



FACULTY OF COMMERCE

DEPARTMENT OF ACCOUNTING

PROJECT TOPIC

THE EFFECTS OF DOWNSIZING AND COMPANY CLOSURES ON SERVICE DELIVERY OF LOCAL AUTHORITIES.A CASE STUDY OF GWERU CITY COUNCIL

BY

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DEDICATION

The researcher dedicates this dissertation to her mom Delpha Muringani with love and gratitude for unwavering support. She means a world to her.

ACKNOWLEDGEMENT

It was by God's copious grace and wisdom bestowed on me that I managed to complete my studies. I would be failing in my duty if I do not express deep sense of gratitude of all my lecturers in the Accounting department including, Mr Kazembe, he is a star for bringing out the best in me on this research, his intellectual and professional advice profoundly to this research. Special thanks to Valentine Pundu for lending me his laptop during the research and also for his unwavering support and encouragement over the years.

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ABSTRACT

The research aimed at investigating the effects of downsizing and company closures on service delivery of local authorities. The researcher's scope of study was GCC. The research was a problem study which was driven by the fact that loss of revenue was a problem that has been affecting the operations of GCC since January 2011 when a number of companies were downsizing and closing. After noticing this problem the researcher was motivated to investigate the effects of downsizing and company closures on quality of service delivery of GCC. Thus, relevant literature was analysed as to gather some empirical evidence related to this research. It also tried to identify areas of controversy which enabled the researcher to highlight the significance of the study. The researcher used secondary and primary data collection methods. The major finding of this study was that downsizing and company closures affect the quality of service delivery and also contribute towards loss of revenue. After the analysis was done, the researcher concluded that downsizing and company closures have a negative effect on the service delivery of GCC.

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LIST OF ACRONYMS

GCC

Gweru City Council

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CHAPTER ONE

INTRODUCTION

1.1 Introduction

This part of the research provides an overview of the background of the study, the research objectives, purpose of the study and significance of the study. Also under discussion in this section are the research questions, assumptions and definition of terms. Delimitation and limitations of the study shall also be highlighted in an attempt to provide a road map to the research and finally a summary of the whole chapter.

1.2 Background of the Study

Local authorities are responsible for the provision of an extensive range of public services in an area. In addition, local authorities promote the interests of local community, including the social, economic, environment, recreational, cultural and general development of its area. Each council is an independent group of people who work with and for their local community. If company closures and downsizing occur this has a regressive impact on the performance of a local authority since council's obligation is to promote interest of its community.

Downsizing and company closures are events that have been widely reported in the media. Recent studies on the impact of downsizing reveals it to be probably the most pervasive phenomenon in the business world (Blom 2013). Causes to such events have been explained as consequences of financial crises and corporate strategies such as outsourcing or relocation of production to low-wage areas as well as reactions to changed conditions within an industry, relations to various stakeholders and organisational short comings. Gweru is one of the cities where many companies are retrenching employees to stay afloat whilst some are closing.

Recently a number of companies have downsized and closed in the past three years and because of this Gweru City Council has been facing challenges to ensure effective service delivery such as water and sewer. Many people are being affected by downsizing of companies and also with the closure of companies.

Gweru City Council provides a wide range of services for example water and sewer, refuse removal, local roads, clinics, parks and gardens, housing, fire fighting, street lighting just to mention a few. In a finance department meeting held on 31 October 2013, the Senior Accountant Mr E Mhaka, at Gweru City Council highlighted the fact that a number of companies are downsizing and closing and this has effect on the revenue collection. This had the effect of lowering the quality of services

provided by Gweru City Council. Table 1.1 shows a number of companies which have downsized and closed in the past three years, the number of people affected together with the amount which the retrenched employees owe Gweru City Council

Table 1.1 Companies that have downsized and closed, retrenched employees and the amounts the owed Gweru City Council

YEAR	NUMBER OF COMPANIES WHICH HAVE DOWNSIZED AND CLOSED	NUMBER OF RETRENCHES	AMOUNT OWED BY RETRENCHES TO GWERU CITY COUNCIL
2011	6	578	\$ 20 359
2012	10	817	\$ 55 678
2013	9	3560	\$ 188 645
TOTAL	25	4955	\$ 264 682

Source: The reports from the Ministry of Industry and Commerce and Gweru City Council (2011-2013)

From table 1.1 it can be seen that from 2011 to 2013 the amount owed by retrenches increased each year with a percentage increase of 173, 48% from 2011 to 2012 with percentage increase in number of retrenches of 41.5%. In 2013 there was percentage increase of the amount owed by retrenches to 240% with 3560 retrenches. It can be witnessed that for the past three years Gweru City Council has lost revenue which amount to \$264 682 for the past three years and the amounts are increasing each year, Because of this the council is now failing to meet its obligations to its suppliers and also its statutory obligations. Furthermore this has had a financial effect on GCC. Former Gweru Urban MP, Mr S Zvidzai said companies that used to be Gweru's economy backbone such as Radar Castings, Zimcast, Zimglass and Zimbabwe Alloys are currently operating below capacity. This situation affects the quality of service delivery of Gweru City Council and this motivated the researcher into investigating the effects of company closures and downsizing on services provided by GCC like water and sewer, clinics and fire fighting.

1.3 Statement of the Problem

Local authorities promote the interests of the local community and they do this through the provision of quality services for example water and sewer, refuse removal, local roads, clinics, parks and gardens, housing, street lighting just to mention a few. Gweru City Council is able to give quality service delivery to the residents and commercial stakeholders only if it has income to fund for the provision of services. The issue of company downsizing and closures has affected the services provided by the council to the community at large and this has prompted the researcher to carry out a study which should reveal the impact of company closures and downsizing on the service delivery of Gweru City Council.

1.4 Research Objectives

This research aims

- To describe how downsizing of companies affect service delivery of GCC
- To examine the impact of company closures on quality of service delivery of Gweru City Council
- To identify how the amount owed by retrenches affect service delivery of water and sewer clinics and fire fighting at GCC
- To investigate how downsizing and company closures affect the financial position of GCC
- To suggest possible ways in which Gweru City Council can improve the quality of service delivery of water and sewer clinics and fire fighting

1.5 Main Research Question

What is the impact of company downsizing and closures on the service delivery of Gweru City Council?

1.6 Sub Research Question

- What are the effects of downsizing on GCC service delivery?
- What are the effects of company closures on GCC service delivery?
- How does the amount owed by retrenches affect service delivery of water and sewer clinics and fire fighting at GCC?
- How does downsizing and company closures affect the financial position of GCC?
- What can be done to improve the quality of service delivery of water and sewer clinics and fire fighting at GCC?

1.7 Significance to the Study

To the researcher

At present it fulfils academic requirement to complete the researcher's Bachelor of Commerce Honours Degree in Accounting and successful conduct of the study gives the researcher more in-depth insight and shall be exposed to the conduct of research in terms of skills, knowledge and application of learnt concepts.

To Midlands State University

The study will set a foundation for further study for future researchers.

Gweru City Council

The study would benefit city council from the recommendations and the implementations can enable Gweru City Council to be in a better position to improve its quality of services delivery to the community

1.8 Delimitation of the Study

- The research study will focus on effects of company closures and downsizing on the service delivery of Gweru City Council.
- The Gweru city council staff and some of the staff of closed and downsizing company will be the respondents,
- The period under study would be from 2011 to 2013

1.9 LIMITATIONS

1.91 TIME CONSTRAINT

The researcher has to work overtime to fully exhaust the various aspects of the research since the research project is being done simultaneously with other modules in the researcher's line of study. The researcher intends to work extra time for the period when the research will be in progress.

1.92 FINANCIAL CONSTRAINTS

Limited finance to make more visits to some of the offices or sub offices but the researcher will use a questioner to get some information. Some information from the internet is not accessible for it needs subscriptions. Financial support from the employer will be used to mitigate this problem.

1.83 CONFIDENTIALITY

GCC staff members might not be eager to give confidential information for the sake of preserving the company's image. However this will not be a major problem since the writer was once part of the organisation's staff and will use minutes and circulars to overcome this limitation.

1.10 Assumptions

- The assumption is that company downsizing and closures have an effect on service provision of local authorities.
- Respondents will positively cooperate.

1.11 Abbreviations and definition of terms

Company closure - an act of permanently closing a business

Downsizing - reducing the size of a company by eliminating workers and or divisions within the company

Service delivery - act of providing business activity that involves doing things for customers rather than producing goods

Revenue -all the monies collected by the council in the form of supplementary charges, fees and penalties, rents,

Summary

Chapter One of the study introduced the readers to the research problem at hand. It highlighted the objectives that the researcher intended to achieve at the end. It focused on the introduction, background of the study, statement of the problem, main research question, sub research questions, research objectives, significance of the study, delimitations of the study, limitation of the study and the definition of the terms. The next chapter focuses on the literature review against the research.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

Literature review is an evaluative report of information found in the literature related to the selected area of study, Beile (2008). Literature review is a process of searching information and attaining an understanding of interconnected researches that were made before. The review ought to describe, sum up, weigh and clarify this literature. This chapter focuses on various facts and opinions from different persuasions and interest groups that have examined the effects of downsizing and company closures.

2.2 Purpose of Literature Review

According to, Boote (2005.71), “The more you know about the peripheral investigation germane to your own study the more knowledgeable you can approach your own research problem”. Beile (2008) outlines the basic purposes of literature review as to provide a context for the research, justify the research and ensure that research has not been done before. He also said that literature review enables the research to learn from previous theory on the subject, show where the research fits into the existing body of knowledge, outlines gaps in previous research and shows that the work is adding to the understanding and knowledge of the field

2.3 Downsizing and company closures

Downsizing and plant closures are events that come into practice in business restructurings. Such events, often involve dismissals. Causes to such events have been explained as consequences of financial crisis, corporate strategies such as outsourcing or relocation of production to low wage areas (Marks and Vansteenkiste, 2008). As well as reactions of changes within the industry, relations to various stakeholders and organisational

shortcomings (Hansson, 2011). A substantial body of downsizing literature has accumulated over the last decade; however this literature has several limitations. This chapter gives a review of the downsizing and company closures literature.

2.4 Downsizing

Javitch (2009) outline different types of downsizing together with the positive and negative effect of each. First one is across the board; the pain is felt equally throughout the organisation however there will be penalised efficient parts of the organisation. Secondly early retirement; is an easy gentle implementation, employee was not forced to leave against their will on the other hand net gains may be less since financial incentives paid to departing individuals and it may not be possible to replace expertise cost. The other one is outsourcing; it is cost saving nevertheless, long term problems may arise if contractor does not fully understand the needs of the organisation. Temporary employees are another type of downsizing which is cost saving from lower salaries and benefits but usually lower skill level employees. Lastly delayering which results in all operating units across the organisation are affected nevertheless this may overload senior level personnel

Recent studies on the impact of downsizing reveals it to be the most pervasive phenomenon in the business world (Blom 2013). Downsizing is a particularly applicable issue to organisations today in that it has become the most common problem in recent years. Downsizing can be defined as a determined lessening in the size of an organisation's personnel and is one of the most radical management strategies worldwide (Detta et al 2010)

Organizational downsizing constitutes a set of activities undertaken on the part of organisation designed to improve organisational efficiency, productivity and competitiveness. Businesses use several techniques in downsizing, including providing incentives to take early retirement and transfer to subsidiary companies, but the most common technique is to simply terminate the employment of a certain number of people (Hitt 2010).

According to Rouse, (2005) downsizing is reducing the number of employees on the operating payroll. Some users distinguish downsizing from layoff, with downsizing intended

to be a permanent downscaling and a layoff intended to be a temporary downscaling in which employees may later be rehired.

2.5 Company Closures

Companies Act [Chapter24: 03] section 2 stipulates that company means a company limited by shares and or a company by a guarantee. Oxford Dictionary defines a company as an association where two or more persons come together for a common business goal. Furthermore, it goes on defining company closure as an act of permanently closing a business.

According to Companies Act [Chapter24: 03] section 199, the winding up of a company may either be by court or voluntarily. Closure of companies voluntarily or non-voluntarily brings challenging and emotional experience to all the employees in the organisation. If an organisation close voluntarily it would have had significant time to plan the closure and will close efficiently, meet legal obligations, save money and take away profits. However if the a company close involuntarily it might be hard to obtain revenue, in this case, selling some or all of business assets, paying off debts and keeping whatever remains might be a better option. If a business cannot manage its debts the company may be forced to close down by becoming insolvent.

According to the National Social Security (NSSA) Harare Regional Employer Closures and Registrations Report for the period July 2011 and July 2013 shows 711 companies in Harare closed rendering 8336 individuals jobless. Furthermore, Confederation of Zimbabwe Industries report of 2013 also highlighted that 1100 individuals were retrenched in the first half of 2013 and were recorded at the Ministry of Labour and Social Welfare.

Companies Act [Chapter 24: 03] section 206, a company may be wound up by court if the company has a special resolution resolved that the company be wound up if by default is made in lodging the statutory report or held in holding statutory meeting, if the company does not commence its business for the whole year and if a company ceases to have members. Section 212 specifies the effects of winding up order, an order for winding up a

company shall operate in favour of all the creditors and contributories of the company as if the petitions had been presented by all creditors and contributories jointly.

2.6 Service delivery

Gray et al (2012) postulates that the main objectives is to ensure value for money for their rate payers to ensure services remain relevant and align with the wants and needs of local communities.

Service delivery is providing business activity that involves doing things for customers rather than producing goods .South African Constitution state that municipalities have the responsibility to make sure that all citizens are provided with basic needs. Examples of services provided by the Municipalities are water supply, sewerage collection and disposal, refuse removal, electricity and gas supply, municipal health services, municipal roads and storm water drainage, street lighting and municipality parks and recreation

Councils must provide a greater range of services whilst endeavouring to meet higher standards. However councils have the challenges due to the financial pressures placed on councils. Cost of providing services and to maintain infrastructure have been increasing considerably faster than generation of income. Walker et al (2012) postulates that councils must provide a greater range of services while endeavouring to meet higher standards.

2.7 Local Authorities

Urban Councils Act [Chapter 29: 15] section 2 stipulates that local authority means a municipal council, town council, rural district council or local board. Local authorities are democratically elected and provide a range of services to their communities. Public Sector Management Act stipulates that local authorities exist because they want to satisfy the needs and desires of people under their jurisdiction and it requires that local authorities should have an effective management. The nature of the local councils is satisfaction of needs and desires of people under their jurisdiction, putting in place effective management and provision of stewardship and accountability among selected officials.

The roles of municipalities according to the South African Constitution are govern the people and local affairs, represent people's rights and interest and opinions at local level and provide goods and services.

2.8 Downsizing effects on service delivery

The main objectives of the downsizing are to improve organisational performance and cut down the cost of production to enhance productivity and profitability (Mellahi et al 2008). However there are chances that the organizations face some weakness and threats which may badly affect overall performance of the organizations. Weaknesses may be in terms of the poor performance of the survived employees; however, threats though external in nature, may arise in terms of the laid-off employees (Guthrie and Datta 2008).

Ngirande (2012) argues that downsizing is a business strategy based on the notion that "lean means better". The result of the reduction of the workforce is a small group of workers known as survivors who are expected to increase the organisation productivity and competitive advantage (Chipunza 2011).

Downsizing has negatively affected numerous families and has created social tension and therefore requires special attention (Mckee Ryan and Kniccki 2008). Downsizing has an effect on employee's health, nature of work, social relationships, not able to adjust, lose ability to cope and this lead to interference normal work activities in or out home and there can be marital tension at home Farwell (2007). In addition downsizing survivors may be related to local authorities' employees and this also affects their concentration at work and organisation commitments to provide quality services. According to the third stage of Maslow hierarchy of needs, belongings and love needs motivate an employee if his or her family does not have any strain, so if one member of the family is retrenched this will affect the behaviour of the employee of local authority.

According to Sears, (2008) downsizing has a negative impact on the long term employee's self-concept, effect on trust, top-down communication and employee's productivity. Downsizing has the most significant effect on employees who are dismissed as they will have

severance pay if their contract of employments provides for it MacDonald (2012). As a result the survivors will not be able to pay property rates and other service charges to the city council which will result in local authorities not being to provide quality services as they would have lost revenue.

Downsizing brings organisational change, absenteeism and welfare dependency and an increase in the level of sickness Roed and Fevang (2007). This affects the service delivery of local authorities in terms of health services. A number of employees will not have enough money to visit private clinics or hospital so they will prefer to go to council clinics which are cheaper. Due to lack of revenue, the city council clinics will not have sufficient treated water needed for hand washing and hygiene, drinking, reprocessing medical equipment, fire suppression systems, water cooled medical gas and suction compressors, air conditioning and decontamination. As a result the council fail to deliver a quality health service.

Campbell (2006) also added that survivors lose interest in their jobs after a downsizing process. This often results in job dissatisfaction. According to Masikidi (2012) job satisfaction refers to unpleasable or negative emotional state that results from appraisal of one's job or job experience. Downsizing is view as having a profound effect on the organization and the personnel including those who are terminated and those who survive. In addition Martin and Orman (2010) also noted that consequences such as demoralisation of the work force increased worker turnover decreased cooperation and increased level of stress, anxiety, absenteeism and mistakes can follow. Because of this the company downsizing will have decrease in terms of proceeds and the employees of downsized companies construct a lifestyle of based on receiving a regular income. This includes debts and mortgages based on their ability to make monthly payments and will not be able to pay service charges to city councils.

The main motivation of most downsizing efforts is the desire for an immediate reduction of costs and increased levels of efficiency, productivity, profitability and competitiveness (Waraich, Bhardway and Yadav 2011). A survey found that 74 percent of senior managers in downsized companies said that morale, trust and productivity suffered after downsizing Meghna (2007) postulates that downsizing results in doing more with less an analysis of work

life balance among layoffs survivors, high levels of workload impact role overload, affects work life balance and this leads to reduced job satisfaction.

Kroth (2008) argued that to have the competitive edge and to satisfy customer needs, organisations engage in downsizing as a strategy for shifting the organisation structure from its present to what it should be. This in turn may result in increased organisational commitment which is the psychological attachment of workers to their organisation Mostert et al (2008)

2.9 Company closures effect on service delivery of local authority

Company closures give rise to high unemployment rate and most rate payers cannot afford the charges that most local authorities are demanding. As a result, most councils cannot collect the monies that they bill customers hence the problems of service delivery (Coutinho 2010). He argues that numerous inefficiencies in the collection and levying of charges related to service provision has resulted in the inability of councils to sustain provision of services. These services include loss of revenue on water provision due to inability of councils to repair water meters and use of estimates instead of actual water consumption.

Companies Act [Chapter24: 03] section 201 stipulates when a company is being wound up, every present and past member shall be liable to contribute to the assets of the company to an amount sufficient for payment of its debts and liabilities and the cost charges and expenses of expenses of winding up and for the adjustments of the rights of the contributions among themselves. This may leave those employees without income and they will not be able to pay service charges thus local authorities lose revenue and will not afford to buy chemicals to treat water and as a result residents have suffered through water and power cuts. Cases of cholera have been recorded across Mkoba due to the persistent water cuts.

Local authorities must be able to provide health facilities and for it to be able to provide quality health facilities it must have enough income to buy medicines, injections and salaries for clinics staff. Wilkinson (2009) highlighted that a healthy home needs to have sound structure, to be free of hazards, to provide adequate facilities for personal hygiene. Damp and

mould tend to be linked to be the worst in overcrowded dwellings often occupied by families of low socio-economic status. These arise because city councils fail to collect bins and remove all garbage because of lack of finances to service the vehicles they use to collect rubbish. Damp and mould are linked to a number of health outcomes including respiratory symptoms, nausea and vomiting and general ill health. This is mainly due to poor maintenance of infrastructure by the city council.

Company closures leads to a deteriorated way life of life and communalism. Urban Councils Act [Chapter 29: 15] section 168 on power of council in regard to sewerage and drainage stipulates that a council may whether inside or outside the outside the council a take measures and construct such works as it considers necessary for the collection conveyance, treatment and sewerage and storm water, Furthermore section 180 subsection 1 stipulates that no person shall provide public sewers and drains expect with the consent of the council. Because of company closures councils do not have adequate income to construct sewerage drains, this leads to a poor service delivery.

Local authorities should provide low-cost housing but the rapid collapse in industries and a lot people are losing their jobs and getting redundant resulting in poor or household incomes. The result has been a lot of home-grown small businesses ranging from vegetable stalls and people selling different products in the streets.

Crime rate has been increasing every year form 2009 and diseases are frequently breakout. This crime rate has been increasing because of high unemployment rate caused by downsing and closing companies

Urban Councils Act [Chapter 29: 15] sections 183 subsection I a council may provide and maintain a supply of water with and outside council area. Basic services such as water supply, roads, community centres, sanitation and transport are rapidly going down because of lack of funds due to loss or revenue of employees retrenched who are not able to pay rates and other service charges

2.10 How downsizing and company closures affect service delivery of local authorities

According to Zimbabwe Urban Council Act [Chapter 29:15], local authorities depend on ministerial allocations to be able to provide basic services. The allocations are important when it comes to areas of development, planning, infrastructural development and financing capital projects. These allocations however are strictly for specific purposes and this gives them little leeway over expenditure decisions. In response to this, local authorities should have the capacity to generate income that will cover revenue expenditure.

According to the Public Sector Management Act [Chapter 22:19], the revenue expenditure is funded from variety of sources; charges for goods and services implying that local authorities have powers to charge for services which they provide for example commercial water charge, refuse removal, housing rents, parking charges, planning application fees and rates that is, local authorities levy rates on property in the area of its jurisdiction as source of finance. These rates will have a nominal value so that it can be afforded by the lower class. Lastly special state grants, special grants are paid to local authorities in respect of specific services or scheme, for example education grants, road and maintenance grants.

2.11 Relationship between downsizing and company closures and financial performance of local authorities

The community plays an important role in the provision of services by the council. According to the Constitution of Zimbabwe 2013, local authorities should govern the people and local affairs; represent people's rights and interest at local level and to provide for the needs and desires of people in the area of their jurisdiction. The role of the community is to provide funds in exchange to goods and services offered.

Coutinho (2010) discovered that most councils lack the ability to properly determine the cost of providing services and setting appropriate tariffs that are based on cost recovery plus a mark-up resulting in a situation whereby sub-economic tariffs are set and the subsequent lack of investment in infrastructure needed to continue providing quality services.

Leitch (2004) also found that leaking profits is a problem that undermines development within industries. Studies by both researchers show that lack of revenue in organisations affect development which comes through acquisition of assets that are used in everyday operations. However Coutinho (2010) emphasized much on service delivery in councils which is a very interesting aspect to this research as it based on council business. He argues that the lack of revenue greatly affects service delivery of councils.

Having gone through the literature above, one can conclude that downsizing and company closures have a great impact on the service delivery of local authorities.

2.12 Effects of downsizing and company closures in other cities

According to a financial report of Chicago (2013) it is shown that about 6000 grocery store in Chicago workers lost their jobs by December 28 across Chicago. Thousands of workers put out of work right after the holiday period faced a very difficult job market. Dominick's workers lost their jobs, 1.3 million people nationwide lost their federal extended jobless benefits. This has affected the city council as it had 30percent decrease in revenue collected from the citizens.

Detroit is another city that has been affected by downsizing and company closures within its area of jurisdiction. Kmart Corporation which is one of the big corporations in Detroit closed a third of its stores around March 2013 and as result the company revenue fell from \$8,5 billion to 6,2 billion. This implies that the city council lost revenue which was supposed to be for donations in terms of social responsibility. Detroit annual financial statements 2012 show that Detroit reduced revenue by 48 percent from 1998 -2012 withholding \$172 million from the city residents according to statements records. As a result of the council borrowed for cash flow purposes trying to meet revenue expenditure.

Downsizing of companies together with company closures also affected New York City. In the first quarter of 2010 according to the Bureau of Labour Statistics there was a net loss of 96 000 companies and 400 000 companies in 2009. This gave rise to 1, 2 million employees were left jobless. This has affected the service delivered by the councils as the employees

who previously employed by the companies closed are left with severance income to provide their basic needs.

2.13 Ways of improving service delivery

Tata Consultancy Services (2005) suggest that revenue assurance is one of the simplest ways to stop revenue leakages. It defines revenue assurance as a process which is about billing all transactions for all events without losing revenue to fraud. It extends its functionality to include collection of bad debts and outstanding revenues. It claims that both under billing and over billing results in loss of reputation which in turn leads to reduced sales. Revenue assurance is said to make a significant contribution to financial performance and strategic positioning of an organisation and that it is essential for all operators to act and have a strong revenue assurance framework, not only to comply with regulatory standards but also to ensure the collection of every dollar that is owed to the organisation.

According to Tata Consultancy Services (2005) co-ordination among the different functions of an organisation is essential for ensuring improved revenue position. It argues that operating independently without taking into the effect the limitation and capabilities of other functions will result in loss of revenue. According to Ernest and Young (2010) revenue is arguably one of a company's most analysed financial metrics. It is a critical measure that analyst, capital providers, investors and regulators scrutinize when analysing a company's performance. Many companies are measured and evaluated based on revenue. This means an early analysis of the revenue position will help avoid surprises and plan for a smart transition.

2.14 Summary

This chapter has tried to provide a great insight on the subject of effects downsizing and company closures on service delivery of local authorities. It had reviewed the current knowledge based on the past studies. The next chapter covers the research methodology applied in this study.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

Shuttleworth (2008) defines research methodology as the description of all activities and measures undertaken during the course of the research. It involves explaining, examining, analysing research instruments used to gather data including the appropriateness and reliability of these research instruments to provide dependable outcomes. Research methodology controls the study, dictates the acquisition of the data, arranges them in logical relationships, sets up a means of refining raw data, contrives an approach so that the meanings that lie before the surface of those data become manifest, and finally issues a conclusion or series of conclusions that lead to expansion of knowledge and ends with a summary.

3.1 Research Design

Research design is the overall strategy that is chosen to integrate the different components of the studying a coherent and logical way thereby ensuring that it effectively address the research problem, William (2006). It constitutes the scheme for the collection, measurement and analysing of data. There are basically three types of research design namely the exploratory, descriptive and causal.

3.11 Descriptive Design

According to Nabb (2010) description design helps to provide answers to the questions who, what, when, how associated with a particular research problem, a descriptive study cannot conclusively ascertain answers to why. Descriptive research is used to obtain information and to describe what exists with respect to variables or conditions in a situation. The researcher used qualitative and quantitative data collection methods.

3.2 Qualitative Research Methods

According to Cresswell (2008) qualitative researchers are primarily concerned with practice and process rather than outcomes. They focus on the process that is occurring instead of the outcome of that process. This research method enabled the researcher to modify the field research design as often as possible and the methods were relatively inexpensive.

Justification

Qualitative approach addresses the research objectives and answers the research questions which attempted to understand the effects of downsizing and company closures on service delivery of local authorities. Qualitative approach involves the use of questionnaires and interviews.

3.3 Quantitative Research Methods

The quantitative method consists of the systematic empirical studies which involve quantifying through the assistance of mathematics and statistics Bryman et al (2007). Data is collected and transformed into numbers, which are empirically tested to see if a relationship exists to be able to draw conclusions from the results gained.

3.4 Research Population

Research population can be a group of individuals that are under study. In this research a population of 40 employees including the managerial and non-managerial employees of Gweru City Council was targeted by the researcher. It is from this population in which the sample was drawn.

3.5 Sampling

Dekeba (2009) defined a sample as a subset of the population meant to represent the entire population. In this research the sample was drawn from the population constituted by both managerial and non-managerial employees of GCC. As the research required the researcher to gather substantial information, sampling enabled the researcher to reduce the time and

costs spend on the research. However in this research, the researcher discovered that sampling would not allow generalization of the findings to the whole population if not properly drawn.

Table 3.1 Population and sample size of the research

Category	Total Population	Sample Size	Percentage %
Accountants	6	6	100
Auditors	5	3	60
Directors	4	3	75
Engineers	15	12	80
Health officers	10	8	80
Total	40	32	80

3.6 Sources of Data

The research was carried out through the use of primary data obtained from questionnaires, interviews and examination of secondary data published by GCC. In the research, the researcher managed to use both primary and secondary data

3.61 Primary data

Primary data is defined as information gathered to address a specific issue or problem at hand Delpha (2012). It is the raw data that is collected by the researcher from the field using different data collection methods. The researcher managed to collect primary data using questionnaires and interviews done to the managerial and non-managerial employees of GCC. In collecting primary data, the researcher has managed to have a room to understand the view of the respondents and this means the researcher had enough access to first-hand information that was assumed to be reliable and up to date. The researcher managed to employ judgmental skills on information that was given by the respondents.

Although the researcher tried to employ sampling as a way of saving time, the process of collecting primary data appeared to be expensive and time consuming for the researcher as the researcher had to travel from the head office to sub-offices of GCC where some information had to be collected.

In a way to overcome this problem the researcher managed to budget enough funds which sustained primary data collection process and time schedules were drafted before the process in a way to plan and ensure proper time management

3.62 Secondary data

According to Suykil (2012) secondary data is the data that already exist and that was collected for other purposes than what the researcher is intending to use it. It helped the researcher in coming up with a historical background of the work done as it provided an existing literature around the topic studied. The researcher acquired secondary data from written reports, financial records and journals. The researcher was able to spend less time and incurred lower costs in carrying out data collection process as there was no need for data processing. This made it possible for the researcher to extract the existing data sets.

The researcher found that secondary data was not reliable due to out-datedness and it could not address the research questions at hand because the data was collected for another purpose different to what the researcher was looking for. However, in a way to overcome this problem the researcher had focused on information collected from the policy makers which are the management.

3.7 Data Collection Instruments

The researcher had collected data by administering questionnaires with open ended and pre-coded questions and interviews. Questionnaires were used especially to respondents who were located in spatial offices of GCC in which the researcher could not interview the respondents directly.

3.71 Questionnaires

Central African Correspondence (2009) defined a questionnaire as a document normally distributed through the post to be filled out by the respondent in his or her own time. It is a document containing questions designed to solicit information appropriate for analysis. The researcher had distributed the questionnaires to the targeted subjects of at GCC constituted by managerial employees, in a way to enhance the quality of the data obtained and also to ensure that this data is in a form that can be objectively analysed.

The researcher developed the questionnaires for non-managerial employees so as to show their view on the effects of downsizing and company closures on service delivery of Gweru City Council. Self-completion of questionnaires by the respondents allowed them to respond at the time convenient to them. This allowed the respondents to give thoughtful answers and to look up for records where necessary. In so doing it was easy for the researcher to administer and collect the required data.

In collected data through open-ended questions, respondents were allowed to a variety of response options which made them free to say what they want.

3.72 Interviews

An interview is a conversation between the researcher and the respondents in which the researcher take down the response Unduhjl (2012). By conducting an interview which was often flexible, the researcher managed to acquire more in-depth data which made the researcher to draw up effective conclusions. The researcher managed to interview management which are the policy makers.

Due to personal conduct between the researcher and the respondents, the researcher had an opportunity to clarify questions and she managed to judge adequacy of honesty of the replies given by the respondents. This enhanced validity of the information supplied by the respondents Moore (2014).

3.8 Likert Scale

According to Siegle (2010) a likert scale is a type of psychometric scale frequently used in a psychology questionnaire. It is a powerful way to communicate and help the researcher to capture attention of the target audience and engage them. The following likert scale was used by the researcher

1 Strongly agree

2 Agree

3 Undecided

4 Disagree

5 Strongly disagree

3.9 Data collection methods

The researcher used questionnaires to collect information from thirty two respondents constituted by both managerial and non-managerial employees. Interviews were also administered to ten respondents in which four of them were all managerial staff and the other six occupied the positions of assistants. Data collected was checked for errors, accuracy and completeness in which errors were corrected before it was presented.

3.10 Data presentation and analysis

The researcher carried a data analysis process to prepare for data analysis and to ensure that data was equitable. Data from various respondents was grouped and synthesized to come up with a critical analysis of the findings. After the data had been received from interviews, questionnaires and secondary sources, the researcher edited data. Data was presented in the form of frequency distribution tables, bar charts, pie charts, graphs, percentages for easy interpretation. And figures will be used to show relationship between variables. Interview responses were explained.

3.11 Summary

This chapter concentrated on the research design, population, sampling, sources of data, data collection instruments and data analysis. The next chapter deals with data presentation.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND DISCUSSION

4.0 Introduction

This chapter deals with the presentation, interpretation and analysis of the research findings found from the data collected from Gweru City Council on the effects of downsizing and company closures on quality of service delivery. The findings of this research were highlighted as given by the respondents who were under study pertaining to the research questionnaires and interviews which were carried out by the researcher. Each research question is analysed and presented separately and finally variables analysis consolidated.

4.1. Response rate

Of the 38 questionnaires that the researcher sent out, the research managed to get approximately ninety four per cent responses that is 36 questionnaires were brought back.

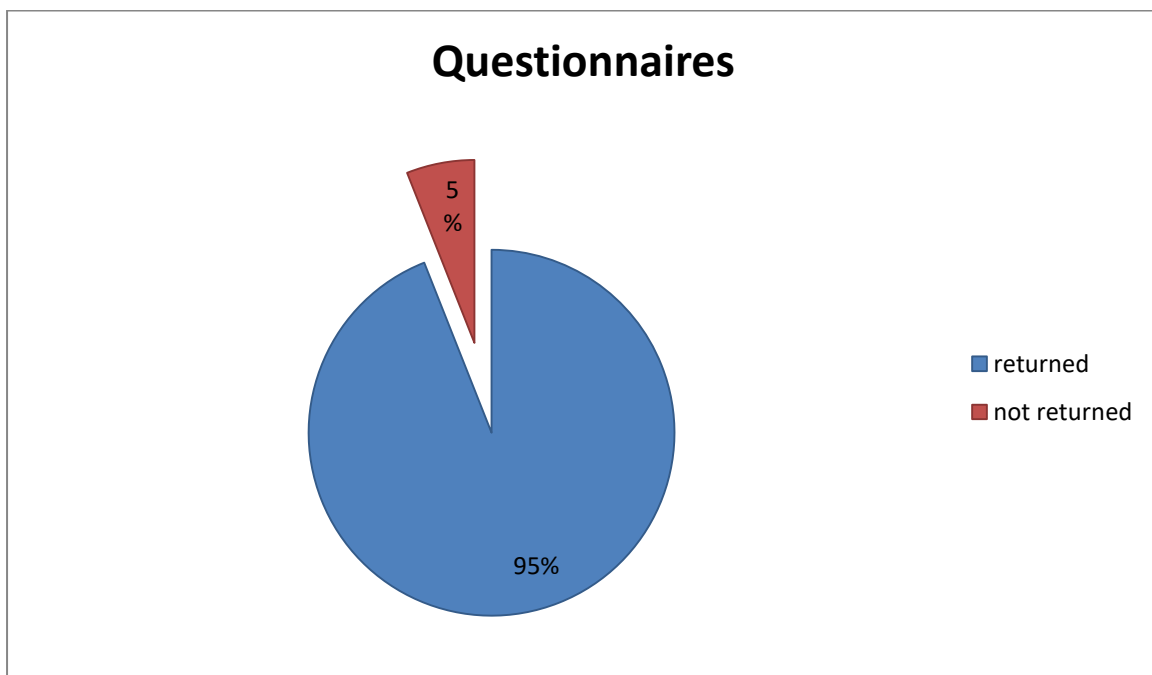


Figure 4.1 Response rate questionnaires

Table 4.1 Response Rate Questionnaires

Respondents category	Questionnaires sent out	Questionnaires returned	Response rate
Accountants	6	6	100%
Auditors	5	4	80%
Engineers	15	14	93%
Health officers	10	10	100%
Total	36	34	94%

The research managed to return a sufficient number of questionnaires which makes the study reliable.

4.2. Analysis of data interpretations

Both primary and secondary data was gathered.

4.2.1 Primary data

Primary data was gathered by the use of questionnaires. The questionnaires returned had the following information:

4.3 Questions, Response rate and Explanation

Question 1: For how long have you been with Gweru City Council?

Table 4.2 Response rate in response to how long employees have worked with Gweru City Council

Respondents answers	Number of respondents	Response rate-%
0-1year	5	14
1-5 years	8	22
5-10 years	16	45
Above 10 years	7	19
Total	36	100

The majority of the employees according to the researchers sample have been employed at Gweru City Council for 5-10 years.

Question 2: Which category do you belong as an employee of the Gweru City Council?

Table 4.3 Response rate in response to how long employees have worked at Gweru City Council

Respondents answers	Number of respondents	Response rate-%
Non-management	21	58
General employee	13	36
No response	2	6
Total	36	100

Questionnaires were almost equally distributed amongst various ranks of the sample .With the exception of 2, all other questionnaires were returned.

Question 3: Which department do you specialize in?

Table 4.4 Respond rate in response to which department employees specialise in at Gweru City Council

Respondents answers	Numbers of respondents
Finance	6
Engineering	14
Health	10
Housing and community service	2
Town clerk	4
Total	36

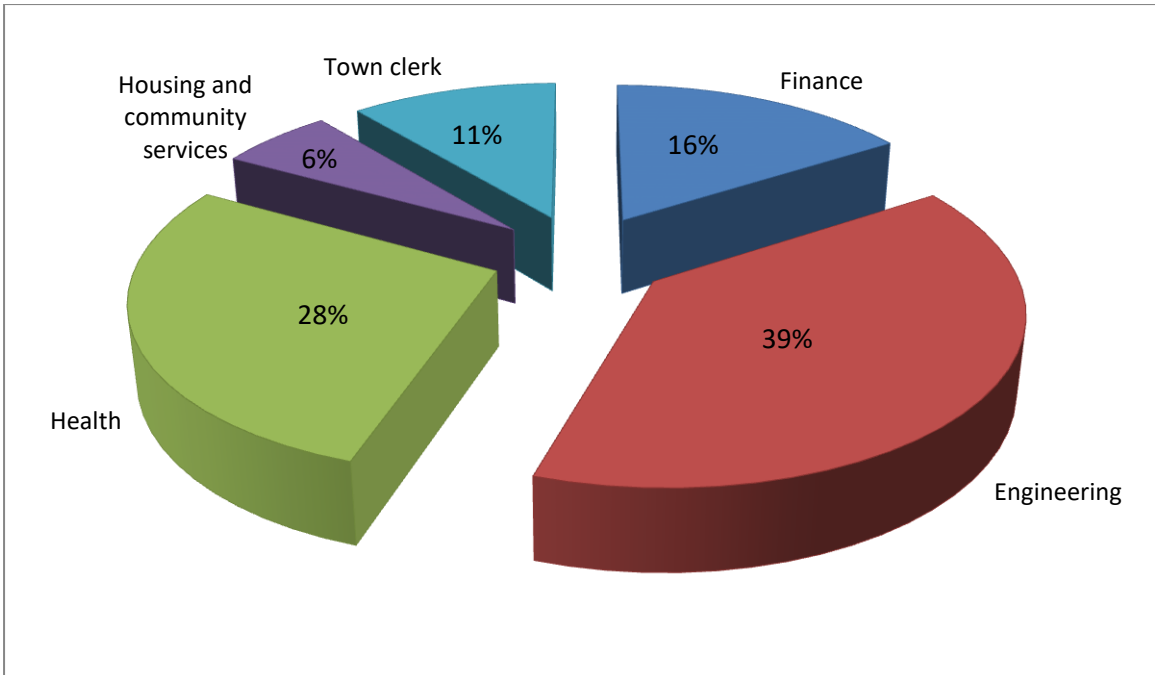


Figure 4.2 Respond rate in response to which department employees specialise in at Gweru City Council

All departments were represented except for two from which questionnaires were not returned.

Question 4: How qualified are you?

Table 4.5 Respond rate in response to the highest level of qualification

Respondents answers	Number of respondents	Response rate-%
High School	5	14
Certificate level	8	22
Diploma level	11	31
Undergraduate degree level	7	19
Master's degree level	5	14
Other	-	-
Total	36	100

Table 4.5 shows that 100% of the respondents were literate and that the majority have managed to acquire certificates and diplomas

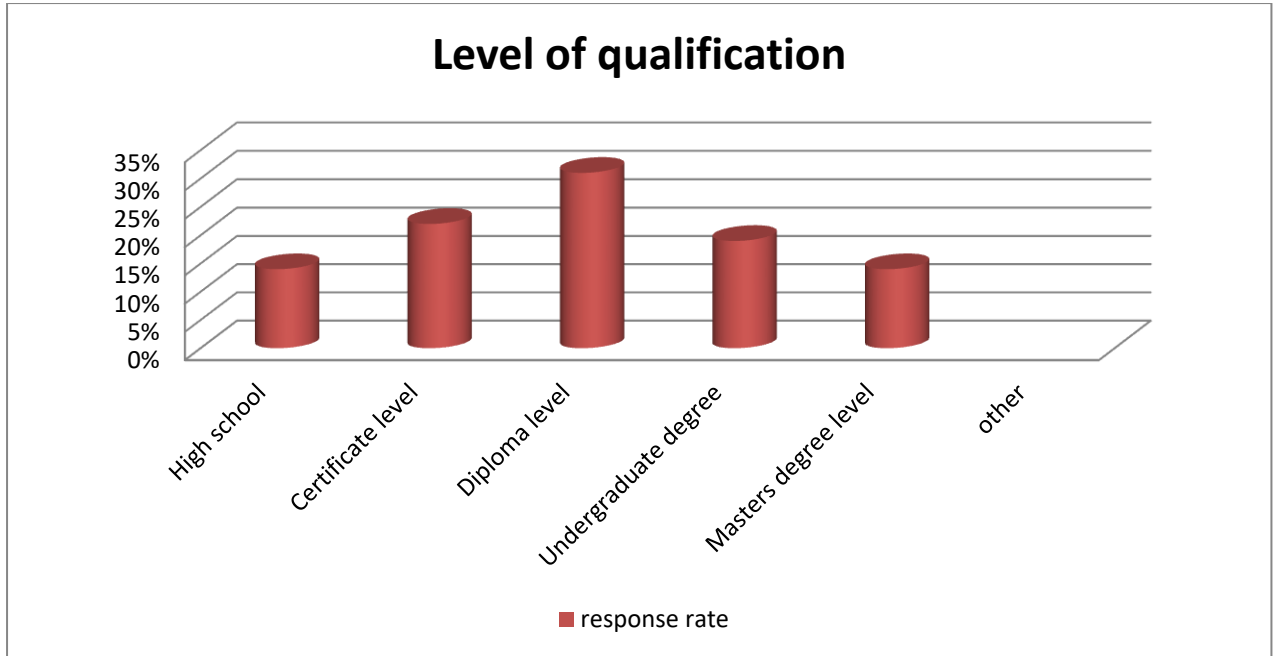


Figure 4. 3 Respond rate in response to the highest level of qualification

Question 5: Demographic characteristics

Table 4.6 Respond rate in response to gender

Respondents answers	Number of respondents	Response rate-%
Male	18	50
Female	18	50
Total	36	100

Source: Primary data

The questionnaires were distributed evenly

Question 6: Do you have an understanding what downsizing is?

Table 4.7 Response rate in response to understanding of what downsizing is

Respondents answers	Number of respondents	Response rate-%
Yes	36	100
No	0	0
Total	36	100

100% of the respondents understand what downsizing is

Question 7: Do you have a relative or a friend who was retrenched from any organization?

Table 4.8 Response rate in response of having a relative or a friend who was retrenched from any organization

Respondents answers	Number of respondents	Response rate-%
Yes	27	75
No	9	25
Total	36	100

Question 8: Do you know of companies that have downsized in the past 5 years?

Respondents answers	Number of respondents	Response rate-%
Yes	32	89
No	4	11
Total	36	100

Majority of the respondents of 89% know companies that have downsized in the past 5yrs however the remaining 11% do not know because they were still new in Gweru

Question 8: In your opinion does downsizing of companies affect quality of service delivery of Gweru City Council?

Table 4.9 Response rate in response to one’s opinion if downsizing of companies affect quality of service delivery of Gweru City Council

Respondents answers	Number of respondents	Response rate-%
Yes	35	97
No	1	3
Total	36	100

35 respondents out of 36 are of the opinion that downsizing of companies affect service delivery of Gweru City Council

Question 9: Do you have an understanding of what company closures are?

Table 4.10 Response rate of an understanding of what company closures are

Respondents answers	Number of respondents	Response rate-%
Yes	35	97
No	1	3
Total	36	100

97% of the respondents have an understanding of what company closures are.

Question 10: Do you know of any company that closed in the past five years?

Table 4.11 Response rate of knowledge of any company that closed in the past five years

Respondents answers	Number of respondents	Response rate-%
Yes	33	92
No	3	8
Total	36	100

Majority of the respondents had the knowledge of companies that had closed in the past five years

Question11: In your own opinion does a company closure affect the quality of service delivered by GCC?

Table 12 Response rate of own opinion does a company closure affect the quality of service delivered by GCC

Respondents answers	Number of respondents	Response rate-%
Yes	35	97
No	1	3
Total	36	100

Question 12: What are the causes of downsizing and company closures?

Table 13 Causes of downsizing and company closures

Causes of downsizing and company closures	Strongly Agree F	Agree F	Neutral F	Disagree F	Strongly Disagree F
Lack of funds to finance huge debts	13	21	0	2	0
Ordered by the High court	9	14	4	6	3
Liquidity problems	14	22	0	0	0
Shrinking customer base	12	15	6	3	0
Viability problems	14	16	1	3	2
Loss of market	12	18	3	2	1
Relocating to more cost-effective areas	11	19	0	4	2
Working capital problems	14	13	1	5	3
New technology	19	13	0	1	3
Loss of key personnel	11	12	0	5	8

These can also be presented as follows

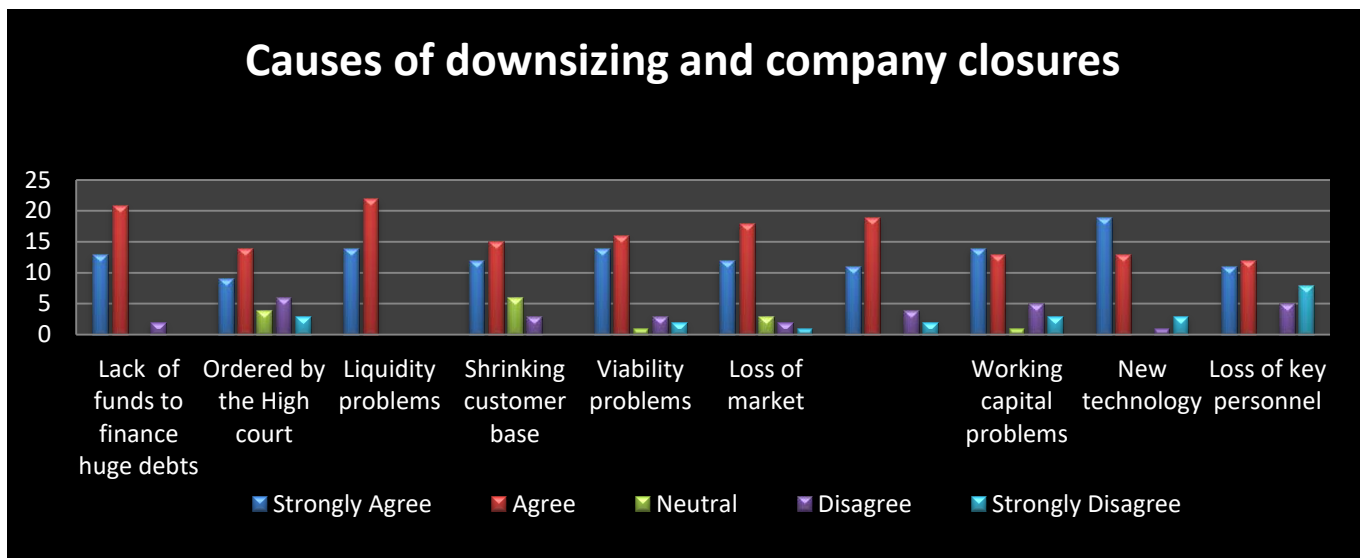


Figure 4.4 Causes of downsizing and company closures

Question 13: What are the effects downsizing and company closures on quality of services delivery

Table 4.14 Effects downsizing and company closures on quality of services delivery

Effects of downsizing and company closures on quality of service delivery	Strongly Agree F	Agree F	Neutral F	Disagree F	Strongly Disagree F
Inability of the council to sustain provision of services due to lack of revenue	11	18	2	3	2
Inability to undertake capital projects	12	19	0	4	1
Inability of councils to repair water meters	10	23	0	1	2
Council cannot afford to buy chemicals to treat water as a result residents have suffered through water and power cuts	19	17	0	0	0

Untreated water gives rise to diseases like cholera	18	16	2	0	0
Poor maintenance of infrastructure by the city council	13	19	0	3	1
Council fail to collect bins and remove all garbage because of lack of finance to service vehicles used to collect rubbish	17	18	0	1	0

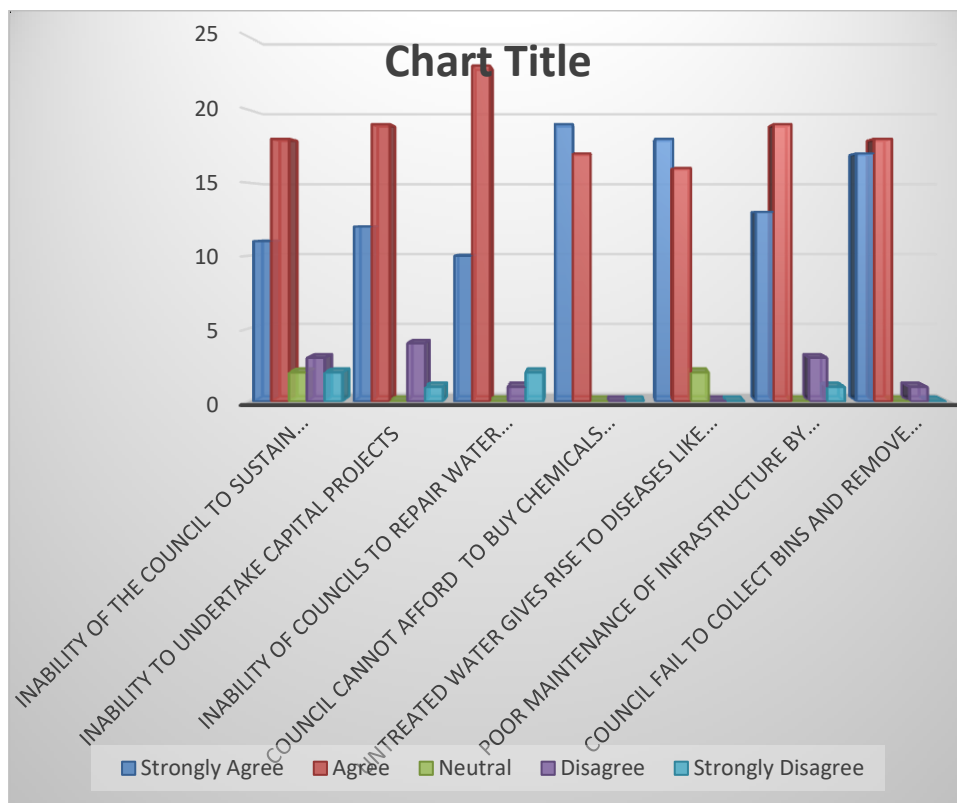


Figure 4.5 Effects of downsizing and company closures on service delivery of GCC

Question 14: What are the effects of downsizing and company closures on the financial position of Gweru City Council?

Table 4.15 Effects of downsizing and company closures on the financial position of Gweru City Council

	Strongly Agree F	Agree F	Neutral F	Disagree F	Strongly Disagree F
Lack of funds to finance debts	19	17	0	0	0
Most rate payers cannot afford the charges due to unemployment giving rise to loss of revenue	15	19	0	2	0
Inability to pay statutory obligations	13	20	0	3	0
Loss of revenue on water provision due to the use of estimates instead of actual water consumption	17	13	0	4	2
Delays in the payment of wages and salaries	25	11	0	0	0
Inefficiencies in the collection and levying of charges related to service provision	9	20	4	3	0

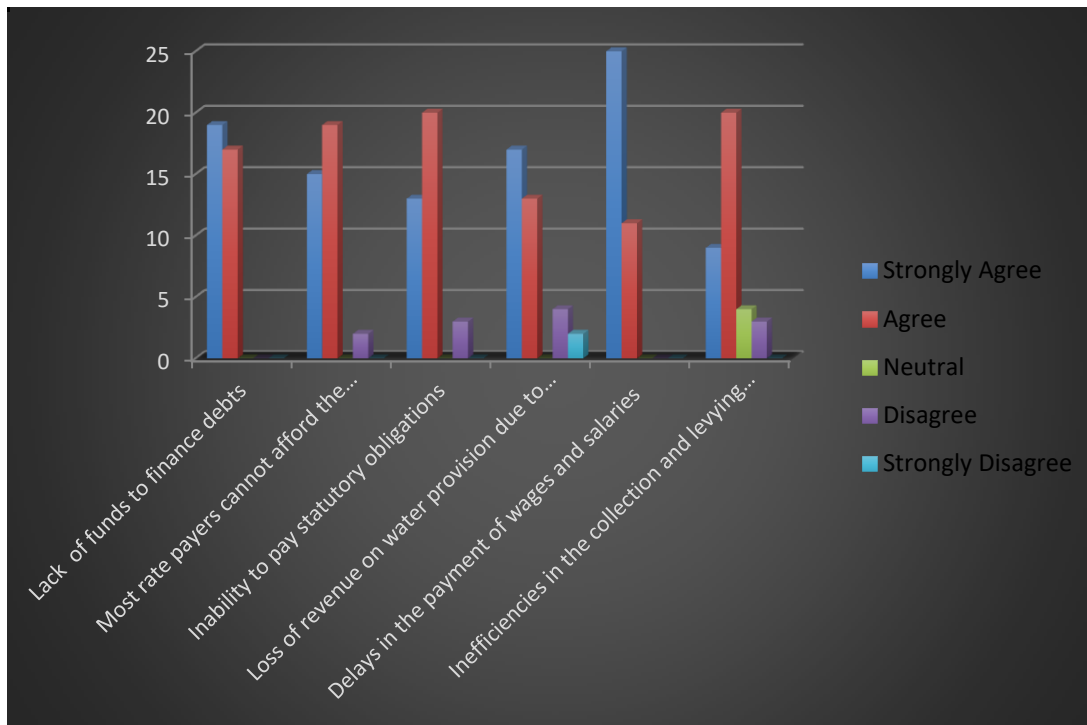


Figure 4.6 Effects of downsizing and company closures on financial position of GCC

Question 15: Which measures can reduce or eliminate the effects of downsizing and company closures on service delivery of GCC?

Table 16 Ways to reduce the effects of downsizing and company closures on service delivery of GCC

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
	F	F	F	F	F
Gweru city council can downsize their operations	4	18	0	5	9
GCC should help informal sector to be vibrant	20	14	0	2	0

Council should look for investors for companies facing financial problems GCC should be proactive with the companies which are downsizing and make twinning arrangements	20	16	0	0	0
Council should improve ways of collection and levying of charges related to service provision	16	15	0	5	0
GCC can embark income generating project	18	15	3	0	0

WAYS TO REDUCE THE EFFECTS OF DOWNSIZING AND COMPANY CLOSURES

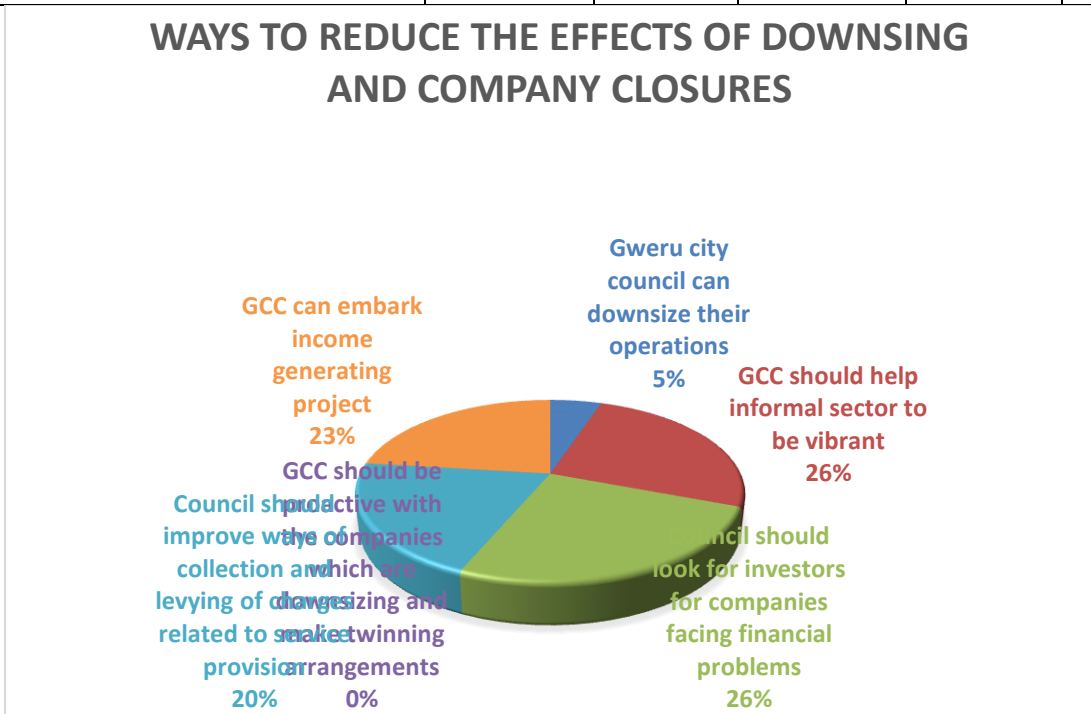


Figure 4. 7 Ways to reduce the effects of downsizing and company closures

4.4 Interview responses

1. What do you know about downsizing and company closures?

The question seeks to institute the presents of downsizing and closing companies in the city of Gweru. The majority of the interviewees agreed that a number of companies are downsizing and some are closing for various reasons. Some interviewees were not sure whether because they were still new in Gweru. It can therefore be concluded that there are companies which have downsized and closed in the past three years.

2. What are the effects of downsizing on GCC service delivery?

The respondents indicated that downsizing of companies has affected the city council in different number of ways for example the local authority cannot afford to buy chemicals to treat water as a result residents have suffered through water and power cuts. This is as a result of ratepayers having severance pay and cannot afford to pay rates and service charges. The interviewees also highlighted that council is failing to collect bins and remove all garbage due to lack of funds to finance the servicing of vehicles used to collect rubbish. It can therefore be concluded that downsizing of companies have affected the council service delivery in a number of ways.

3. What are the effects of company closures on GCC service delivery?

The respondents noted that company closures has led GCC to have inability of the council to sustain provision of services due to lack of revenue and the inability to undertake capital projects and any other income generating projects. It can be strongly agreed that company closures affect the quality of service delivery.

4. How does downsizing and company closures affect the financial position of GCC?

The majority of the interviewees felt that GCC lack of funds to finance debts because most rate payers cannot afford the charges due to unemployment giving rise to loss of revenue. Some respondents also highlighted that downsizing and company closures has led to loss of revenue on water provision due to the use of estimates instead of actual water consumption. Inability to pay statutory obligation and delays in the payment of wages and salaries are also effects of downsizing and company closures on the financial position. In conclusion downsizing and company closures have a great impact on the financial position of GCC.

5. In your own opinion in what ways can the effects of downsizing and company closures be reduced?

The majority of interviewees said that the GCC should put in legislation and circulars that can help the informal sector to be vibrant so as to increase its income base. Some of the respondents postulates, that council should look for investors for companies facing financial problems. Some interviewees said suggested that GCC should downsize the workforce. In addition, council should improve ways of collection and levying of charges related to service provision. Gweru City Council should be proactive with the companies which are downsizing and make twinning arrangements. It can thus be concluded that there are controls and legislation that should be put in place in order to reduce the effects of downsizing and company closures on service delivery of Gweru City Council.

4.5 Discussion of the research findings

From the data shown above it can be drawn that the responds were splendid with 95% of the respondents being able to return the questionnaires to the researcher although 5 % of them did not return the questionnaires sent to them due to unforeseen reasons. The researcher undertook a pilot study which was satisfactorily responded to. However in compensating for the 5%, the researcher used interviews as his main and counter research instrument.

The major finding of this study was that downsizing and company closures have an impact on the quality of service delivered by local authorities. As presented by figure the respondents have come up with different views and have strongly agreed that poor service delivery by local authorities is primarily caused by downsizing and company closures. Political influence by members of the public exerts pressure on council resulting in the council failing to fully implement its by-laws which means the council is bound to lose some of the revenue intended.

From the interviews conducted by the researcher it is argued that downsizing and company closures have affected the service delivered by GCC in various number of ways. These effects give rise to another factor which is loss of revenue in councils. This is so because it takes too long for the council to act accordingly or to come up with resolutions regarding matters of defaulters who do not pay their rates to the council in time. Notably the defaulters are sometimes taken to the courts where it also takes time for the issues to be cleared resulting in the council losing a lot of its revenue.

The researcher established that the reduction or eliminating of effects of downsizing and company closures on service delivery is partially important in improving the quality of service delivered by the council which can help reduce loss of revenue with 100% of the respondents admitting that downsizing and company closures affect quality of service delivered

4.6 Summary

This chapter has focused on the presentation, analysis and discussion of the research findings. It outlined the main research findings which had resulted in the researcher coming up with conclusions and recommendations hence the next chapter deals with summary of the research findings, conclusions and recommendations.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter summarized the research findings and outlined major conclusions drawn from the research as well as the suggested recommendations.

5.1 Summary

Chapter one of the study has focused on the introduction, background, statement of the problem, purpose of the study, research questions, significance, assumptions, scope, limitations and definition of terms respectively. The research was a problem study which was driven by the fact that loss of revenue was a problem that has been affecting the operations of GCC since January 2011 when a number of companies were downsizing and closing. After noticing this problem the researcher was motivated to investigate the effects of downsizing and company closures on quality of service delivery GCC.

Having formulated the foundation of the research, relevant literature was analysed as to gather some empirical evidence related to this research hence chapter five of study has dealt with literature review against the research. It also tried to identify areas of controversy which enabled the researcher to highlight the significance of the study. After having heard some scholar's minds, chapter three of the study has focused on the research methodology that was employed by the researcher. The chapter tried to explore how data was gathered in line with the study.

This encompassed the research design used in the research. Chapter four concentrated on the presentation and analysis of the research findings. In this instance the researcher used descriptive statistical methods such as pie charts, graphs and tables to present data.

5.2 Major research findings

The major finding of this study was that downsizing and company closures affect the quality of service delivery and also contribute towards loss of revenue. Downsizing and plant closures are events that come into practice in business restructurings. Causes to such events have been explained as consequences of financial crisis, corporate strategies such as outsourcing or relocation of production to low wage areas Marks and Vansteenkiste, (2008).

The researcher found that downsizing and company closures give rise to high unemployment rate and most rate payers cannot afford the charges that most local authorities are demanding. As a result, councils cannot collect the monies that they bill customers hence the problems of service delivery (Coutinho 2010). He argues that numerous inefficiencies in the collection and levying of charges related to service provision has resulted in the inability of councils to sustain provision of services. These services include loss of revenue on water provision due to inability of councils to repair water meters and use of estimates instead of actual water consumption.

The main objectives of the downsizing are to improve organisational performance and cut down the cost of production to enhance productivity and profitability (Mellahi et al 2008). However there are chances that the organizations face some weakness and threats which may badly affect overall performance of the organizations. Weaknesses may be in terms of the poor performance of the survived employees; however, threats though external in nature, may arise in terms of the laid-off employees (Guthrie and Datta 2008).

Local authorities have been facing insurmountable challenges in levitating enough funding to ensure effective service delivery. Most of these challenges revolve around failure to ensure effective financial management systems that result in failure to ensure cost recovery on essential services such as water and sewer provision as well as poor financial accounting systems (Coutinho 2010).

The researcher found the effects of downsizing and company closures on service delivery of GCC as follows; most ratepayers cannot afford the charges due to unemployment, inability of the council to sustain provision of services due to lack of revenue in addition council fail to

collet bins and remove all garbage because of lack of finance to service vehicles used to collect rubbish. Furthermore GCC to buy chemicals to treat water as a result residents have suffered through water and power cuts and also council is unable to repair water meters. Delays in payment of wages and salaries and inability to pay statutory obligations are also effects of downsizing and company closures

The researcher also found that revenue collection is a key aspect which needs great attention towards ensuring high service delivery in the community served by the council as an organization. More so it allows the organization to fully implement its by-laws as well as enhancing an improved employee's welfare status hence having a developed community with common values and increased job satisfaction among the employees.

5.3 Conclusions

After gathering the information and analysis having been done the researcher have come up with conclusions and the following are the conclusions which came as a result of the research findings from this study.

It can be safely concluded from the research findings that, the downsizing and company closures have a negative effect on the service delivery of Gweru City Council. The researcher found that employees retrenched, downsizing companies as well as closed companies owe GCC property rates charges and other service charges. This gives rise to waning of revenue and because loss of revenue in an organization is attributed to many factors.

Although there are some relevant facts why revenue collection is important, service delivery in the form of health, road and education to the local people is the major reason behind revenue collection in which failure to collect revenue will mean no services to the people.

5.4 Recommendations

From the research findings the researcher recommended the following:

In a way to improve the quality of service delivery of GCC can downsize its operations .The council should remain with highly competent staff and the organization should hosts workshops with other local authorities whereby information is shared thus acquiring diversified knowledge on how to improve service delivery

The organization should reconsider the issue of billing in which an updated customer database should be kept, making sure that every customer's details is clearly given and that all the defaulters are taken to the courts as early as possible so as to ensure that all revenue intended for the organization is received within the a convenient period of time.

Gweru City Council should help the informal sector be vibrant however; it requires the government to intervene by making policies that encourage economic growth. This will then result in increase in revenue collected by the council.

GCC should be proactive with the companies which are facing financial problems and make twinning arrangements with investors from other cities.

5.5 Future studies

Future studies should try to cover the aspects of downsizing of companies and company closures by focusing on a wide range of council organizations so as to allow enough generalization of the findings rather than focusing on an individual organization.

Future studies should also major on other aspects which have been identified in this research as contributory factors to loss of revenue so as to enhance the formulation of best ways to tackle the problem of loss

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APPENDIX A: Approval letter



Midlands State University
Faculty of commerce
Department of Accounting
P. Bag 9055
Gweru

16/ 09 / 2014

To the Chamber Secretary

Re: Application for authority to carry out an academic research with your organisation.

I am a student at Midlands State University pursuing a Bachelor of Commerce Accounting Honours degree. It is a prerequisite that I carry out a research study in partial fulfilment of the requirements of my degree. My research is entitled **“Effects of downsizing and company closures on service delivery of local authorities”** A case of Gweru City Council.

I hereby ask for authority to carry out this study in your organisation. All information to be given will be used for academic purposes only and a high degree of confidentiality will be exercised.

Your time and cooperation is greatly appreciated

Yours faithfully

Faith Makaza

R111595F

APPENDIX A: Approval letter



Midlands State University
Faculty of Commerce
Department of Accounting
P. Box 9055
Gweru

16/09 / 2014

Dear Respondent

Re: Request to respond to questionnaires

I am a student studying towards the completion of Bachelor of Commerce Accounting Honours degree at Midlands State University. It is a pre-condition to carry out a research during the final semester. My research is entitled “**Effects of downsizing and company closures on service delivery of local authorities**” A case of Gweru City Council.

I kindly ask you to assist me by filling the questionnaire attached to this letter. The questions are designed to study the research question. The information provided is for academic purposes only and will go a long way in helping me analyse the problem in question. Please note that all your responses will be kept strictly confidential.

Yours sincerely

Faith Makaza

R111595F

APPENDIX B

QUESTIONNAIRES

Please respond by putting a tick in the boxes corresponding to the possible responses to the given question or by writing on the space provided. Do not write your name.

1 How long have you been working at Gweru City Council?

Less than 5 years	<input type="checkbox"/>	11-20 years	<input type="checkbox"/>
6-10 years	<input type="checkbox"/>	20years and above	<input type="checkbox"/>

2 What category do you belong to in Gweru City Council?

Management	<input type="checkbox"/>	Non-management	<input type="checkbox"/>
General	<input type="checkbox"/>		

3 Which department do you specialise in?

Finance	<input type="checkbox"/>	Engineering	<input type="checkbox"/>
Health	<input type="checkbox"/>	Housing and Community services	<input type="checkbox"/>
Town Clerk	<input type="checkbox"/>	Chamber Secretary	<input type="checkbox"/>

4 Of the following qualification what is your highest level of education?

High school	<input type="checkbox"/>	Certificate level	<input type="checkbox"/>
Diploma level	<input type="checkbox"/>	Undergraduate degree level	<input type="checkbox"/>
Master's degree level	<input type="checkbox"/>	Doctorate	<input type="checkbox"/>

Other specify.....

5 What is your gender?

Male Female

6 Do you have an understanding of what downsizing of companies is?

Yes No

7 Do you have a relative or a friend who was retrenched from an organisation?

Yes No

8 Do you know of companies that have downsizes in the past 5years?

Yes No

9 In your own opinion does downsizing affect service delivered by Gweru City Council?

Yes No

10 Do you have an understanding of what company closures are?

Yes No

11 Do you know of companies that have closed in the past 5years?

Yes No

12 In your own opinion does a company closure affect quality of service delivery of Gweru City Council?

Yes

No

13 Causes of downsizing and company closures in my own opinion:

	causes of downsizing and company closures	strongly agree	agree	strongly disagree	disagree	undecided
1	Lack of funds to finance huge debts					
2	Ordered by the High court					
3	Liquidity problems					
4	Shrinking customer base					
5	Viability problems					
6	Loss of market					
7	Relocating to more cost-effective areas					
8	Working capital problems					
9	New technology					
10	Loss of key personnel					

14 Effects of downsizing and company closures on service delivery that I have noted

	Effect of downsizing and company closures on service delivery	strongly agree	Agree	strongly disagree	disagree	undecided
1	Inability of the council to sustain provision of services due to lack of revenue					
	Inability to undertake capital projects					
2	Inability of councils to repair water meters					
3	Council cannot afford to buy chemicals to treat water as a result residents have suffered through water and power cuts					
4	Untreated water gives rise to diseases like cholera					
5	Council fail to collect bins and remove all garbage because of lack of finance to service vehicles used to collect rubbish					
6	Poor maintenance of infrastructure by the city council					

15 Effects of downsizing and company closures on the financial position of Gweru City Council that I have noted

	effects of downsizing and company closures on financial position	strongly agree	agree	strongly disagree	Disagree	undecided
1	Lack of funds to finance debts					
2	Most rate payers cannot afford the charges due to unemployment					
3	Inability to pay statutory obligations					
4	Loss of revenue on water provision due to the use of estimates instead of actual water consumption					
5	Delays in the payment of wages and salaries					
6	Inefficiencies in the collection and levying of charges related to service provision					

16 Can these be ways of reducing or eliminating effects of downsizing and company closures on service delivery of GCC?

	ways of reducing or eliminating effects of downsizing and company closures	strongly agree	agree	strongly disagree	Disagree	undecided
1	Gweru city council can downsize their operations					
2	GCC should help informal sector to be vibrant					
3	Council should look for investors for companies facing financial problems					
4	GCC should be proactive with the companies which are downsizing and make twinning arrangements					
5	Council should improve ways of collection and levying of charges related to service provision					

Comments and suggestions

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Thank you for your co-operation in this research.

APPENDIX C

INTERVIEW GUIDE

1. What do you know about downsizing ad company closures?
2. What are the effects of downsizing on GCC service delivery?
3. What are the effects of company closures on GCC service delivery?
4. How does the amount owed by retrenches affect service delivery of GCC?
5. How does downsizing and company closures affect the financial position of GCC?
6. In your own opinion in what ways do you think effects of downsizing and company closures will be reduced?

Thank you