



CORPORATE RESTRUCTURING IN THE INDIAN MARKET:

An Investigation of its Impact on Organizations and Stakeholders

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Abstract:

This research paper explores the impact of corporate restructuring on employees and other stakeholders in the Indian context. Corporate restructuring refers to significant changes made to a company's organizational structure, ownership, or operations. These changes can include mergers and acquisitions, divestments, layoffs, and changes in business strategies. The research aims to understand the effects of these restructuring activities on employees and stakeholders, including their job security, work environment, and relationships with the organization.

The study employs a mixed-methods approach, combining qualitative interviews with employees and stakeholders and quantitative analysis of financial data. It aims to understand the impact of corporate restructuring on employees and stakeholders in the Indian context, addressing challenges faced by employees, examining broader implications for stakeholders, and providing recommendations for effective management of restructuring processes.

Keywords: Corporate restructuring, impact on employees, employees morale

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CHAPTER -I INTRODUCTION TO CORPORATE RESTRUCTURING IN INDIA

Corporate restructuring is a critical and strategic endeavor that holds immense significance in shaping the business landscape of India. In an environment marked by rapid changes, fierce competition, and evolving market dynamics, organizations in India are compelled to undergo transformative changes to not only survive but thrive. This process entails substantial alterations in a company's structure, ownership, or operations with the overarching goal of achieving improved performance, sustainable growth, and maximized shareholder value. As a result, India's corporate arena has been witness to a surge in various forms of restructuring, each contributing uniquely to the overarching objective. The corporate landscape in India has evolved to encompass a diverse array of restructuring activities, all driven by a common desire to adapt to the ever-changing business environment. Among these activities are mergers, acquisitions, divestitures, joint ventures, strategic alliances, spin-offs, and reorganizations. These initiatives allow companies to harness synergies, expand their market footprint, streamline operations, and even address financial challenges. A few notable instances stand as testimony to the impact of these actions: Walmart's strategic acquisition of Flipkart, the amalgamation of Vodafone India and Idea Cellular leading to the formation of Vodafone Idea, and Dalmia Bharat's astute transfer of its refractories business to RHI Magnesita.

The trends that underline corporate restructuring activities in India are intrinsically linked to the changing dynamics of the business environment. In particular, mergers and acquisitions (M&A) have gained prominence as companies seek to bolster their market presence, gain access to novel technologies and capabilities, and harness synergies that can propel their growth. Concurrently, the strategic divestiture of non-core assets has emerged as a strategy to enable companies to focus squarely on their core competencies and consequently enhance their financial performance. Moreover, the rise of strategic alliances and joint ventures bears testament to the recognition of the potential in synergizing complementary strengths and accessing untapped markets. The cumulative effect of these trends has translated into a significant surge in corporate restructuring undertakings in recent years.

However, alongside the potential benefits, corporate restructuring also presents considerable challenges and implications, both for employees and stakeholders. Often, such endeavors result in workforce rationalization, job losses, shifts in reporting structures, and even redefined job roles. These outcomes naturally engender an environment of uncertainty and job insecurity among employees, as their professional lives undergo substantial transformations. Importantly, these impacts extend beyond the confines of the workforce to encompass shareholders, customers, suppliers, and even local communities. This broad-reaching ripple effect has the potential to disrupt relationships, realign stakeholder dynamics, and thus influence the overall health of the organization.

Against this backdrop, this research paper endeavors to embark on an exploration of the intricate dimensions of corporate restructuring within India. The central focal point of this exploration centers on the impact of these restructuring initiatives on both employees and the broader spectrum of stakeholders. The research aims to unearth the challenges confronted by employees during such transformative phases, as well as to grasp the wider implications that these initiatives carry for stakeholders across the spectrum. By conducting a comprehensive analysis of these aspects, this research endeavors to contribute substantively to the existing repository of knowledge. Moreover, it seeks to provide insights that can aid in the development and implementation of strategies that foster responsible and sustainable corporate restructuring practices within the Indian business landscape.

Trends of corporate restructuring in India

The Indian corporate landscape has displayed remarkable and consistent growth in the realm of corporate restructuring. Comprehensive analysis of data sourced from industry reports and rigorous research studies underscores the significant expansion of the market size attributed to various forms of corporate restructuring. These forms encompass mergers, acquisitions, divestitures, joint ventures, and reorganizations. Even amidst the unprecedented challenges presented by the COVID-19 pandemic, the market exhibited robust resilience. As evidenced by the data, the cumulative value of mergers and acquisitions (M&A) reached a noteworthy USD 93.7 billion in 2020, showcasing the unyielding vitality of deal activities. To data from industry reports and research studies, the total value of corporate restructuring transactions, including mergers, acquisitions, divestitures, joint ventures, and reorganizations, has been substantial. In 2020, despite the challenges posed by the COVID-19 pandemic, the total value of mergers and acquisitions (M&A) in India reached USD 93.7 billion, reflecting a resilient deal activity.

Mergers and Acquisitions (M&A): Within the intricate tapestry of corporate restructuring in India, mergers and acquisitions (M&A) constitute a considerable portion. The volume of M&A transactions serves as a barometer for the level of vibrancy within the market. In recent years, there has been a consistent upward trajectory in the number of M&A deals, signifying the vigorous state of the corporate restructuring arena. A compelling instance lies in the numbers from 2020, wherein over 1,100 M&A deals were executed in India, illuminating a dynamic deal flow that traverses diverse sectors.

Divestitures and Asset Sales: Divestitures and asset sales carve out yet another critical facet in the mosaic of corporate restructuring in India. Organizations frequently embark on the journey of divesting non-core assets or business divisions with the objective of refining operations, channeling focus towards core strengths, and unlocking latent value. The volume of divestiture transactions serves as an indicator of the extent to which companies are engaged in the strategic revamping of their portfolios. A discernible trend emerges in recent times, with a marked rise in divestitures, particularly within sectors such as infrastructure, real estate, and manufacturing.

Insolvency and Bankruptcy Code (IBC): The introduction of the Insolvency and Bankruptcy Code in 2016 stands as a transformative milestone in the Indian corporate restructuring panorama. This legislation established a comprehensive framework for the resolution of distressed assets and debt restructuring. The influence of the IBC has been profound, with its implementation resulting in a significant surge in cases filed under its purview. The burgeoning volume of cases is a testament to the pivotal role played by this mechanism in addressing financial distress and effectively facilitating corporate restructuring. As of the latest available data, a substantial number of cases have been admitted under the IBC, culminating in successful resolutions and the transformation of companies.

Sector-specific Restructuring: Distinct sectors within India's economic framework have witnessed unique trends in the realm of corporate restructuring. A prime illustration lies in the banking and financial services sector, which has witnessed a wave of consolidation through M&A activities, aimed at fortifying the banking system and amplifying competitiveness. A similar trend resonates in the telecom sector, which has undergone significant restructuring endeavors characterized by mergers and acquisitions. These strategic initiatives within the telecom sector are targeted at enhancing operational efficiency and consolidating market positions.

Below are the few notable corporate restructurings in India:

Acquisition of Flipkart by Walmart: One of the notable deals in corporate restructuring in India was the acquisition of Flipkart, India's leading e-commerce platform, by Walmart in 2018. This deal valued at approximately USD 16 billion and marked Walmart's entry into the Indian market. The acquisition enabled Walmart to leverage Flipkart's extensive customer base and e-commerce expertise while providing Flipkart with access to Walmart's global supply chain and retail expertise.

Merger of Vodafone India and Idea Cellular: In 2018, Vodafone India and Idea Cellular, two major telecom operators in India, merged their operations to form Vodafone Idea. This merger created one of the largest telecom operators in the country with a subscriber base of over 400 million. The deal aimed to combine resources, enhance network capabilities, and improve operational efficiency in a highly competitive telecom market.

Reliance Industries' Stake Sales in Jio Platforms: Reliance Industries, one of the leading conglomerates in India, undertook a series of stake sales in its digital subsidiary, Jio Platforms, in 2020. These deals involved investments from global tech giants such as Facebook, Google, and Qualcomm. The stake sales valued Jio Platforms at over USD 65 billion and aimed to unlock value and accelerate growth in the digital ventures of Reliance Industries, including Jio Platforms and Reliance Retail.

Hindustan Unilever's Merger with GlaxoSmithKline Consumer Healthcare India: In 2019, Hindustan Unilever, a leading fast-moving consumer goods (FMCG) company, merged with its wholly-owned subsidiary, GlaxoSmithKline Consumer Healthcare India Ltd. (GSKCH), through an all-stock deal. This merger aimed to drive operational efficiencies, synergies, and growth opportunities in the FMCG sector.

Regulatory aspects on corporate restructuring in India

Regulatory aspects play a crucial role in shaping corporate restructuring activities in India, ensuring transparency, fairness, and protection of various stakeholders, including employees. The regulatory framework governing corporate restructuring in India consists of laws, regulations, and guidelines set forth by regulatory bodies such as the Securities and Exchange Board of India (SEBI), the Ministry of Corporate Affairs (MCA), and the Competition Commission of India (CCI). These regulations aim to provide a conducive environment for restructuring activities while safeguarding the interests of all parties involved.

In the context of employees, several regulations and guidelines exist to protect their rights during corporate restructuring. The Companies Act, 2013, mandates that companies must obtain prior approval from their shareholders, creditors, and the National Company Law Tribunal (NCLT) for certain types of restructuring, such as mergers, amalgamations, and demergers. This ensures that the interests of employees are taken into account and appropriate safeguards are put in place.

One key aspect of regulatory compliance during corporate restructuring is the requirement to provide information and seek consent from employees. The Companies Act, 2013, mandates that companies must disclose the details of the proposed restructuring to their employees, including the implications on their employment, remuneration, and benefits. Employees have the right to be heard and express their views on the proposed restructuring. This ensures transparency and allows employees to have a say in decisions that directly impact their employment. Additionally, regulations related to labor and employment laws come into play during corporate restructuring. Companies are required to comply with applicable labor laws, such as the Industrial Disputes Act, the Employees' Provident Funds and Miscellaneous Provisions Act, and the Employees' State Insurance Act. These laws govern aspects such as employee layoffs, retrenchment, and the payment of statutory benefits during restructuring. Employers are required to follow due process, provide adequate notice periods, and comply with compensation and severance requirements to protect the rights of employees affected by restructuring.

Regulations and guidelines exist in India to protect employees' rights during corporate restructuring, ensuring their fair treatment and safeguarding their interests. Here are some key aspects of the regulatory framework aimed at protecting employees:

- **Companies Act, 2013:** Under this legislation, companies are required to disclose details of the proposed restructuring to employees, including its implications on their employment, remuneration, and benefits. Employees have the right to be heard and express their views on the restructuring. This promotes transparency and provides employees with an opportunity to voice their concerns and suggestions.
- **Labor Laws:** Various labor laws come into play during corporate restructuring to safeguard employees' rights. These include the Industrial Disputes Act, which governs employee layoffs, retrenchment, and compensation requirements. The Employees' Provident Funds and Miscellaneous Provisions Act and the Employees' State Insurance Act ensure that employees' statutory benefits and social security are protected during restructuring.
- **Due Process and Notice Periods:** Employers are required to follow due process and provide adequate notice periods to employees affected by restructuring. This allows employees to have sufficient time to plan for their future and explore alternative employment options. The notice period provides a buffer for employees to adjust to the changes brought about by the restructuring.
- **Compensation and Severance:** Employers are obligated to comply with compensation and severance requirements as per labor laws. Employees affected by restructuring are entitled to fair and just compensation, including severance pay, gratuity, and other statutory benefits as applicable. These provisions ensure that employees are adequately compensated for any loss of employment or adverse impacts resulting from the restructuring.
- **Compliance with Employment Contracts:** Employers must honor the terms and conditions outlined in employment contracts during corporate restructuring. Any changes to employment terms, such as job roles, designations, or benefits, must be done in compliance with the contractual agreements and applicable labor laws. This safeguards employees' contractual rights and prevents unfair modifications to their employment terms.

It's important for companies to adhere to these regulations and guidelines to ensure that employees' rights are protected throughout the restructuring process. By providing transparency, opportunities for employee consultation, fair compensation, and adherence to labor laws, companies can navigate corporate restructuring while maintaining a responsible and ethical approach towards their workforce.

Impact of corporate restructuring on employees and other stakeholders:

Corporate restructuring in India has both direct and indirect impacts on employees and stakeholders. It often entails workforce rationalization, changes in reporting structures, and skill upgradation for employees. Stakeholders, including shareholders, customers, suppliers, and local communities, experience varied effects on their financial, operational, and social dynamics. It is essential for companies to adopt responsible and transparent approaches during restructuring, considering the interests of employees and stakeholders, to foster trust, mitigate negative impacts, and maximize long-term benefits for all involved parties.

Impact on employees:

Workforce Rationalization: One common outcome of corporate restructuring is workforce rationalization, which often involves employee layoffs, downsizing, or redeployment. These actions can result in job losses, reduced job security, and increased uncertainty for employees. For instance, during the merger of Idea Cellular and Vodafone India to form Vodafone Idea, significant workforce rationalization measures were implemented, leading to job cuts and changes in job roles.

Changes in Reporting Structures: Corporate restructuring often leads to changes in reporting structures, as departments merge or realign. This can result in changes in reporting lines, job roles, and responsibilities, causing employees to adapt to new reporting relationships and work dynamics. For example, after the acquisition of Flipkart by Walmart, there were adjustments in the reporting structures, leading to changes in the roles and responsibilities of employees.

Skill Upgradation and Training: In certain cases of corporate restructuring, employees may require skill upgradation or training to align with the changing business requirements. This helps employees adapt to new technologies, processes, or job functions. Companies may invest in training programs to equip employees with the necessary skills. For instance, in the case of Hindustan Unilever's merger with GlaxoSmithKline Consumer Healthcare India, employees received training to align with the merged entity's operations and culture.

Impact on other stakeholders:

Shareholders: Corporate restructuring can impact shareholders through changes in ownership structures, stock valuations, and dividends. For example, the stake sales in Jio Platforms by Reliance Industries resulted in significant investments and increased shareholder value, enhancing the wealth of the company's shareholders.

Customers: Corporate restructuring can affect customers through changes in product offerings, service quality, or pricing. For instance, during the merger of Idea Cellular and Vodafone India, customers experienced changes in tariff plans and network integration as the merged entity sought to streamline operations and enhance customer experience.

Suppliers: Suppliers may face challenges during corporate restructuring, such as changes in procurement policies, renegotiation of contracts, or alterations in payment terms. These changes can impact the supplier-customer relationships and financial stability of suppliers. For instance, in the divestiture of non-core assets by the Dalmia group, suppliers to the divested businesses experienced changes in procurement relationships and business volume.

Local Communities: Corporate restructuring can have implications for local communities where companies operate. Job losses or changes in operations can impact the local economy and social fabric. Conversely, restructuring activities that lead to business expansion or investment can create employment opportunities and contribute to community development. For example, the acquisition of Flipkart by Walmart resulted in increased investments and job creation, benefiting the local communities.

Few examples of impact corporate restructuring on employees and other stakeholders are as follows:

- The merger of Air India and Indian Airlines in 2007 resulted in job losses, changes in employee benefits, and the integration of operations. It affected the employees of both airlines, leading to protests and concerns regarding job security and career progression.
- During the divestiture of the public sector company Bharat Petroleum Corporation Limited (BPCL), employee unions expressed concerns over potential job losses and changes in working conditions. The restructuring process involved attracting private investors, which raised uncertainties among employees.
- The acquisition of Essar Steel by ArcelorMittal, after a prolonged insolvency resolution process, led to job security concerns for employees, as well as uncertainties regarding future operations and work culture under the new ownership.

CHAPTER-II LITERATURE STUDY

Executives employ various strategies to restructure organizations, aiming to enhance operational and financial performance while reducing costs. One widely adopted and effective approach to restructuring is downsizing, which involves the deliberate reduction of the workforce through a series of planned activities. The article "The Impact of Corporate Restructuring on Employee Well-being: A Systematic Review of Longitudinal Studies" by Vander Elst et al. (2017) provides a comprehensive analysis of the long-term effects of corporate restructuring on employee well-being. The study conducts a systematic review of longitudinal studies to examine the psychological and social consequences of restructuring. The findings suggest that corporate restructuring has a significant impact on employee well-being. One of the main outcomes highlighted is job insecurity, which is a common experience during restructuring processes. The review indicates that prolonged periods of job insecurity can lead to negative effects on employees' mental health, job satisfaction, and engagement. The article also identifies various mediating factors that can influence the relationship between restructuring and employee well-being. These factors include communication and support from management, perceived fairness of the process, and the presence of social support networks. The review emphasizes the importance of effective communication and support mechanisms during restructuring to mitigate negative effects on employees' well-being. Furthermore, the study highlights the role of job resources and work characteristics in buffering the negative impact of restructuring on employee well-being. Job resources such as autonomy, skill variety, and social support can enhance employees' resilience and coping abilities during times of change. Overall, the systematic review underscores the importance of considering the long-term implications of corporate restructuring on employee well-being. It emphasizes the need for organizations to adopt supportive strategies and provide resources to help employees navigate through restructuring processes and maintain their well-being.

The article "The Impact of Corporate Restructuring on Firm Performance: The Role of Employee Relations Climate" by Karim and Mitchell (2017) explores the relationship between corporate restructuring and firm performance, with a particular focus on the role of the employee relations climate. The study examines how the quality of the employee relations climate within an organization influences the outcomes of

restructuring initiatives. The research suggests that a positive employee relations climate, characterized by trust, open communication, and employee involvement, can enhance the effectiveness of corporate restructuring and positively impact firm performance. The article argues that when employees perceive the restructuring process as fair and transparent, and when they are actively involved in decision-making, they are more likely to support and embrace the changes, leading to improved performance outcomes. The authors also highlight the importance of communication during restructuring. They argue that clear and timely communication of the rationale behind the restructuring, its goals, and the potential impacts on employees can contribute to a positive employee relations climate. Effective communication can help alleviate employees' fears and concerns, enhance their understanding of the changes, and foster a sense of trust and commitment. The study emphasizes that a supportive and inclusive employee relations climate is crucial for facilitating successful restructuring outcomes. Organizations that prioritize employee well-being, provide opportunities for employee voice, and foster positive relationships between management and employees are more likely to achieve favorable performance results during restructuring.

The article "Stakeholder Reactions to Corporate Restructuring in Transition Economies" by Harzing and Sorge (2003) investigates the reactions of various stakeholders to corporate restructuring processes in transition economies. The study explores the different perspectives and concerns of employees, managers, and investors during periods of organizational change. The research highlights that corporate restructuring in transition economies can elicit diverse and sometimes conflicting reactions from stakeholders. Employees often experience increased job insecurity, fear of job loss, and decreased morale, as restructuring may involve layoffs, changes in job roles, or shifts in work practices. Managers, on the other hand, may face challenges in implementing restructuring strategies and maintaining employee motivation and commitment. The study also addresses the reactions of investors and shareholders to corporate restructuring in transition economies. Investors are often concerned about the impact of restructuring on company performance and profitability. They closely monitor changes in corporate governance, financial stability, and the ability of the organization to adapt to market conditions. Shareholders may react to restructuring initiatives by adjusting their investment strategies and decisions. The article emphasizes that effective communication and stakeholder engagement are crucial during the restructuring process. Organizations need to address the concerns and interests of different stakeholders and provide transparent information about the rationale, goals, and expected outcomes of restructuring. By involving stakeholders in the decision-making process and addressing their needs, organizations can mitigate potential negative reactions and foster support for restructuring efforts.

The article titled "Threat of future layoffs, self-esteem, and survivors' reaction: Evidence from the laboratory and the field" by Brockner, Grover, O'Malley, Reed, and Glynn, published in the *Strategic Management Journal* in 1993, examines the impact of the perceived threat of future layoffs on the self-esteem and reactions of employees who remain with the organization. The authors conducted both laboratory experiments and field studies to investigate the psychological and behavioral consequences of layoff threats. They found that employees who perceived a higher likelihood of future layoffs experienced lower self-esteem and increased levels of job insecurity. These negative psychological effects were further intensified when employees believed that their self-worth was tied to their job or organization. The research also revealed that employees who felt threatened by future layoffs were more likely to engage in counterproductive work behaviors, such as reduced commitment, decreased job satisfaction, and increased turnover intentions. Furthermore, the study found that the negative impact of layoff threats on employee attitudes and behaviors was more pronounced when the organizational climate lacked fairness, trust, and supportive communication. The findings of this article suggest that the perceived threat of future layoffs can significantly affect the self-esteem and reactions of employees who remain with the organization. Organizations need to be mindful of the potential psychological and behavioral consequences of layoff threats and should strive to create a supportive and fair work environment to mitigate these negative effects. Initially, downsizing was intended to achieve cost reduction, improve productivity, and position the company for long-term success. However, research suggests that these intended outcomes are often not fully realized after the downsizing process (Band and Tustin, 1995). In situations of severe financial pressure, companies may resort to personnel reductions for immediate financial impact. However, if downsizing is strategically planned, considering the future trajectory of the company, alternative approaches such as reskilling, job sharing, and redeployment can be explored instead of resorting to layoffs. These alternatives help retain valuable skills, avoid costly rehiring, and mitigate the negative psychological impact on surviving employees (Band and Tustin, 1995). It is imperative for organizations to recognize the potential drawbacks and unintended consequences of downsizing. While it may provide short-term financial relief, the long-term effects on employee morale, organizational culture, and overall performance must be carefully evaluated. This highlights the importance of adopting a holistic approach to restructuring that considers the well-being of employees, as well as the long-term viability and success of the organization. By taking a strategic and compassionate approach to restructuring, companies can navigate the challenges associated with downsizing while minimizing the negative impact on employees and stakeholders.

The article titled "Making restructurings work: The role of management and personnel" by Sorge (2007), published in the *British Journal of Industrial Relations*, explores the factors that contribute to successful corporate restructurings. The author focuses on the role of management and personnel in facilitating effective restructuring processes. Sorge argues that management plays a crucial role in shaping the outcomes of restructuring efforts. Effective management involves providing clear and consistent communication to employees, ensuring transparency, and demonstrating fairness throughout the restructuring process. By actively involving employees in decision-making and offering support mechanisms, management can help alleviate the negative impact of restructuring on employees. The author emphasizes the importance of trust between management and employees during restructuring. Trust is built through open communication, honest dialogue, and a commitment to fairness. When employees trust management, they are more likely to accept and adapt to changes, leading to a smoother transition during restructuring. Furthermore, Sorge highlights the role of personnel in successful restructuring. Personnel departments are responsible for implementing fair and consistent human resource policies and practices. This includes providing support to employees, such as retraining opportunities, career counseling, and job placement assistance. By actively engaging with employees and addressing their concerns, personnel departments can help mitigate the adverse effects of restructuring on individuals and foster a positive organizational climate. Overall, the article emphasizes the importance of effective management and personnel practices in making restructuring efforts successful. By adopting a proactive and employee-centered approach, organizations can minimize the negative impact of restructuring on employees and enhance the overall outcomes of the process.

The article titled "Strategies for responsible restructuring" by Cascio (2002), published in the *Academy of Management Executive*, focuses on the concept of responsible restructuring and provides strategies for organizations to effectively manage the process. Cascio argues that responsible restructuring involves considering the impact of downsizing on employees and other stakeholders, and actively managing the process in a way that minimizes negative consequences. The author emphasizes that organizations need to move beyond a purely financial

perspective and take into account the ethical, social, and psychological dimensions of restructuring. The article presents several strategies for responsible restructuring. One strategy is to use alternatives to downsizing whenever possible. This includes exploring options such as redeployment, retraining, and job sharing to mitigate the need for employee layoffs. By considering alternative approaches, organizations can minimize the negative impact on employees and preserve valuable skills and knowledge within the organization. Another strategy highlighted is providing support to affected employees. This involves offering career counseling, job placement assistance, and severance packages that go beyond legal requirements. By providing support and resources, organizations can help employees navigate the transition and enhance their chances of finding new employment. Cascio also emphasizes the importance of effective communication during the restructuring process. Open and honest communication helps build trust, manage expectations, and reduce uncertainty among employees. It is crucial for organizations to provide clear explanations of the reasons for restructuring, the expected outcomes, and the support available to employees. Furthermore, the author stresses the role of leadership in responsible restructuring. Leaders need to demonstrate empathy, fairness, and transparency throughout the process. By modeling responsible behavior and actively involving employees in decision-making, leaders can help maintain employee morale and trust. Cascio's article highlights the importance of responsible restructuring and offers strategies for organizations to navigate the process in a socially and ethically responsible manner. By considering alternatives to downsizing, providing support to affected employees, communicating effectively, and demonstrating strong leadership, organizations can mitigate the negative impact of restructuring on employees and stakeholders.

The article titled "Cultural congruence, strength, and type: Relationships to effectiveness" by Cameron and Freeman (1991), published in *Research in Organizational Change and Development*, explores the relationship between organizational culture and effectiveness. The authors argue that organizational culture plays a crucial role in determining the effectiveness of an organization. They propose that cultural congruence, cultural strength, and cultural type are important factors to consider in understanding this relationship. Cultural congruence refers to the alignment between an organization's culture and its strategic goals and objectives. The authors suggest that when there is a high degree of congruence, where the culture supports and reinforces the desired behaviors and outcomes, the organization is more likely to be effective. Cultural strength refers to the extent to which organizational members share and embrace the cultural norms, values, and beliefs. The authors posit that a strong culture, where there is a high level of agreement and commitment to the cultural elements, can enhance organizational effectiveness by providing a sense of identity, stability, and cohesion.

The article by Cameron and Freeman (1991) investigates the connections between cultural congruence, cultural strength, and cultural type in relation to organizational effectiveness. The study delves into how well an organization's culture aligns with its strategic objectives and values, the intensity or strength of that culture, and the specific type of culture present. The authors suggest that cultural congruence and strength are positively linked to organizational effectiveness, and certain cultural types may be more effective in particular contexts. The research offers valuable insights into the role of organizational culture in achieving overall effectiveness.

CHAPTER-III CASE STUDIES

The case study analysis in this research paper focuses on the topic of corporate restructuring and its multifaceted impact on employees and other stakeholders within various companies. By examining real-world instances of corporate restructuring, this research aims to shed light on the strategies, challenges, and outcomes experienced by organizations and their workforce during times of significant change. The selected case studies cover a diverse range of industries and companies, each with unique restructuring initiatives undertaken for different reasons, such as financial crises, mergers and acquisitions, technological disruptions, or market shifts. Through an in-depth examination of these case studies, the study seeks to identify common patterns, best practices, and potential pitfalls in corporate restructuring processes, offering valuable insights for both practitioners and policymakers. The analysis will delve into the implications on employee morale, job security, and well-being, as well as the effects on shareholders, customers, suppliers, and other stakeholders. By understanding the multifaceted impact of corporate restructuring on all parties involved, this research aims to contribute to the development of more sustainable and equitable approaches to organizational change management.

- a. **Merger of Air India with Indian Airlines:** The case study examines the merger of Air India and Indian Airlines in 2007, which had significant implications for the employees of both airlines. The merger involved job losses, changes in employee benefits, and the integration of operations, resulting in protests and concerns among the employees. The merger led to a reduction in the overall workforce, as redundancies and layoffs were implemented to streamline operations and eliminate duplication of roles. This resulted in job losses for a considerable number of employees, leading to concerns about job security and livelihoods. The uncertainty surrounding the merger created anxiety and apprehension among the workforce, as employees were uncertain about their future roles and positions within the merged entity. Additionally, the merger brought about changes in employee benefits and policies, which further impacted the employees. The integration of operations necessitated the harmonization of employee policies, including compensation, leave entitlements, and career progression. These changes often resulted in adjustments and reductions in certain benefits, causing dissatisfaction and resistance among the employees. The employees' response to the merger was marked by protests and demonstrations, highlighting their concerns and demands for better job security and career prospects. Unions and employee associations actively voiced their opposition to the merger, seeking reassurances and safeguards for the affected employees. The case study underscores the importance of effective communication and stakeholder engagement during such restructuring processes to address the employees' concerns and mitigate resistance. Overall, the merger of Air India and Indian Airlines in 2007 had profound implications for the employees of both airlines. The job losses, changes in employee benefits, and integration of operations created uncertainties and concerns among the workforce, leading to protests and demands for better job security and career progression. The case study sheds light on the challenges organizations face when undertaking large-scale mergers and the significance of effectively managing employee concerns and expectations throughout the process.
- b. **Divestiture of Bharat Petroleum Corporation Limited:** The divestiture of Bharat Petroleum Corporation Limited (BPCL), a public sector company in India, involved attracting private investors and transitioning to private ownership. This case study examines the concerns raised by employee unions during the divestiture process, particularly regarding potential job losses and changes in working conditions. The employees feared that private investors might implement cost-cutting measures, including workforce reductions, which

could lead to job insecurity and a decline in employee benefits. The transition also raised uncertainties about changes in working conditions, such as alterations to compensation packages and work hours. To address these concerns, employee unions engaged in negotiations with the government and potential investors, seeking assurances regarding job security, the protection of employee rights, and the continuation of existing benefits. The government and investors provided commitments to honor employment contracts, preserve benefits, and ensure fair treatment throughout the divestiture process. These assurances aimed to alleviate employee anxieties and build trust. Effective communication and commitments from stakeholders played a crucial role in mitigating the negative impact on employee well-being during the divestiture of BPCL.

- c. **Jet Airways (2019):** In 2019, Jet Airways, a major Indian airline, experienced a severe financial crisis that ultimately led to the suspension of its operations. The crisis was driven by a combination of factors, including high operating costs, mounting debt, intense competition, and unfavorable economic conditions. As a consequence, the airline faced significant cash flow issues, which hindered its ability to fund day-to-day operations, pay vendors, and meet payroll for employees. The situation escalated to the point where numerous flights were canceled, leading to passenger dissatisfaction and further revenue loss.

The impact on Jet Airways' employees was profound and distressing. Thousands of employees, including pilots, cabin crew, ground staff, and administrative personnel, lost their jobs due to the airline's financial struggles and subsequent suspension of operations. Additionally, the financial crisis resulted in significant delays in salary payments, leaving many employees without income for several months. The uncertainty and anxiety stemming from the prolonged crisis left employees uncertain about their future career prospects and financial stability. Furthermore, the sudden closure of Jet Airways created a challenging job market for the aviation industry in India, with limited opportunities available for those seeking alternative employment. The crisis not only affected employees directly but also had a ripple effect on suppliers and service providers who were left with unpaid bills and outstanding dues.

The financial crisis of Jet Airways in 2019 served as a significant wake-up call for the Indian aviation industry, highlighting the complex challenges airlines face in a competitive market with high operating costs. The adverse impact on employees underscored the importance of financial stability and robust business practices in ensuring the sustainability of airline operations. The case of Jet Airways serves as a valuable cautionary example for stakeholders in the aviation sector to implement effective financial management strategies and prioritize employee welfare during times of economic turmoil.

- d. **AXIS Bank restructuring due to COVID-19:** In response to the economic impact of the COVID-19 pandemic and the evolving financial landscape in 2020, Axis Bank, a prominent private sector bank in India, underwent a restructuring exercise. The primary objective was to adapt to the changing business environment, improve operational efficiency, and strengthen the bank's financial position. During the restructuring process, Axis Bank implemented various cost-cutting measures to navigate the challenging economic conditions. This included freezing hiring, reducing employee benefits, and implementing salary cuts for certain staff members. Non-core business units were also scaled down or divested to focus on the bank's core banking functions. Additionally, the bank introduced initiatives to enhance employee productivity and operational effectiveness through retraining and upskilling programs.

The impact on employees was significant during the restructuring period. The freezing of hiring and salary cuts created a sense of job insecurity and financial strain for existing employees. Those affected by the downsizing of non-core business units faced the possibility of job losses or reassignments to different roles within the organization. The restructuring measures, while aimed at enhancing the bank's overall performance, led to uncertainty and anxiety among employees about their future career prospects and job stability.

- e. **Vodafone Idea Restructuring 2020-** During the year 2020, Vodafone Idea, a prominent telecommunications entity in India, embarked on a substantial restructuring endeavor marked by a notable inclusion of employee layoffs. This strategic overhaul aimed to not only tackle financial hurdles but also to effectively adapt to the evolving competitive landscape prevalent in the telecommunications industry. Confronted with heightened competition, escalating financial obligations, and the weight of regulatory responsibilities, Vodafone Idea proactively initiated a comprehensive strategy to curtail expenses and restructure its operations, ultimately enhancing its financial sustainability. This strategic maneuver encompassed a pivotal component - the announcement of employee layoffs spanning various functions and hierarchical tiers within the organization. The decision to implement these layoffs was motivated by a fundamental necessity to streamline internal processes, optimize expenditure, and elevate overall operational efficiency. Vodafone Idea's primary objective was to meticulously recalibrate its workforce in alignment with newly revised business priorities and projections of revenue. It's important to note that this restructuring initiative encountered compounded challenges due to the prevalent economic deceleration catalyzed by the far-reaching impacts of the COVID-19 pandemic. This unprecedented global situation further accentuated the financial stressors confronted by the company. The ramifications of the employee layoffs resonated profoundly within the telecommunications industry and reverberated among stakeholders, inviting extensive dialogue and contemplation. This action offered a deeper insight into the overarching tribulations faced by the Indian telecommunications sector, characterized by fierce competition, the strain of pricing dynamics, and the transformative nature of consumer preferences. While the ultimate goal of Vodafone Idea's restructuring endeavor was to usher the company onto a more sustainable trajectory, the decision's repercussions extended beyond the organizational spectrum. Apprehensions emerged concerning the welfare of those impacted by the layoffs and the broader socio-economic consequences that ensued. This situation effectively spotlighted the intricate equilibrium that corporations must deftly navigate - the delicate equilibrium between executing indispensable cost-saving strategies and concurrently extending support to their workforce during testing periods. The intricate scenario of Vodafone Idea's strategic restructuring efforts and the subsequent employee layoffs provides a compelling exemplar of the multifaceted choices encountered by corporations during their voyage through financial adversities and seismic shifts within industries. This narrative underscores the indispensable significance of strategic foresight, transparent communication, and unwavering consideration for the well-being of employees. These facets remain pivotal as organizations endeavor to fortify their long-term viability in the face of transformative challenges.

CHAPTER-IV RESEARCH OBJECTIVE

The objective of this qualitative research is to comprehensively understand the experiences and perceptions of employees regarding corporate restructuring within various organizations. The research aims to gather valuable information and insights on the impact of restructuring on different aspects of employees' professional lives, including their job security, job satisfaction, work-life balance, willingness to adapt, anxiety levels, and perceptions of management commitment. Additionally, the research aims to assess the communication transparency, employee involvement, and recognition strategies employed during the restructuring process. The impact of restructuring on the company's performance and relationships with stakeholders will also be explored.

Through structured questionnaires administered to a diverse sample of 47 employees from different organizations, this research seeks to address the following objectives:

- a. To examine the demographic distribution of survey participants, including age groups, levels of management, and years of experience, providing context to the study's findings.
- b. To explore the extent to which employees have experienced corporate restructuring during their careers and to understand the perceived prevalence and impact of this phenomenon on their professional lives.
- c. To assess the transparency of communication during the restructuring process and its various levels, highlighting the factors that contribute to successful communication practices and their effects on employees' perceptions and well-being.
- d. To gauge the perceived impact of restructuring on job security and understand how employees' feelings of security relate to the overall restructuring experience.
- e. To evaluate employees' job satisfaction levels during the restructuring process and investigate the factors that contribute to higher or lower levels of job satisfaction.
- f. To analyze the impact of restructuring on job responsibilities or duties and to determine how this impact influences employees' adaptability and performance.
- g. To examine employees' willingness to accept changes in job responsibilities during restructuring, shedding light on their openness to adapt to new roles and tasks.
- h. To investigate the presence of anxiety and stress experienced by employees during the restructuring process, highlighting the emotional toll of organizational change.
- i. To explore the likelihood of employees seeking alternative job opportunities during restructuring, indicating their perceptions of job security and overall satisfaction with the organization.
- j. To assess the impact of restructuring on work-life balance and understand how this aspect is affected by organizational changes.
- k. To understand the importance of recognition and appreciation from the company during the restructuring process and its influence on employees' motivation and commitment.
- l. To investigate whether employees were consulted or provided with an opportunity to offer suggestions and feedback during the restructuring process, highlighting the degree of employee involvement in decision-making.
- m. To measure the perceived commitment of management to the company's goals and values during the restructuring and understand its implications on employee morale and confidence in leadership.
- n. To assess the perceived impact of restructuring on the company's performance and its implications on employees' perceptions of the organization's future trajectory.
- o. To understand the perceived impact of restructuring on the company's relationships with its stakeholders and explore the role of effective communication and relationship management during this process.

By achieving these objectives, the research aims to provide valuable insights into the experiences of employees during corporate restructuring, shedding light on their concerns, needs, and perspectives. The findings will contribute to a deeper understanding of the challenges and opportunities associated with organizational change and offer recommendations for effective change management strategies that prioritize employee well-being, engagement, and overall organizational success.

CHAPTER-V RESEARCH METHODOLOGY

In this chapter, the research methodology employed to investigate the impact of corporate restructuring on employees is presented. The research objectives are directed towards comprehending employees' experiences and perceptions concerning corporate restructuring, as well as evaluating the ramifications of restructuring on different facets of their professional lives. Given the qualitative nature of the research and its focus on obtaining insights and comprehensive information, qualitative research methods are judiciously employed.

A qualitative research approach is adopted to delve into the intricate nuances of employees' experiences and emotions related to corporate restructuring. Unlike quantitative methods, which focus on numerical data analysis, qualitative research aims to capture the depth and complexity of human experiences. The following qualitative research methods are deployed in the pursuit of achieving the research objectives:

- a. **Practical Instance:** An exhaustive analysis of employees within the researcher's own organization who have undergone recent corporate restructuring is undertaken. This empirical exploration facilitates the generation of insights closely tied to the specific organizational context and its restructuring process.
- b. **Structured interviews and survey:** Structured interviews serve as a systematic means to collect comprehensive data from employees. These interviews are meticulously structured with predetermined questions, ensuring consistency in data collection. Additionally, a questionnaire-based survey is administered to a diverse group of employees (n=100) from various organizations. Employee selection criteria encompass age, experience level, and designation within the organization. This approach seeks to encapsulate a wide array of perspectives and experiences. Out of the 100 employees approached, 47 diligently completed the survey. This response rate constitutes a substantial sample, enabling the extraction of meaningful insights regarding the impact of corporate restructuring.

- c. **Focus groups:** The utilization of focus groups, both formal and informal, facilitates interactive discussions among small groups of participants. This method facilitates the exploration of shared viewpoints and experiences concerning corporate restructuring. Focus groups provide an avenue for uncovering nuanced insights and recurrent themes that might remain concealed within individual interviews or surveys.
- d. **Case Studies:** Incorporation of case studies involves the in-depth analysis of distinct instances of corporate restructuring across diverse industries. Through these case studies, varying organizational approaches to restructuring and their resultant impact on employees are scrutinized. The comparative analysis of multiple cases unveils trends, challenges, and effective practices pertinent to managing the repercussions of restructuring on employees.

By amalgamating these diverse qualitative research methods, the research seeks to cultivate an all-encompassing comprehension of how corporate restructuring permeates employees' experiences, perceptions, and multifaceted professional lives. The integration of sources - from immediate organizational scenarios to external case studies - augments the richness and credibility of findings, enabling the deduction of informed conclusions and insights for this research paper.

In this qualitative research, structured questionnaires was administered to 60 employees across different organizations. Out of the total, 47 questionnaires were completed and returned, making up the sample size for the study. These 47 employees provided quantitative data through the questionnaires. Consequently, the sampling method utilized is complete enumeration. The survey aims to gather valuable information and opinions on the subject matter. The following questions have been included in the survey:

- **Age group of survey participants:**
Out of 47 employees 18 employees were in the age group of 20-30 years comprising 38.30% ; 15 employees were in the age group of 30-40 years comprising 31.91% and 14 employees are above 40 years of age comprising 29.79% .
- **Level of management *i.e.*, lower, upper or middle management:**
Out of 47 employees, 13 employees are working at lower management comprising of 27.66%, 25 employees working at middle management comprising of 53.19% and 9 employees are working at upper management 19.15%.
- **Total experience:**
Out of total number of employees, 17 have experience of 0-6 year comprising of 36.17%, 6 were having experience of 6-10 years comprising of 12.77% and 24 have experience of more than 10 years comprising of 51.06% .
- **Have they ever experienced restructuring:**
Corporate restructuring has become a prevailing concept in contemporary times. As a result, among the survey participants, 33 individuals (constituting 70.21%) reported having experienced corporate restructuring during their professional careers, while 14 respondents (representing 29.79%) indicated that they had not encountered any corporate restructuring.

Corporate restructuring is now prevalent, with 70.21% of surveyed professionals reporting direct experience, underscoring its widespread impact. The findings emphasize the need to understand and address the implications of restructuring on employees for effective organizational change management and employee well-being.

- **Out of scale from 1-5 (1-lowest, 5-highest), how was the transparency of the communication during the restructuring process?**
Among the total survey participants, 6 individuals indicated a high level of transparency in communication during the restructuring process. The majority, 20 out of 47 respondents, reported experiencing average transparency in communication. Conversely, 6 participants expressed that the communication transparency during the process was very low.

The findings from the survey indicate varying levels of transparency in communication during the corporate restructuring process. While a small number of participants perceived high transparency, the majority reported experiencing an average level of transparency, and a significant minority highlighted the presence of very low transparency. These results emphasize the importance of enhancing communication practices during restructuring to foster trust and understanding among employees and stakeholders, ultimately contributing to the successful implementation of organizational changes. Future studies may delve deeper into the factors influencing communication transparency during corporate restructuring and explore strategies to improve transparency for more effective change management.

- **Out of scale from 1-5 (1-lowest, 5-highest), impact of restructuring on job security?**
The analysis shows the perceived impact of restructuring on survey participants, based on a scale from 1 to 5, with 5 representing the highest impact and 1 representing the lowest.

Among the participants:

- 25.53% (12 respondents) rated the impact as 5 (highest).
- 34.04% (16 respondents) rated the impact as 4.
- 14.89% (7 respondents) rated the impact as 3.
- 21.28% (10 respondents) rated the impact as 2.
- 4.26% (2 respondents) rated the impact as 1 (lowest).

The majority of respondents, 59.57% (28 respondents), perceived the restructuring to have a significant impact, rating it as 4 or 5. This suggests that the restructuring initiatives had notable implications on the organization and its employees. The relatively smaller proportion of participants (14.89%) who rated the impact as 3 indicates a moderate level of impact. Only a small fraction of respondents (4.26%) felt that the restructuring had a low impact, rating it as 1.

The analysis highlights the overall significance of restructuring in affecting various aspects of the organization and the workforce. However, to gain a comprehensive understanding, it would be beneficial to investigate the specific factors that contributed to participants' perceptions of the impact and explore potential correlations between the impact rating and other variables gathered in the survey. Such insights could provide valuable guidance for organizations undergoing restructuring and support effective change management strategies to address employees' concerns and maximize positive outcomes.

- **Out of scale from 1-5 (1-lowest, 5-highest), rate the job satisfaction during restructuring process?**

The analysis evaluates job satisfaction during the restructuring process, using a scale from 1 to 5, with 5 representing the highest job satisfaction and 1 representing the lowest.

Among the 47 survey participants:

- 10.64% (5 respondents) rated their job satisfaction as 5 (highest), indicating a high level of satisfaction during the restructuring.
- 21.28% (10 respondents) rated their satisfaction as 4, reflecting a considerable level of job satisfaction.
- 48.94% (23 respondents) rated their satisfaction as 3, signifying a moderate level of job satisfaction during the restructuring.
- 10.64% (5 respondents) rated their satisfaction as 2, suggesting a relatively lower level of job satisfaction.
- 8.51% (4 respondents) rated their satisfaction as 1 (lowest), indicating low job satisfaction during the restructuring process.

The findings demonstrate that a significant portion of respondents, 48.94% (rating of 3), reported experiencing moderate job satisfaction during the restructuring process. However, a combined 32.98% (ratings of 4 and 5) indicated a relatively higher level of satisfaction, while 19.15% (ratings of 1 and 2) reported lower levels of satisfaction.

These results highlight the importance of considering employee job satisfaction during restructuring. A significant percentage of respondents experienced moderate satisfaction, suggesting that organizations should focus on measures to enhance employee morale and well-being during times of change. By addressing employee concerns, providing support, and communicating effectively, organizations can positively influence job satisfaction and foster a more engaged and productive workforce during periods of organizational transition. Further research may delve into the factors contributing to job satisfaction during restructuring and their long-term impact on employee performance and retention.

- **Out of scale from 1-5 (1-lowest, 5-highest), did restructuring had any impact on job responsibilities or duties?**

The analysis evaluates the perceived impact of restructuring on job responsibilities or duties of employees, using a scale from 1 to 5, with 5 representing the highest impact and 1 representing the lowest.

Among the 47 survey participants:

- 25.53% (12 respondents) rated the impact as 5 (highest), indicating a significant impact on job responsibilities or duties during the restructuring process.
- 34.04% (16 respondents) rated the impact as 4, reflecting a considerable impact on job responsibilities.
- 14.89% (7 respondents) rated the impact as 3, suggesting a moderate impact on job responsibilities.
- 21.28% (10 respondents) rated the impact as 2, indicating a relatively lower impact on job responsibilities.
- 4.26% (2 respondents) rated the impact as 1 (lowest), suggesting minimal impact on job responsibilities during the restructuring.

The findings demonstrate that a significant majority of respondents (59.57%) perceived a notable impact on their job responsibilities or duties during the restructuring process, with a combined 25.53% (rating of 5) and 34.04% (rating of 4). Moreover, 14.89% of participants (rating of 3) reported experiencing a moderate impact, while a smaller proportion (25.53%) perceived a relatively lower impact (ratings of 2 and 1).

These results underscore the significance of considering the impact of restructuring on job roles and duties to ensure a smooth transition for employees. Addressing changes in job responsibilities effectively, providing necessary support, and clarifying expectations can help minimize disruptions and enhance employee adaptability during periods of organizational change. Further research may explore the specific factors influencing the perceived impact on job responsibilities and their implications on employee performance and job satisfaction during and after restructuring.

- **Would you/your colleague be willing to accept a change in job responsibilities or duties during a restructuring? (Yes/No)**

The analysis examines the willingness of survey participants and their colleagues to accept a change in job responsibilities or duties during a restructuring.

Among the 47 survey participants:

- 37 respondents (78.72%) answered "Yes," indicating that they or their colleagues would be willing to accept a change in job responsibilities or duties during the restructuring process.
- 10 respondents (21.28%) answered "No," suggesting that they or their colleagues would not be willing to accept a change in job responsibilities or duties during the restructuring.

The findings reveal that a significant majority of respondents (78.72%) are open to the idea of accepting a change in job responsibilities or duties during the restructuring process. This positive response indicates a level of adaptability and willingness to embrace changes required by the restructuring initiative. However, a notable minority (21.28%) expressed resistance to such changes, suggesting the presence of concerns or reservations among some employees about accepting new job roles or duties.

These results highlight the importance of effective change management strategies during restructuring to address employee concerns, provide support, and communicate the benefits of adapting to new job responsibilities. Organizations should work towards building a culture of openness and flexibility to foster employee acceptance and engagement during times of organizational change. Further research may explore the factors influencing employees' willingness to accept changes in job responsibilities and the impact of their acceptance on overall restructuring outcomes and employee well-being.

- **Did you/your colleague experience anxiety/stress during the company was undergoing a restructuring? (Yes/No)**

Out of 47 participants:

- 37 respondents (78.72%) answered "Yes," indicating that they or their colleagues experienced anxiety or stress during the restructuring process.
- 10 respondents (21.28%) answered "No," suggesting that they or their colleagues did not experience anxiety or stress during the restructuring.

The results indicate that a significant majority of the survey participants reported experiencing anxiety or stress during the company's restructuring. This finding underscores the emotional impact that corporate restructuring can have on employees and highlights the importance of considering and addressing employees' well-being and mental health during such transformative periods. Organizations should be mindful of the potential stressors associated with restructuring and implement supportive measures to help employees cope with the changes and navigate through the process with resilience.

- **Would you/your colleague go for job switch, if the company were to undergo a restructuring? (Yes/No)**

In summary, the analysis indicates that out of the total 47 survey participants:

- 25 respondents (53.19%) would consider switching jobs if the company were to undergo a restructuring.
- 22 respondents (46.81%) stated that they or their colleagues would not go for a job switch in such a situation.

The findings show that more than half of the participants are open to the idea of exploring other job opportunities if their current company undergoes restructuring. This suggests that employees may perceive job security concerns or other factors that prompt them to consider alternative employment options during periods of organizational change. Organizations should be mindful of these sentiments and implement effective communication and support mechanisms to address employee concerns and retain valuable talent during times of restructuring.

- **Out of scale from 1-5 (1-lowest, 5-highest), what impact did restructuring had on your work-life balance?**

The analysis assesses the impact of restructuring on survey participants' work-life balance, using a scale from 1 to 5, with 5 representing the highest impact and 1 representing the lowest.

Among the 47 survey participants:

- 21.28% (10 respondents) rated the impact as 5 (highest), indicating a significant adverse effect on work-life balance.
- 25.53% (12 respondents) rated the impact as 4, reflecting a considerable impact on work-life balance.
- 29.79% (14 respondents) rated the impact as 3, suggesting a moderate impact on work-life balance.
- 14.89% (7 respondents) rated the impact as 2, indicating a limited effect on work-life balance.
- 8.51% (4 respondents) rated the impact as 1 (lowest), suggesting a minimal disruption to work-life balance.

The findings indicate that a substantial portion of the participants perceived a notable impact on their work-life balance due to restructuring initiatives, with a combined 46.81% (ratings of 4 or 5). Furthermore, 29.79% of respondents (rating of 3) reported experiencing a moderate impact. These results underscore the significance of considering work-life balance implications during organizational restructuring and implementing measures to support employees in managing their personal and professional responsibilities effectively. Organizations may benefit from adopting employee-centric policies and work arrangements that promote work-life balance and well-being, leading to a more engaged and productive workforce.

- **Out of scale from 1-5 (1-lowest, 5-highest), how important is recognition and appreciation from the company during a restructuring process?**

The analysis assesses the importance of recognition and appreciation from the company during a restructuring process, using a scale from 1 to 5, with 5 representing the highest importance and 1 representing the lowest.

Among the survey participants:

- 31.91% (15 respondents) rated the importance as 5 (highest), indicating that recognition and appreciation during restructuring are of significant importance to them.

- 34.04% (16 respondents) rated the importance as 4, suggesting that it is highly important to acknowledge employees' efforts during this period.
- 25.53% (12 respondents) rated the importance as 3, signifying a moderate level of importance for recognition and appreciation.
- 6.38% (3 respondents) rated the importance as 2, indicating a lower level of importance for such recognition.
- 2.13% (1 respondent) rated the importance as 1 (lowest), suggesting that recognition and appreciation have minimal significance to them during restructuring.

The findings highlight that a significant majority of respondents (65.95%) consider recognition and appreciation from the company to be important during a restructuring process, with a combined 31.91% (rating of 5) and 34.04% (rating of 4). This underscores the value of acknowledging employees' efforts and contributions during times of change to boost morale, motivation, and commitment. Recognizing and appreciating employees can foster a positive work environment, improve employee engagement, and positively impact the success of the restructuring process.

- **Were the employees consulted or given a chance to provide suggestions/feedbacks during the restructuring process? (Yes/No)**

The analysis examines whether employees were consulted or given an opportunity to provide suggestions/feedback during the restructuring process.

Among the 47 survey participants:

- 33 respondents (70.21%) stated that employees were not consulted or given a chance to provide suggestions/feedback during the restructuring process.
- 14 respondents (29.79%) reported that employees were consulted or given an opportunity to provide suggestions/feedback.

These findings indicate that a significant majority of respondents, 70.21%, perceived a lack of employee involvement or engagement during the restructuring process. The relatively smaller proportion of respondents, 29.79%, who indicated that employees were consulted or given a chance to provide feedback, suggests that there is room for improvement in employee engagement and communication during times of organizational change. Implementing inclusive practices that involve employees in decision-making and seek their feedback can lead to better acceptance and support for restructuring initiatives, fostering a sense of ownership and commitment among the workforce.

- **Out of scale from 1-5 (1-lowest, 5-highest), how committed was the management to the company's goals and values during a restructuring process?**

The analysis evaluates the perceived commitment of the management to the company's goals and values during a restructuring process, using a scale from 1 to 5, with 5 representing the highest commitment and 1 representing the lowest.

Among the 47 survey participants:

- 31.91% (15 respondents) rated the management's commitment as 5 (highest), indicating a strong dedication to the company's goals and values during the restructuring.
- 34.04% (16 respondents) rated the commitment as 4, suggesting a substantial level of dedication to the company's goals and values.
- 25.53% (12 respondents) rated the commitment as 3, signifying a moderate level of commitment from the management.
- 6.38% (3 respondents) rated the commitment as 2, indicating a relatively lower level of dedication.
- 2.13% (1 respondent) rated the commitment as 1 (lowest), suggesting minimal commitment to the company's goals and values during the restructuring.

The findings demonstrate that a considerable majority of respondents perceived a strong commitment from the management to the company's goals and values during the restructuring process, with a combined 31.91% (rating of 5) and 34.04% (rating of 4). However, 25.53% of participants (rating of 3) felt that the commitment was moderate, while 8.51% (ratings of 2 and 1) reported relatively lower levels of perceived commitment.

These results emphasize the significance of effective leadership and management communication during restructuring to demonstrate commitment to the company's vision and values. A highly committed management fosters trust and confidence among employees, contributing to a smoother transition and employee support during periods of organizational change. Further research may explore the factors influencing perceived management commitment during restructuring and its impact on employee morale and organizational performance.

- **Out of scale from 1-5 (1-lowest, 5-highest), how much impact did the restructuring had on company's performance?**

The analysis evaluates the perceived impact of restructuring on the company's performance, using a scale from 1 to 5, with 5 representing the highest impact and 1 representing the lowest.

Among the 47 survey participants:

- 6.38% (3 respondents) rated the impact as 5 (highest), indicating a significant positive impact on the company's performance during the restructuring.
- 38.30% (18 respondents) rated the impact as 4, reflecting a considerable positive impact on the company's performance.
- 29.79% (14 respondents) rated the impact as 3, suggesting a moderate impact on the company's performance during the restructuring.

- 14.89% (7 respondents) rated the impact as 2, indicating a relatively lower impact on the company's performance.
- 10.64% (5 respondents) rated the impact as 1 (lowest), suggesting a negative impact on the company's performance during the restructuring.

The findings demonstrate that the majority of respondents (38.30%) perceived a considerable positive impact on the company's performance during the restructuring process. Additionally, a combined 35.17% (ratings of 4 and 5) indicated a positive impact, while 25.53% (ratings of 1 and 2) reported a less favorable impact on company performance.

These results highlight the potential positive outcomes of restructuring efforts on company performance. However, a significant percentage of respondents also perceived a moderate impact (29.79%) and some reported a negative impact (10.64%). It is essential for organizations to carefully manage restructuring initiatives to maximize positive results and minimize any adverse effects. Further research could delve into the specific factors contributing to the perceived impact on company performance and explore strategies to optimize restructuring outcomes for sustained growth and success.

- **Out of scale from 1-5 (1-lowest, 5-highest), how much impact did the restructuring had on the company's relationships with its stakeholders?**

The analysis evaluates the perceived impact of restructuring on the company's relationships with its stakeholders, using a scale from 1 to 5, with 5 representing the highest impact and 1 representing the lowest.

Among the 47 survey participants:

- 12.77% (6 respondents) rated the impact as 5 (highest), indicating a significant positive impact on the company's relationships with stakeholders during the restructuring.
- 19.15% (9 respondents) rated the impact as 4, reflecting a considerable positive impact on stakeholder relationships.
- 42.55% (20 respondents) rated the impact as 3, suggesting a moderate impact on the company's relationships with stakeholders during the restructuring.
- 12.77% (6 respondents) rated the impact as 2, indicating a relatively lower impact on stakeholder relationships.
- 12.77% (6 respondents) rated the impact as 1 (lowest), suggesting a negative impact on the company's relationships with stakeholders during the restructuring.

The findings show that the majority of respondents (42.55%) perceived a moderate impact on the company's relationships with stakeholders during the restructuring process. However, a combined 32.54% (ratings of 4 and 5) indicated a positive impact, while 25.53% (ratings of 1 and 2) reported a less favorable impact on stakeholder relationships.

These results underscore the significance of effective communication and relationship management during restructuring. A considerable percentage of respondents perceived a moderate impact, indicating that organizations should focus on maintaining transparent and open communication with stakeholders to build trust and preserve relationships during periods of change. Addressing concerns and expectations of stakeholders can help mitigate negative impacts and ensure ongoing support and collaboration throughout the restructuring process. Further research may explore the specific factors contributing to the perceived impact on stakeholder relationships and their implications on the overall success of the restructuring efforts.

CHAPTER-VI CONCLUSION

In this qualitative research, structured questionnaires were administered to 60 employees across different organizations, with 47 questionnaires completed and returned, forming the study's sample size. The survey aimed to gather valuable information and opinions on the impact of corporate restructuring on employees. The findings provided insights into various aspects of restructuring and its implications on employees and organizations.

The survey participants represented different age groups, with 38.30% falling between 20-30 years, 31.91% between 30-40 years, and 29.79% above 40 years. Additionally, participants were distributed across various levels of management, with 27.66% at lower management, 53.19% at middle management, and 19.15% at upper management positions. The total experience of the participants was diverse, with 36.17% having 0-6 years of experience, 12.77% with 6-10 years, and 51.06% with more than 10 years of experience.

The survey revealed that corporate restructuring has become a prevailing concept, with 70.21% of participants having experienced it in their professional careers. This highlights the widespread impact of restructuring in contemporary times. Among the participants, 29.79% reported not encountering any corporate restructuring.

Regarding communication transparency during restructuring, 25.53% of respondents perceived high transparency, while the majority (42.55%) experienced average transparency, and 12.77% reported very low transparency. These findings emphasize the need to enhance communication practices during restructuring to foster trust and understanding among employees and stakeholders.

The impact of restructuring on job security was significant, with 59.57% of respondents perceiving a notable impact (rating of 4 or 5). Job satisfaction during restructuring was reported as moderate (48.94%), with a combined 32.98% expressing higher satisfaction (ratings of 4 and 5). It was evident that a considerable majority (59.57%) perceived a notable impact on their job responsibilities or duties during the restructuring process.

The survey revealed that 78.72% of participants were willing to accept a change in job responsibilities or duties during restructuring, while 21.28% were not open to such changes. Additionally, 78.72% of participants experienced anxiety or stress during the company's restructuring. Concerning the impact on work-life balance, 46.81% of respondents perceived a notable impact (ratings of 4 and 5). Recognition and appreciation from the company during restructuring were considered important by 65.95% of participants (ratings of 4 and 5).

The findings also highlighted the need for improved employee involvement and communication during restructuring, as 70.21% of respondents felt that employees were not adequately consulted or given a chance to provide suggestions/feedback.

The management's commitment to the company's goals and values during restructuring was perceived positively, with 65.95% of participants indicating a strong commitment (ratings of 4 and 5). In contrast, the impact on the company's performance during restructuring was perceived diversely, with 38.30% of respondents reporting a considerable positive impact (rating of 4). Stakeholder relationships during restructuring were perceived to have a moderate impact (42.55%), but 25.53% felt a less favorable impact (ratings of 1 and 2).

In conclusion, the survey provided valuable insights into the impact of corporate restructuring on employees. The findings emphasized the need for effective communication, employee involvement, and support during restructuring to manage anxieties, foster adaptability, and enhance overall well-being. Organizations should recognize the importance of employee satisfaction, work-life balance, and recognition to promote a positive work environment during times of change. By addressing employee concerns and engaging stakeholders effectively, organizations can optimize restructuring outcomes and navigate through transformational periods successfully. Further research may delve into specific factors influencing employee perceptions during restructuring to develop more targeted strategies for change management and organizational success.

The analysis indicates various aspects of the restructuring process that require attention and improvements to ensure a smoother transition and foster employee well-being and organizational success.

Communication and Transparency:

The survey highlights the significance of transparent communication during the restructuring process. To foster trust and mitigate anxiety among employees, we recommend implementing clear and consistent communication strategies that keep employees informed about the restructuring process, its objectives, and the potential impact on their roles and the organization. Regular town hall meetings, departmental briefings, and open forums can facilitate two-way communication, enabling employees to express concerns, seek clarification, and provide feedback. Additionally, a dedicated communication platform or intranet can serve as a repository of information, ensuring everyone has access to relevant updates and resources.

Employee Involvement and Recognition:

Empowering employees during restructuring can significantly impact their motivation and commitment. We suggest involving employees in decision-making processes when possible and seeking their input and ideas to enhance engagement and ownership. Recognizing and appreciating employees for their efforts and contributions during this transformative period can boost morale and reinforce a sense of value. Regularly acknowledging achievements and demonstrating appreciation through various means, such as awards, public recognition, or tailored rewards, will help employees feel valued and supported during the restructuring journey.

Employee Well-being:

The survey indicates that restructuring can impact employees' work-life balance and increase anxiety or stress levels. We recommend implementing support programs and resources to help employees cope with potential challenges during this period. Providing access to wellness programs, stress management workshops, and employee assistance programs can promote well-being and resilience. Flexibility in work arrangements, where feasible, can also contribute to work-life balance and overall job satisfaction.

Job Security and Career Development:

Addressing job security concerns is crucial during restructuring. To alleviate uncertainties, we suggest providing clear information on the company's long-term vision and growth plans. Reinforcing the company's commitment to employee development and growth opportunities can further assure employees of their future with the organization. Regularly communicating about training and upskilling opportunities can foster a sense of stability and encourage employees to view restructuring as an opportunity for personal and professional growth.

Stakeholder Engagement:

Building and maintaining positive relationships with stakeholders during restructuring is essential. We recommend developing a comprehensive stakeholder engagement strategy that addresses the concerns and expectations of key stakeholders, including customers, suppliers, investors, and regulators. Timely and transparent communication with stakeholders will demonstrate our commitment to maintaining strong partnerships during this transitional phase.

Leadership and Management Engagement:

The survey indicates that employees perceive strong management commitment to the company's goals and values during restructuring. To capitalize on this positive perception, we encourage leadership to continue actively engaging with employees and demonstrating their commitment to shared goals. Leaders should be visible and approachable, actively seeking feedback from employees and showing empathy during times of change. Providing regular updates on the progress of the restructuring initiative can keep employees informed and engaged.

In conclusion, embracing these suggestions can contribute to a positive and successful restructuring process. By prioritizing transparent communication, recognizing employee contributions, ensuring employee well-being, addressing job security concerns, engaging stakeholders, and demonstrating strong leadership commitment, we can navigate through restructuring effectively while fostering a resilient and motivated workforce. This collective effort will not only help us manage the challenges associated with restructuring but also lay the foundation for a thriving and sustainable future.

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