show the importance of using a comprehensive and collaborative approach in the implementation process and managing risks and consequences that were not foreseen. The approach must consider the organization's vision and mission, the leadership style to be used, organizational values and goals, strategic plans, evaluation alternatives, assignment design, role clarity, improving the quality of communication instruments (Koukoulaki et al., 2017; Schulz & Johann, 2018), worker group agreements, and applicable laws and regulations. Based on a study that in addition to the level of pressure and workload, co-worker relationships, as well as health and family support, direct supervisors have a very large influence on increasing innovation commitment and job satisfaction (Tsai & Yen, 2018). Commitment and loyalty are important to maintain stability and smooth structural change with moral support (Miller et al., 2019).

Good leaders are those who can manage knowledge and convey strategic reform ideas, so that they can be internalized at lower levels (Prasojo & Holidin, 2018). The leader will be a central factor so that his subordinates hope to solve their problems. Leaders are expected to have the capacity to prepare the organization for the future, setting goals, revising, and formulating policies (Marques et al., 2014). Chaos may occur during the restructuring process. Therefore, leadership must pay close attention to the decision-making process and policies during the restructuring process (Fraher, 2013). The formation of a strong emotional response, supported by technical accuracy and symbolic conformity of organizational values becomes a central role in determining how the consequences of organizational reputation will arise (Love & Kraatz, 2009). A good leadership mental framework needs to be helped by building more internal communication and soliciting input from external practitioners and academics (Tsai & Yen, 2018).

Opportunities for development and learning new things have the potential to reduce psychological tension due to downsizing with increasing workloads and work challenges (Dlouhy & Casper, 2020). Therefore, organizations need to prepare mechanisms so that employees gain access to self-development, for example through education and job training programs (Bell et al., 2017). Fraher (2013) proposes a work team development program that aims to increase trust, reduce fear, suspicion, ego, avoid confusion and decision-making errors. Team development programs include open communication, a flat

hierarchical culture, and cooperative work teams that encourage organizational members to speak up, voice opinions, increase commitment, and solve problems collaboratively (Fraher, 2013). An increase in job demands needs to be accompanied by an increase in the provision of resources, this will correlate with an increase in employee engagement after downsizing (Bakker & Demerouti, 2017).

Employees who have job satisfaction during downsizing will improve innovative work behavior (Tsai & Yen, 2018). Therefore, Tsai & Yen added that to increase employee commitment to post-downsizing innovation, the organization must increase the factors that encourage employee satisfaction. While related to the environment, Ritter et al. (2019) adds that an important factor in the relationship between downsizing and innovation is the awareness of increasing labor flexibility. Labor flexibility allows organizations to react quickly and flexibly reorganize their resources to deal with changes and innovation challenges caused by downsizing.

The decision to simplify the bureaucracy must be accompanied by a responsible strategy. Responsible simplification is proposed as a solution that is generally understood as a combination of actions, practices and strategies that organizations adopt to improve impact (McLachlan, 2021). Tsai & Shih (2014) found that a responsible simplification strategy consists of four main dimensions. First, management must have a mindset to treat employees as long-term assets. Employees are the key to the long-term profit of the organization (Johnstone, 2019). Second, there are several appropriate organizational change strategies before downsizing. Management needs to evaluate the working conditions of employees that lead to a long-term remuneration system and estimate the ability of better and competitive performance results (Datta & Basuil, 2015; Schulz & Johann, 2018). Third, management needs to solicit employee opinions on the downsizing plan. The process for selecting dismissed employees must also be fair. Fourth, HR management needs to implement appropriate employee awareness programs. For example, providing legal and fair severance pay, assistance in placing employees in new places, education and training, consulting, job search assistance, and others. Supporting this, McLachlan (2021) states that at the organizational level there are four things that strengthen responsibilities, namely regulatory, procedural, communication, and work responsibilities. The examples of responsible downsizing practices are summarized by McLachlan in the table below.

Table 2. Responsible Downsizing Practice

Type	Best Practice
Regulation	Obedience; stakeholder engagement; provisions for employee consultation; mutual agreement
Procedural	Formal process; time considerations; transparency process; appropriate procedures to demographics of the workforce.
Communication	Strategic information sharing; interaction and employee involvement; establish multiple communication channels; ongoing downsizing impact dialogue.
Work	Employee development opportunities; good placement; involvement with education and training institutions and related stakeholders.

Source: McLachlan (2021)

Downsizing also has a negative effect on employee morale, attitudes, and behavior (Datta, 2009). Therefore, according to Céspedes-Lorente et al (2018) information technology assistance also reduce this impact and help encourage organizational performance and maintain intellectual resources. At the same time, it can help improve employee skills and knowledge, facilitate interaction between groups and share knowledge, and store knowledge in a system, routine, work process, and culture (Céspedes-Lorente et al., 2018).

V. Conclusion

The purpose of administrative reform through downsizing bureaucracy in general is to encourage government organizations to be more agile in responding and serving public goods. But on the other hand, the downsizing policy in various studies has negative impacts that cannot be avoided. Often these impacts miss from identification and careful preparation. Management often does not prepare in a structured way to deal with conflicts and interests that arise as well as changes in the moral behavior of organization members.

There are several important things that need to be prepared. Preparation of instruments, mechanisms, governance needs to be well prepared before the downsizing implementation. Formulation of rules, business processes, workload sharing plans need to be done. This is intended to minimize the impact and ease the work of change management and conflict management after organizational downsizing.

Strengthening the leadership role in the process of organizational downsizing is very important. Organizational leaders as top management who can see from a wider side must have a strong role to control the state of change. Simplified information delivery delivered by the leadership is more calming for organizational members in order to prevent confusing and uncontrollable information. Leaders need to enactment, encourage awareness, participation, and build dynamic communication, so that a sense of uncertainty and anxiety in change does not create destructive conflict. The participation of organizational members will help minimize the impact.

A more in-depth impact study is needed so that public organizations in particular are better prepared for change. Not only measuring the effectiveness of change, but also the side effects that affect, for example performance, moral changes, and also decreased productivity. With comprehensive planning it will be beneficial for the success of downsizing of the organizational structure. In the end it can smoothing the path to achieving the goals of administrative reform.

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