

A Study on the Layoff in Oil Service Company in Oman and its Impact on Employees

**V. Vishnukanth Rao^{a*‡}, Mallak Humaid Al-Shaaili^{a#},
Balqies Hamed AL-Shuaili^{a#}, Jawhara Khalaf Al-Toubi^{a#}
and Tahani Saleh Al-Nadabi^{a#}**

^a *University of Technology and Applied Sciences-Nizwa, Sultanate, Oman.*

Authors' contributions

This work was carried out in collaboration among all authors. All authors read and approved the final manuscript.

Article Information

DOI: 10.9734/AJEBA/2022/v22i2030672

Open Peer Review History:

This journal follows the Advanced Open Peer Review policy. Identity of the Reviewers, Editor(s) and additional Reviewers, peer review comments, different versions of the manuscript, comments of the editors, etc are available here: <https://www.sdiarticle5.com/review-history/89413>

Original Research Article

**Received 27 April 2022
Accepted 08 July 2022
Published 13 July 2022**

ABSTRACT

This study is conducted to examine the layoff in Oil Service Company and its impact on employees for various reasons, including: first, to study the causes of layoff in Oil Service. Second, to know the perception of employees on layoff in Oil Service. Third, to understand the effect of layoff on Oil Service and finally, to suggest remedial measures to reduce the layoff in Oil Service. The total number of employees working in Oil Service Company are 1000. A sample 90 employees were selected by using convenient sampling method that provides an opportunity to obtain sample and good data from different employees. The type of research is exploratory and the study uses quantitative method of data analysis. In collecting the data, the researcher used both kinds of data, i.e. primary and secondary data. The researchers used questionnaire as an instrument to collect the primary data. The secondary data collected from supportive literature review and the conceptual framework planned accordingly. In addition, the data collected from the respondents is analyzed with the help of Man Whitney U- test, Correlation, Covariance and descriptive statistics as well as with tables and graphs. The results of the study emphasizes that there is a difference of opinion among respondents on demographic variables (Gender, Marital status and any other sources of income) towards layoff in Oil Company. It is suggested that the company should initiate different training programs according to the deficiencies in the capabilities and skills of the employees so that the company can avoid layoffs and in turn can build a competent workforce for sustainable development of the organization.

[‡]Lecturer;

[#]B-Tech Human Resource Management Students;

^{*}Corresponding author: E-mail: vishnu1301@gmail.com;

Keywords: Layoff; employees; demographic; convenient sampling; training programs.

1. INTRODUCTION

Challenges in the private sector between work and workers remain, but recently they have become more complex and branched in many areas, where we find the layoffs of Omanis in some companies are increasing. Also, issues of Layoff and dismissal continue, and some employers attribute the reason for this to the economic crisis that the Sultanate is going through. But in fact, the economic crisis is not all causes, there are other reasons related to the employer. The Omani Workers' Union revealed that approximately 400 employees had received messages stating that they had been dismissed from their work from the period from March to the end of April 2020. While the union revealed that approximately 2,652 were dismissed in 2019. Reports for the years 2014 to 2018 indicate a large number of laid-off employees, reaching 10,000 employees. By order of his Majesty Sultan Haitham bin Tariq - Sultan of Oman, a committee was formed to follow up on the complaints of arbitrarily dismissed workers as a result of the economic repercussions of the spread of the Corona virus, Covid 19 globally, which directly affected the work and to entering into with companies to return the dismissed Omanis according to limited conditions that may amount to reducing salaries to only basic salaries or litigating with violating companies that are unwilling to return local staff. Due to the increase in the number of Omani employees who have been dismissed from their jobs, amounting to 3,067 until the end of June 2020, necessary amendments were required in the Labor Law to adjust the texts related to temporary contracts with the addition of clauses guaranteeing job security for Omanis to protect the rights of Omani citizens. This project will study what are the reasons that lead to the decision to lay off in private companies and what are the consequences for the employee, and it will be limited only to Oil Company. The study period was limited to the years 2020-2021, as the world and the Sultanate witnessed fluctuations in the economic crisis that led to the layoff of large numbers of employees.

1.1 Rational of the Study

Present study is initiated to know the reasons for the layoff, the extent of the effect of layoffs on the employees and to identify suitable measures to reduce layoffs. We also know that recently many companies laid off employees, as many

employees were affected by the implementation of layoffs. Therefore, the results of the present study may benefit the company to know the ways to reduce employee layoffs. Therefore, this study helps to find alternative solutions to lay off employees and eliminate its negative effects. Researcher hope to achieve the objectives of study and help companies around the country.

1.2 Statement of the Problem

Employee layoffs is a recurring problem in many companies in the Sultanate of Oman without informing employees about the layoffs or even without reasons. This layoff has psychological and social effects and pressures in the lives of the employees and is considered a great challenge for them to find other jobs at this present time because very few opportunities to enter the labor market. The laid-off employees may be forced to open a simple business with little profit or accept low-paid jobs, and this is not enough for them to meet their needs. This research sought to study the layoffs in Oil Services Company and its impact on the employees.

1.3 Objectives of the Study

- ❖ To study the causes of layoff in Oil Service Company.
- ❖ To know the perception of employees on layoff in Oil Service Company.
- ❖ To understand the effect of layoff on Oil Service Company.
- ❖ To suggest remedial measures to reduce the layoff in Oil Service Company.

1.4 Scope Limitations of the Study

The scope of this study is confined to layoff in oil Service Company and its impact on employees, during academic year 2021-2022 (during Covid). The respondents are employees from different departments covering all levels in the company. The study is confined to the causes of layoff in Oil Company. This study will emphasize the reasons for layoffs in Oil Services Company and their impact on the employees through factors such as family, social, economic and personal by knowing the employees' perception on layoffs in Oil Services Company.

1.5 Significant of The study

This study helps in understanding the nature of the problem in a systematic and arranged

manner by the company's management with increasing awareness of its causes and implications for stakeholders (institution, society, individual, family and government) before making the decision to lay off. In addition, it helps them to find suitable and innovative solutions and alternatives to solve this issue in the company. In addition, this study helps the company's management to know the correct approach to utilize human resources and invest them in a good way to take advantage of their capabilities and experience in developing the company and achieving the desired goals without resorting to layoffs. This study is also significant for existing employees and new employees of Oil Service Company. This study shows the extent of employees' commitment in the workplace and their compliance with the rules and regulations issued by the higher authorities. In addition, it shows their compliance with business ethics and the way they deal with managers and other employees. Therefore, this study came as an evaluation of the employee's performance in the company to find out which employees deserved the decision to dismiss them from work and reward the remaining ones by staying in their job.

1.6 Limitations of the Study

- Data is restricted to the concept of layoff and not covered other issues. It is confined to only one organization (i.e. Oil Service Company). Time is limited to collect the whole information. Due to Covid data is collected through google forms but not personally.

2. LITERATURE REVIEW

Joshua Ginsburg, Yiwei Liu and Bhalayogasthini Sivayoganathan [1] examined the current status of layoffs, as well as the alternatives and their effects. The research includes 89 as samples size. The study used surveys, interviews and observations and analysed by using descriptive statistics, qualitative analysis and hypothesis testing on the data. The research found that the layoffs not to be used until a firm has been suffering from financial difficulties and the layoff tend to be used more by firms that view their employees more rather than as assets. In addition, the research found that the reports of firms trying new and experimental methods to avoid laying off their employees. The study concludes that alternatives to layoffs are not as commonly used as might be wanted and the firms are not thinking about the most beneficial to their employees. David J. Flanagan and K.C.O'

Shaughnessy [2] investigated the impact of layoffs on reputation of the firm. The research includes 782 as sample size. The study used surveys and analysed by using ordinary least squares regression. This research found that the layoffs have negative effect on corporate reputation. In addition, the study found that the layoffs influence the impression of potential employees. The study concludes that with layoffs of employee lead to increase the expenses that follow a layoff in cost of motivating employees. Christine Le Clainche [3] investigated the impact of mass layoffs on the mental health of remaining employees in plants after layoffs. The research includes 1717 employees as sample size. The study used survey and analysed by using descriptive statistics and regression analysis. This research found that the mass layoffs lead to increase in drug consumption rates on remaining employees in a plant after a mass layoff. In addition, the study found that the non-white-collar employees are more affected by a mass layoff implementation. The study concludes that increase in job insecurity experienced by employees and the employee's fear of consequences for their family. Jayme Sobieralski and Cynthia R. Nordstrom [4] examined that how the presence of a third party, employees' seniority level and the arrangement of a severance bundle affected authoritative equity insights. This research includes Participants were 148 undergraduate students as sample size by using Survey Monkey; participants were randomly assigned to one of the eight possible scenarios. Once participants read the scenario, they completed the organizational justice scales, manipulation check and demographic questions. The research used questionnaire and survey as primary data. From this study, the results indicated that when a senior employee was laid off, both procedural and interactional justice norms appeared violated. Moreover, the arrangement of a severance bundle lead to more sure distributive equity discernments. David Hillier, Andrew Marshall, Patrick McColgan and Samwel Werema [5] investigated the financial execution of organizations encompassing the declaration of long-lasting worker layoff. The research includes 550 as sample size. The study used observation and analysed by using descriptive statistics and regression. This research found that layoffs lead to increase in employee productivity and corporate focus. The study concludes that layoffs represent an efficient response to negative financial condition. Priscilla Fabregas and Dr. Toni DiDona [6] investigated the topic to explore the empirical

relationship between the cultural perceptions of layoffs amongst individuals who have or have not previously experienced a layoff. In addition, this study was analyzed cross-culturally, between the countries of Ecuador, England, Puerto Rico and the United States. This research includes 175 participants, 30% of which had previously experienced a layoff. This study used primary data, an online survey that was conducted and distributed via social networks. A t-test was performed to survey whether the method for the two gatherings being noticed were measurably not the same as one another. The results demonstrated no significant difference between the layoff perceptions of individuals who have experienced a layoff, compared to an individual who has not. Gary Blau, Tony Petrucci and John McClendon [7] Investigated that the equity responses and enthusiastic reactions on mentalities toward their past boss" that mean to concentrate on an ignored exploration result inside the most recent ten years. This study used Survey as primary data, which collected from late January to early March of 2012 using two methods one method was a snowball sampling through posting an electronic Qualtrics review interface on different expert gathering conversation sheets. These were essentially posted on the expert systems administration site LinkedIn. The second method was through a database of potential job seekers obtained from an executive search firm that specializes in placing job seekers in roles with annual salaries of above \$100,000. This research includes 438 responses were collected for the 100-item electronic survey. Of the 438 reactions, 425 were from the snowball technique started through posting the study connect on proficient gathering conversation sheets. 13 reactions were from the information base of 2,000 potential occupation searchers yielding an under 1 percent reaction rate with this technique. It was additionally tracked down that a startling new result, potential rehire, arose as identified with yet particular from readiness to support. Supporting this peculiarity, casualties who were angrier about being jobless were less inclined to underwrite their past boss to other people, yet casualties who were more discouraged about being jobless were prepared to potentially reapply to their past supervisor. Vardit Landsman and Stefan Stremersch [8] studied the effects of collective layoff announcements on sales and marketing-mix elasticity's. The research includes 205 as sample size. The study used survey and analysed by using Descriptive Statistics and Correlation Matrix. The research found that after collective

layoff announcements, the firms which it implements layoff experience adverse change in sales, price elasticity and advertising elasticity. The study concludes that layoff firms decrease advertising spending in country where collective layoffs have occurred. Jennie E. Brand, Becca R. Levy, and William T. Gallo [9] studied the topic to assess the effects of different ways in which a worker is displaced on subsequent depression among U.S. men and women nearing retirement. In addition, they hypothesize that layoffs should be associated with larger effects on depression than plant closings, particularly among men. The research used survey and interviews as primary data. In addition, this study made descriptive statistics to analyse data and measure variables. In 1992, the study sample was selected to include HR system participants between the ages of 51 and 61, were working for pay, and had at least one follow-up response. So that study sample members are under 70 years of age at the final wave analysed (n = 4,692). They have a final analysis sample of 4,471 individuals and 12,081 person-spells. From this study, they found that men have significant increases in depression because of layoffs, but not because of plant closings, while the reverse is true among women. Emerald Publishing Limited [10] investigated the topic to explore how employees' emotions after downsizing affected their learning following the downsizing event. This research includes 400 employees as sample size. The research used semi-structured interviews carried out 30-60 minute with nine volunteers, all affected by layoffs. Five were impacted by the loss of a supervisor and all had faced the loss of a co-worker. From this review, the outcomes three primary topics arose – first and foremost "versatility", where they zeroed in on returning to work, also "faithfulness", where most members talked about their recently discovered appreciation for their job and willingness to help colleagues, in which they spoke about how the experience strengthened relationships with colleagues, and they came to rely on each other. Miller, s.m, Kim, J.and Lim, D.H. [11] investigated the topic to explore how employees' emotions after downsizing impact their learning that they partook in after the downsizing event. This research includes nine employees as sample size, considered layoff survivors in a downsized organization. The research used structured interviews. For data examination, creators played out an underlying, engaged and pivotal coding. From this study, the outcomes the discoveries feature three topics: "flexibility," "dependability" and "moral help."

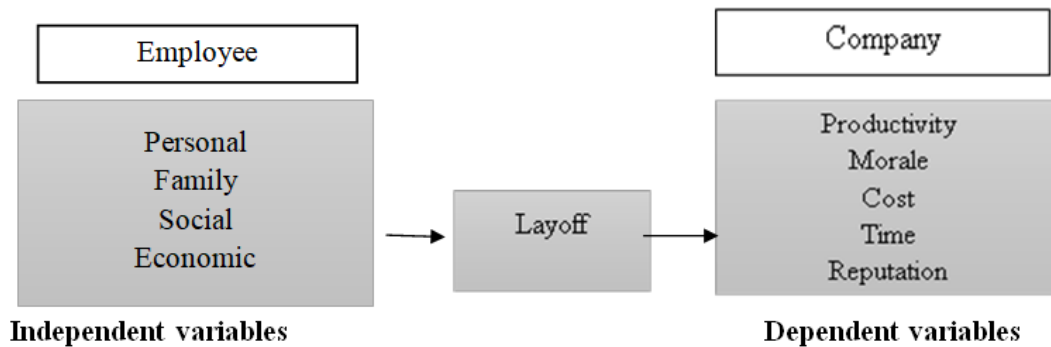


Image 1. Conceptual Framework

2.1 Research Gap

There are several studies that have been conducted and analysed on the subject layoff of employees, but some of those studies were not in the same direction and did not focus much on layoff and its impact on employees but focused on other aspects related to layoffs. In addition, those previous studies conducted the research in other companies and not in an oil company. Moreover, the research on this topic and specifically in oil sector not conducted in the Sultanate of Oman, but rather carried in other countries. Also, the previous studies did not conduct the research in the same perspective, but rather carried out in different perspective.i.e. Mostly focussing on financial issues. Present study describes impact of layoff in Oil Services Company on employees (personal, family, social, economic and also on the productivity and reputation of the company. Hence, the study addresses this gap [12,13].

3. RESEARCH METHODOLOGY

It is an exploratory study and is conducted to find the perceptions of employees towards layoff in Oil Services Company. The data is collected from the employees of Oil Services. To know the intentions of employees a questionnaire is administered through Google forms. The researcher has collected secondary data from company website, previous published (articles), newspapers and magazines. The study area selected for the research are the employees of different departments at Oil Service Company covering Human Resource, Finance, Oil and Gas and Trainees in various departments. Convenient sampling method is be used to collect data from different departments like human resource, finance, oil & gas at Oil Service Company covering various levels. The link for Google form (questionnaire) is sent to the employees through

e-mail. The population is 1000 employees in the company. Sample size is 90 (calculated with 90 per cent confidence level-Slovin's formula) [14]. For collecting the primary data, a structured questionnaire is administered by Google forms. The instrument consists of Likert five point scale with interval type questions to know the perceptions of employees and some closed and open-end questions were used to get proper responses. The collected data is analyzed through tabulation, percentage, graphs, Mann-Whitney U test, correlation and covariance with the help of Excel and SPSS Version 22 is used to extract the relevant statistical tools. The research is conducted between October-January 2021-22.

Hypotheses:

H0: There is no difference of opinion among employees of Oil Services Company towards layoff.

H1: There is a difference of opinion among employees of Oil Services Company towards layoff.

4. RESULTS AND DISCUSSION

Demographic Profile: The age of respondents shows that the highest number of respondents are between (25-35) years old with 51%, and the lowest number of respondents are 46 and above which is nil in that group. 22.2% of respondents are from the age group of (less than 25) and 26.7% is in the age group of (36-45). The education levels of respondents who had a bachelor's degree was the highest, with 63.3%. In the second stage, respondents who had an advanced diploma, with a percentage of 25.6%.While the lowest percentage of people who had a high school certificate and a master's degree, their percentage reached only 4.4%.Male respondents constitutes 86.7% and

13.3% are female. It shows that the majority of respondents are males. It is noticed that 100% were Omani nationality. The company seeks to raise the Omanisation rate, as it has reached nearly 75% of the Omanisation, and it is still training and employing national competence. 71.1% of the respondents are married and 28.9% of the respondents are unmarried. The data analyzed shows that the married respondents are more than unmarried. The results showed that the largest category of respondents was the number of their family members from 6-8 individuals, where their percentage reached 38.9%. On the other hand, the least of them had less than three members in the family with 11.10%. The number of employees working from 3-5 years more with 54.4% and 30% of the employees working for less than 3 years and 14.4% of the employees working from 6-8 years. Sources of income is concerned, the respondents revealed that their other source of income is farms that reached 63.3%. The lowest respondents their other source of income are rents and part-time job which came at the same rate of 1.1%. 20% of the respondents have small business and 14.4% of the respondents do not have other source of income.

4.1 Reliability of the Questionnaire

Chart 1. Reliability statistics

Alpha	N of Items
.699	10
.616	21

Cronbach's Pallant (2001) states Alpha Cronbach's value above 0.6 is considered high reliability and acceptable index [15]. Whereas, the value of Alpha Cronbach is less than 0.6 considered low. Alpha Cronbach values in the range of 0.60 - 0.80 are considered moderate, but acceptable.

The opinions of respondents towards the layoff in oil service Company. The mean value shows that the layoff is due to lack of contracts on hand with a highest value of 4.64. The second highest factor that the respondents opine that because due to poor performance and behavior of the worker with a mean value of 4.45. To know the consistency of these factors, coefficient of variation is calculated. It is found that consistency is high for 'Layoff is due to lack of contracts on hand. The second most consistent factors are the 'Layoff due to reaching the age of contracting and due to poor performance and behavior of the worker. It is also clear that there is less consistency for Layoff due to company policy of reducing the size of the workforce.

Hypotheses testing

H0: There is no difference of opinion among gender of employees of Oil Services Company towards layoff.

H1: There is a difference of opinion among gender of employees of Oil Services Company towards layoff.

Table 1. Opinions of respondents towards the causes of layoff in oil service company

SL.NO	Coefficient of Variation	Standard Deviation	Mean	Coefficient of Variation
1	Layoff -lack of contracts on hand	4.64	0.50	11%
2	Layoff due to Covid-19 Pandemic	2.67	0.88	33%
3	Layoff -reaching the age of contracting.	4.15	0.55	13%
4	Layoff due to injuries and accidents that lead to total paralysis.	3.56	1.08	30%
5	Layoff due to end of the temporary employment period.	3.87	0.57	15%
6	Layoff due to poor performance and behavior of the worker.	4.45	0.58	13%
7	Layoff -Company policy of reducing the size of the workforce.	2.22	0.90	41%
8	Layoff due to modern technology usage.	2.21	0.85	39%
9	Layoff -Lack of wages for workers	2.41	0.87	36%
10	Layoff due to despotism of senior management	2.26	0.81	36%

Table 2 the following tables show the result of hypothesis testing related to employee opinions in causes of layoff in Oil Service Company-Gender.

Table 2. Causes of layoff in oil service company-gender -non-parametric-independent samples test-mann-whitney U test

Sl.No	Null Hypothesis	Sig.	Decision
1	Distribution of Layoff -lack of contracts on hand is same across the categories of Gender	0.008	Reject the null hypothesis
2	Distribution of Layoff due to Covid-19 Pandemic is same across the categories of Gender	0.723	Retain the null hypothesis
3	Distribution of Layoff -reaching the age of contracting is same across the categories of Gender	0.209	Retain the null hypothesis
4	Distribution of Layoff due to injuries and accidents that lead to total paralysis is same across the categories of Gender	0.740	Retain the null hypothesis
5	Distribution of Layoff due to end of the temporary employment period is same across the categories of Gender	0.084	Retain the null hypothesis
6	Distribution of Layoff due to poor performance and behavior of the worker is same across the categories of Gender	0.177	Retain the null hypothesis
7	Distribution of Layoff -Company policy of reducing the size of the workforce is same across the categories of Gender	0.058	Retain the null hypothesis
8	Distribution of Layoff due to modern technology usage is same across the categories of Gender	0.995	Retain the null hypothesis
9	Distribution of Layoff -Lack of wages for workers is same across the categories of Gender	0.631	Retain the null hypothesis
10	Distribution of Layoff due to despotism of senior management of the organization's decisions is same across the categories of Gender	0.271	Retain the null hypothesis

Hypotheses testing

H0: There is no difference of opinion among marital status of employees of Oil Services Company towards layoff.

H1: There is a difference of opinion among marital status of employees of Oil Services Company towards layoff.

Table 3 the following tables show the result of hypothesis testing related to employee opinions in causes of layoff in Oil Service Company - Marital Status.

Hypotheses testing

H0: There is no difference of opinion among other sources of income of employees of Oil Services Company towards layoff.

H1: There is a difference of opinion among other sources of income of employees of Oil Services Company towards layoff

Table 4 the following tables show the result of hypothesis testing related to employee opinions

in causes of layoff in Oil Service Company- Other Sources of Income.

There is a difference of opinion among respondents on different variables (Gender, Marital status and any other sources of income) towards layoff in Oil Service Company. Hence, we reject the null hypotheses and accept the alternate hypotheses.

4.2 Correlation Results

The Correlation between Layoff -Company policy of reducing the size of the workforce- lead to shortage of labour. Ninety employees were surveyed to know the perception towards layoff in Oil Services Company. It revealed that there is a negative correlation between Layoff -Company policy of reducing the size of the workforce- lead to shortage of labour $r(90) = -.22, P \leq .05$.

The Correlation between Layoff -Company policy of reducing the size of the workforce- cause a collapse in the morale of the remaining employees in the organization. Ninety employees were surveyed to know the perception towards layoff in Oil Services Company. It revealed that

there is a negative correlation between Layoff - Company policy of reducing the size of the workforce- cause a collapse in the morale of the remaining employees in the organization.rs (90) = -.37, P ≤.05.

The Correlation between Layoff -Company policy of reducing the size of the workforce- create

feelings of discomfort and insecurity in the workplace. Ninety employees were surveyed to know the perception towards layoff in Oil Service Company. It revealed that there is a negative correlation between Layoff -Company policy of reducing the size of the workforce- create feelings of discomfort and insecurity in the workplace. Rs (90) = -.49, P ≤.05.

Table 3. Causes of layoff in oil service company-marital status- non-parametric-independent samples test-mann-whitney U test

Sl.No	Null Hypothesis	Sig.	Decision
1	Distribution of Layoff -lack of contracts on hand is same across the categories of Marital status	0.888	Retain the null hypothesis
2	Distribution of Layoff due to Covid-19 Pandemic is same across the categories of Marital status	0.619	Retain the null hypothesis
3	Distribution of Layoff -reaching the age of contracting is same across the categories of Marital status	0.438	Retain the null hypothesis
4	Distribution of Layoff due to injuries and accidents that lead to total paralysis is same across the categories of Marital status	0.020	Reject the null hypothesis
5	Distribution of Layoff due to end of the temporary employment period is same across the categories of Marital status	0.120	Retain the null hypothesis
6	Distribution of Layoff due to poor performance and behavior of the worker is same across the categories of Marital status	0.255	Retain the null hypothesis
7	Distribution of Layoff -Company policy of reducing the size of the workforce is same across the categories of Marital status	0.009	Reject the null hypothesis
8	Distribution of Layoff due to modern technology usage is same across the categories of Marital status	0.072	Retain the null hypothesis
9	Distribution of Layoff -Lack of wages for workers is same across the categories of Marital status	0.16	Retain the null hypothesis
10	Distribution of Layoff due to despotism of senior management of the organization's decisions is same across the categories of Marital status	0.049	Reject the null hypothesis

Table 4. Causes of layoff in oil service company-other sources of income- non-parametric-independent samples test-mann-whitney U test

Sl.No	Null Hypothesis	Sig.	Decision
1	Distribution of Layoff -lack of contracts on hand is same across the categories of Any other sources of income	0.041	Reject the null hypothesis
2	Distribution of Layoff due to Covid-19 Pandemic is same across the categories of Any other sources of income	0.198	Retain the null hypothesis
3	Distribution of Layoff -reaching the age of contracting is same across the categories of Any other sources of income	0.049	Reject the null hypothesis
4	Distribution of Layoff due to injuries and accidents that lead to total paralysis is same across the categories of Any other sources of income	0.026	Reject the null hypothesis
5	Distribution of Layoff due to end of the temporary employment period is same across the categories of Any other sources of income	0.031	Reject the null hypothesis

Sl.No	Null Hypothesis	Sig.	Decision
6	Distribution of Layoff due to poor performance and behavior of the worker is same across the categories of Any other sources of income	0.001	Reject the null hypothesis
7	Distribution of Layoff -Company policy of reducing the size of the workforce is same across the categories of Any other sources of income	0.335	Retain the null hypothesis
8	Distribution of Layoff due to modern technology usage is same across the categories of Any other sources of income	0.417	Retain the null hypothesis
9	Distribution of Layoff -Lack of wages for workers is same across the categories of Any other sources of income	0.298	Retain the null hypothesis
10	Distribution of Layoff due to despotism of senior management of the organization's decisions is same across the categories of Any other sources of income	0.130	Retain the null hypothesis

The Correlation between Layoff -Company policy of reducing the size of the workforce- has a role in causing a feeling of job dissatisfaction by the remaining employees. Ninety employees were surveyed to know the perception towards layoff in Oil Service Company. It revealed that there is a negative correlation between Layoff -Company policy of reducing the size of the workforce- has a role in causing a feeling of job dissatisfaction by the remaining employees. $r_s(90) = -.30$, $P \leq .05$.

The Correlation between Layoff -Company policy of reducing the size of the workforce- leads to bad habits in order to search for money. Ninety employees were surveyed to know the perception towards layoff in Oil Service Company. It revealed that there was a negative correlation between Layoff -Company policy of reducing the size of the workforce- leads to bad habits in order to search for money. $R_s(90) = -.22$, $P \leq .05$.

5. FINDINGS OF THE STUDY

It is found that consistency is high for 'Layoff is due to lack of contracts on hand. The second most consistent factors are the 'Layoff due to reaching the age of contracting and due to poor performance and behavior of the worker. There is a difference of opinion among respondents on different variables (Gender, Marital status and any other sources of income) towards layoff in Oil Service Company. There is a negative correlation between Layoff -Company policy of reducing the size of the workforce- lead to shortage of labour $r_s(90) = -.22$, $P \leq .05$. There is a negative correlation between Layoff -Company policy of reducing the size of the workforce- cause a collapse in the morale of the remaining

employees in the organization. $r_s(90) = -.37$, $P \leq .05$. There is a negative correlation between Layoff -Company policy of reducing the size of the workforce- create feelings of discomfort and insecurity in the workplace. $r_s(90) = -.49$, $P \leq .05$. There is a negative correlation between Layoff -Company policy of reducing the size of the workforce- has a role in causing a feeling of job dissatisfaction by the remaining employees. $r_s(90) = -.30$, $P \leq .05$. There was a negative correlation between Layoff -Company policy of reducing the size of the workforce- leads to bad habits in order to search for money. $R_s(90) = -.22$, $P \leq .05$.

6. CONCLUSION

This research has been conducted to understand the reasons that lead to the decision to lay off in private companies and what are the consequences for the employee, and it is limited only to Oil Service Company. The study period was limited to the years 2020-2021. It is an exploratory study and had been conducted to find the perceptions of employees towards layoff in Oil Services Company. The data has been collected from the employees of Oil Service Company. To know the intentions of employees a questionnaire had been administered through Google forms. A sample of 90 respondents (calculated with 90 per cent confidence level) were taken for research, which comprised a mix of different levels. In addition, that data was analyzed with the help of descriptive statistics, Man Whitney-U test, Correlation and Covariance. It is found that there is a difference of opinion among respondents on different variables (Gender, Marital status and any other sources of income) towards layoff in Oil Service Company. It is suggested that the company should initiate

different training programs according to the deficiencies in the capabilities and skills of the employees so that the company can avoid layoffs.

7. RECOMMENDATIONS

Based on the analysis the researcher offer some suggestions for the company:

- ❖ Oil Service Company should make provision for finance to train and qualify Omani human cadres and then employ them.
- ❖ The Company should initiate different training programs according to the deficiencies in the capabilities and skills of the employees so that the company can avoid layoffs.
- ❖ Also, reconsider the Omanization policy, develop it in line with the developments, and replace the expatriate workforce with the Omani workforce.
- ❖ The company must participate in the unemployment fund (provides a certain percentage of its profits) so that this fund works to provide salaries for those who lose their jobs for a specific period.
- ❖ The company in advance must specify the number of people it wants to dismiss and the departments that the company needs to reduce the size of its employees. So it will be clear to all the remaining employees.
- ❖ The CEO should share with his employees as much information and details as possible about the events taking place in the company, including the layoffs. It will increase the productivity and morale of the employees.
- ❖ The process of layoff should take place by involving all the stakeholders for discussions and most importantly, the employee's dismissal should not be sudden.
- ❖ The company should extend the period of employee contracts, especially employees with productivity and good work, as well as committed employees at work and in attendance, in order to avoid losses in terms of loss of skilled employees.
- ❖ The company should set compensation plans for individuals who lost their job due to accidents and compensate them with amounts for their job loss.
- ❖ The company should develop plans to deal with workers at the time of any of the

pandemics to contribute to reducing the percentage of employees who will be laid off due to the effects of the pandemic.

7.1 Recommendation for Future Research

Future studies shall be conducted on other oil service companies in the same industry to get a comprehensive and detailed understanding of the layoffs in oil industry in Oman. Further, study can be extended to other industries for comparison purpose.

COMPETING INTERESTS

Authors have declared that no competing interests exist.

REFERENCES

1. Ginsburg J, Liu Y, Sivayoganathan B. Layoffs and alternatives to layoffs. 2010;201-209.
2. Flanagan DJ, O'Shaughnessy KC. The Effect of Layoffs on Firm Reputation. *Journal of Management*. 2005;31(3):445-463.
3. Clainche C, amp; Lengagne P. The Effect of Mass Layoffs On Mental Health; 2019.
4. Jayme Sobieralski (Todd), Cynthia R Nordstrom. (Examination of Employee Layoffs and Organizational Justice Perceptions). *Journal of Organizational Psychology*. 2012;12(3/4).
5. Marshall McColgan P, amp Werema S. Employee layoffs, Shareholder Wealth Evidence from the UK. *Journal of Business Finance, Accounting* 2007;34(3):467.
6. Priscilla Fabregas, Toni DiDona. Layoff Perceptions: A Cross-Cultural Analysis; 2012. Available: <https://www.westeastinstitute.com>
7. Gary Tony, John McClendon. Effects of layoff victims reactions and emotional responses on attitudes toward their previous employer, *Career Development International*. 2012;500–517.
8. Landsman V, amp; Stremersch S. (Commercial Consequences of Collective Layoffs: Close the Plant, Lose the Brand. *Journal of Marketing*: 122-141.
9. Jennie E Brand, Becca R Levy, William T Gallo. (Effects of Layoffs and Plant Closings on Depression among Older Workers).NIH-PA Author Manuscript. *Res Aging*. 2008;30(6):701-721.
10. Case study of workplace learning after the emotional impact of downsizing; *Human*

- Resource Management International Digest. 29(6):10-11.
11. Miller SM, Kim J, Lim DH. A study of workplace learning after a downsize European Journal of Training and Development. 2020;159-170.
 12. Alroya newspaper. Article on: The layoffs of Omani employees. An issue looking for a solution; 2015.
 13. Alarabi Aljadeed newspaper. An article on the layoffs of Omanis...private companies circumvent the law; 2020.
 14. Available:<https://sciencing.com/slovins-formula-sampling-techniques-5475547.html>
 15. Nunnally JC, Bernstein IH. Psychometric theory (3rd ed.). New York, NY: McGraw-Hill, Inc; 1994.

© 2022 Rao et al.; This is an Open Access article distributed under the terms of the Creative Commons Attribution License (<http://creativecommons.org/licenses/by/4.0>), which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

Peer-review history:

The peer review history for this paper can be accessed here:
<https://www.sdiarticle5.com/review-history/89413>