

ORGANIZATIONAL DOWNSIZING: THE PAST AND PRESENT

ORGANIZATIONAL STRATEGY-- A REVIEW

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ABSTRACT

This paper explained and critically examined how downsizing was viewed in the past, and attempt to find how downsizing, as an organizational strategy, is viewed today. In the old downsizing paradigm, organizational managers thought the bigger the organization the better; however, this paper acknowledged the paradigm shift in that now managers value leanness and flexibility. I argue in this paper that downsizing could be a conventional organizational strategy that is here to stay; it has become mainstream in the media, where stakeholders are now immune to the effects the reduction of internal labor. This paper provides three strategic propositions for future research as well as gives a panoramic view of the past, present, and the future of organizational downsizing.

KEYWORDS: Downsizing, Labor Reduction, Strategic Planning, Downscaling, Labor Reduction