

Building Employee Performance Following Mass Layoffs at PT Sang Hyang Seri (Persero), South Sulawesi Branch

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Abstract

Mass termination has become an increasingly important organizational strategy in response to financial pressure, restructuring, and changing business conditions. However, workforce reduction may generate unintended consequences for employees who remain in the organization, particularly in relation to workload, job insecurity, motivation, organizational commitment, and performance. This study aims to analyze how mass termination affects employee performance and to explore how surviving employees construct and maintain their performance following workforce reduction at PT Sang Hyang Seri (Persero), South Sulawesi Branch. A qualitative case study approach was employed involving ten informants, consisting of two terminated employees, five surviving employees, and three members of management. Data were collected through in-depth interviews, field observations, and document analysis and analyzed using thematic analysis supported by source and methodological triangulation, member checking, and systematic verification. The findings indicate that mass termination generated psychological uncertainty, increased workload, weakened organizational trust, and reduced motivation, job satisfaction, teamwork, and organizational commitment among surviving employees. Nevertheless, employees demonstrated adaptive responses through performance documentation, target setting, intensive coordination, routine evaluation, skill development, and work innovation. The study further reveals that transparent communication, procedural fairness, workload redesign, training, recognition, and organizational support are critical conditions for transforming employee adaptation into sustainable performance. The study contributes to the downsizing literature by conceptualizing workforce rationalization as a conditional performance strategy rather than merely a cost-reduction mechanism.

INTRODUCTION

Employee termination, particularly when implemented on a large scale, has become an increasingly important organizational strategy in response to financial pressures, technological disruption, market uncertainty, and structural transformation. In contemporary business environments, volatile market conditions and the accelerated adoption of automation technologies frequently compel organizations to undertake substantial restructuring to maintain operational efficiency and organizational sustainability. Beyond internal financial constraints, global economic pressures and the strategic shift toward digitalization have increasingly influenced managerial decisions concerning workforce reduction (Smith & Jones, 2024). Although workforce rationalization may provide organizations with an immediate mechanism for controlling costs, its consequences extend beyond financial performance. Large-scale termination can generate substantial uncertainty among remaining employees, alter work structures, increase workload, weaken psychological security, and potentially affect organizational commitment and employee performance. Consequently, employee termination should not be understood merely as a cost-reduction mechanism but as a complex organizational intervention shaped by the interaction of macroeconomic pressures, technological transformation, human resource strategies, and organizational sustainability.

From a human resource management perspective, workforce rationalization may be accompanied by efforts to improve the performance of employees who remain within the organization. Downsizing is frequently justified as a means of streamlining organizational structures, optimizing resource allocation, and

improving productivity and competitiveness. However, the effectiveness of such a strategy depends substantially on how organizations manage the post-downsizing workforce. Employees who remain after large-scale termination are commonly required to assume additional responsibilities, adapt to changing job roles, and maintain organizational performance despite increased uncertainty. Siyal (2023) conceptualizes downsizing as an organizational strategy intended to improve efficiency, productivity, competitiveness, and organizational performance through structural adjustment. This perspective suggests that downsizing should not be evaluated exclusively based on the number of employees removed but also according to the organization's capacity to strengthen the capabilities of those who remain. Training, role restructuring, skill development, managerial support, effective communication, and a supportive work environment therefore become critical mechanisms for ensuring that surviving employees can manage increased workloads while maintaining or improving performance. Thus, workforce rationalization represents not merely employee reduction but also a process of organizational reconfiguration aimed at optimizing existing human capital.

The novelty of the present study lies in examining workforce rationalization from the perspective of rebuilding employee performance after mass termination, rather than focusing exclusively on the negative consequences of job loss. Rationalization is commonly interpreted as an efficiency-oriented intervention, whereas comparatively less attention has been given to how organizations can strategically manage the remaining workforce to sustain and improve performance following substantial workforce reductions. This issue is particularly relevant because the post-termination environment may simultaneously create greater workloads, stronger performance expectations, psychological uncertainty, and changes in interpersonal relationships. Gomez and Sanchez (2024) argue that rationalization should not be reduced to cost-cutting because it may also involve the strategic redistribution of organizational resources and responsibilities toward employees considered essential to organizational continuity. Such redistribution may include role adjustment, competency development, training, and reinforcement of organizational responsibility. Their findings suggest that the effectiveness of rationalization depends considerably on management's ability to transform employees' perceptions of insecurity into opportunities for role development and organizational contribution. In contrast to studies that primarily conceptualize termination as an organizational outcome associated with negative employee consequences, this study positions post-termination rationalization as a managerial process through which organizations seek to preserve and develop the performance of the remaining workforce. The study therefore advances the argument that rationalization may contribute to performance recovery when accompanied by transparent communication, appropriate workload management, organizational support, and employee empowerment.

The urgency of this research is associated with the need to preserve organizational performance by empowering employees who remain after large-scale workforce reductions. Following mass termination, organizational continuity depends heavily on the ability of management to mobilize, motivate, and develop employees who possess valuable competencies, institutional knowledge, and organizational experience. Martinez and Lee (2025) emphasize that empowering surviving employees should not be regarded merely as a mechanism for filling vacant positions. Rather, it represents an important strategy for restoring organizational stability, maintaining service quality, and preserving critical organizational knowledge. Employees who receive clear responsibilities, adequate resources, managerial support, and opportunities for professional development are more likely to demonstrate stronger performance, organizational loyalty, and adaptability. Accordingly, examining the experiences of employees who remain after mass termination is important for understanding how organizational performance can be maintained under conditions of structural uncertainty. The findings can provide practical recommendations concerning workload redistribution, managerial communication, employee support, performance management, and organizational recovery following workforce restructuring.

Previous studies provide mixed evidence regarding the relationship between workforce reduction and the performance of remaining employees. Some studies indicate that carefully planned workforce reduction may improve productivity by enabling organizations to simplify their structures, clarify responsibilities, and concentrate resources on employees considered strategically important. Chen and Lee

(2025), for example, argue that appropriately planned workforce reduction may encourage surviving employees to become more focused and efficient because responsibilities are redistributed and performance expectations become more explicit. From this perspective, workforce reduction can potentially function as a strategic productivity intervention when implemented through systematic planning and effective managerial control. However, this positive interpretation contrasts with studies emphasizing the psychological and behavioral consequences of downsizing. The divergence indicates that the relationship between workforce reduction and employee performance is neither linear nor universal but may depend on organizational context, managerial practices, employee perceptions, and the quality of post-termination support.

The empirical context of this study is PT Sang Hyang Seri (Persero), a state-owned enterprise operating in the agricultural sector. The company has experienced substantial financial pressures, including declining revenues and weakening financial performance, which contributed to difficulties in meeting employee wage obligations. In response to these circumstances, workforce termination was implemented as a strategic measure intended to preserve operational continuity and prevent further financial deterioration. However, the consequences of mass termination extend beyond the employees whose employment relationships were terminated. Employees who remain may experience substantial increases in workload because they are required to assume responsibilities previously performed by their former colleagues. At the same time, the organization may face significant financial obligations associated with severance payments and other employee entitlements, potentially requiring asset liquidation or restructuring of organizational resources.

This situation illustrates an important managerial paradox. Workforce reduction may be introduced to restore organizational efficiency, yet the immediate consequences for surviving employees may include workload intensification, psychological insecurity, weakened interpersonal relationships, reduced motivation, and declining performance. Garcia and Rodriguez (2025) similarly suggest that when organizations experience declining revenues and financial distress, termination is often used as a mechanism for restoring financial balance. However, the resulting workload intensification and financial burden associated with employee compensation can create additional organizational challenges. Therefore, the consequences of mass termination need to be evaluated not only in terms of short-term financial efficiency but also in terms of organizational capability, employee performance, and long-term sustainability.

The strategic importance of PT Sang Hyang Seri (Persero) further strengthens the relevance of this research. The company is not solely oriented toward commercial activities but also contributes to Indonesia's broader agricultural and food-security agenda. As part of the ID FOOD ecosystem, PT Sang Hyang Seri plays a strategic role in the agricultural sector, particularly through the provision of certified superior seeds and the adoption of technological innovations intended to support sustainable national food self-sufficiency (Iqbal et al., 2023). In such an organization, human resources constitute a critical organizational asset because employees support production, distribution, administration, service delivery, coordination, and other operational activities associated with agricultural supply chains. Consequently, disruptions in employee performance following organizational restructuring may have implications beyond internal organizational outcomes and potentially affect the continuity of strategic agricultural functions.

The organizational context of PT Sang Hyang Seri (Persero) makes it particularly important to examine how employees interpret and respond to mass termination. The organization operates within a sector characterized by operational complexity and strategic importance to national food security. Nevertheless, empirical research specifically examining the experiences and performance of surviving employees following mass termination at PT Sang Hyang Seri (Persero), particularly in its South Sulawesi branch, remains limited. This contextual gap provides an opportunity to investigate how employees reconstruct the meaning of performance, adapt to increased responsibilities, and respond to organizational interventions after substantial workforce restructuring.

Table 1. Comparison of Employee Performance Before and After Mass Termination

No.	Performance Indicator	Before Termination (%)	Mass After Termination (%)	Mass Decline (%)	Observed Impact
1	Work quality	80–90	50–60	25–35	Significant decline
2	Work quantity	90–95	55–65	30–40	Significant decline
3	Timeliness	85–90	40–50	35–45	Significant decline
4	Cost effectiveness	85–90	60–70	15–25	Decline
5	Work autonomy	80–85	40–50	30–40	Significant decline
6	Teamwork	85–90	40–50	35–45	Significant decline
7	Management trust	80–85	30–40	40–50	Very significant decline
8	Work motivation	80–85	35–45	35–45	Significant decline
9	Job satisfaction	75–80	30–40	35–45	Significant decline
10	Organizational commitment	80–85	30–40	40–50	Very significant decline

Source: Processed from preliminary observations and exploratory interviews with employees of PT Sang Hyang Seri (Persero), South Sulawesi Branch, 2026.

The preliminary evidence presented in Table 1 indicates a substantial decline across all observed employee-performance indicators following mass termination. The decline is particularly pronounced in management trust and organizational commitment, followed by timeliness, teamwork, motivation, job satisfaction, and work autonomy. These preliminary findings suggest that mass termination affects not only employees' technical capacity to perform their jobs but also the psychological and social dimensions of organizational life. Importantly, the data should be interpreted as preliminary empirical evidence derived from observation and interviews rather than as statistically validated population estimates. This distinction is important because the present study adopts a qualitative research design and therefore seeks to understand the meanings, experiences, perceptions, and adaptation mechanisms underlying these observed changes.

The phenomenon is also relevant from an Islamic perspective, particularly concerning justice, mutual assistance, and ethical employment relationships. Islamic teachings emphasize cooperation and mutual support as fundamental principles of social and economic interaction. The Qur'an states:

وَتَعَاوَنُوا عَلَى الْبِرِّ وَالتَّقْوَىٰ ۖ وَلَا تَعَاوَنُوا عَلَى الْإِثْمِ وَالْعُدْوَانِ ۚ وَاتَّقُوا اللَّهَ ۚ إِنَّ اللَّهَ شَدِيدُ الْعِقَابِ ﴿٥٢﴾

"And cooperate in righteousness and piety, but do not cooperate in sin and aggression. And fear Allah; indeed, Allah is severe in punishment." (Qur'an, Al-Ma'idah 5:2).

The principle of mutual assistance is also reflected in the Prophetic tradition narrated by Muslim:

...مَنْ فَرَّجَ عَنْ مُؤْمِنٍ كُرْبَةً مِنْ دُنْيَا، فَرَّجَ اللَّهُ عَنْهُ كُرْبَةً مِنْ كُرْبٍ يَوْمَ الْقِيَامَةِ

"Whoever relieves a believer from one of the difficulties of this world, Allah will relieve him from one of the difficulties of the Day of Resurrection..." (Sahih Muslim; also commonly cited in al-Nawawi's Forty Hadith, Hadith 36).

This principle provides an ethical foundation for understanding organizational responsibility toward employees, particularly during periods of financial difficulty and restructuring. Organizational efficiency should therefore be balanced with concern for employee welfare, fairness, and mutual responsibility.

The Qur'an further states:

يَا أَيُّهَا الَّذِينَ ءَامَنُوا لَا تَأْكُلُوا أَمْوَالَكُمْ بَيْنَكُمْ بِالْبَاطِلِ إِلَّا أَنْ تَكُونَ تِجَارَةً عَنْ تَرَاضٍ مِنْكُمْ ۚ وَلَا تَقْتُلُوا أَنْفُسَكُمْ ۚ إِنَّ اللَّهَ كَانَ بِكُمْ رَحِيمًا

"O believers! Do not consume one another's wealth unjustly, but only through lawful trade by mutual consent. And do not harm yourselves or one another. Surely Allah is ever Merciful to you." (Qur'an, An-Nisa 4:29).

This verse provides an important ethical foundation for employment relationships. Organizational transactions, including employer–employee relationships, should be characterized by justice, transparency,

mutual consent, and respect for human dignity. From an Islamic management perspective, organizational restructuring should therefore seek to balance organizational sustainability with the protection of employee rights and welfare. Mass termination conducted without adequate consideration of employee rights, procedural fairness, and humane treatment may create ethical tensions with these principles. Conversely, organizational restructuring that is conducted transparently, fairly, and with appropriate support for affected and surviving employees may be more consistent with Islamic principles of justice and mutual responsibility.

The research gap becomes more apparent when the findings of previous studies are compared. Mayasari (2025), Haldorai, Kim, and Phetvaroon (2023), and Harmen et al. (2025) report predominantly negative consequences of workforce termination and downsizing for surviving employees, including reduced motivation, psychological well-being, organizational morale, and performance. These findings are broadly consistent with the preliminary evidence identified at PT Sang Hyang Seri (Persero), where substantial declines were observed across several dimensions of employee performance. However, Chen and Lee (2025) provide a contrasting perspective by arguing that carefully managed workforce reduction can potentially increase productivity among surviving employees through clearer responsibilities and improved resource allocation. Similarly, Habibi et al. (2025), through a systematic literature review, conclude that downsizing does not necessarily generate the efficiency gains anticipated by organizations and may instead produce adverse employee outcomes. These contradictory findings demonstrate that workforce reduction cannot be assumed to have a universally positive or negative effect.

Other studies further complicate this relationship. Sajjadi et al. (2023) highlight the phenomenon of turnover contagion, whereby announcements of layoffs can increase voluntary turnover among surviving employees, particularly among high-performing employees who possess stronger external employment opportunities. Moore et al. (2024) similarly demonstrate that downsizing can reshape employment relationships and employee perceptions of organizational support. Meanwhile, Halim et al. (2025) and van Dick et al. (2016) emphasize the importance of organizational context and survivor syndrome in explaining how employees respond to organizational restructuring. These findings indicate that the consequences of workforce reduction are mediated by multiple organizational and psychological mechanisms, including perceived fairness, job insecurity, organizational identification, managerial communication, social support, and employee trust.

The empirical contradiction is also evident in quantitative findings reported in previous studies. Mayasari (2025), for example, found that termination was negatively associated with work motivation ($\beta = -0.42$, $p < 0.001$) and employee performance ($\beta = -0.28$, $p < 0.001$). These findings suggest that termination can create adverse consequences for employees who remain within the organization. By contrast, Chen and Lee (2025) demonstrate that appropriately planned workforce reduction can encourage surviving employees to become more focused

METHODS

2.1 Research Approach and Design

This study employed a qualitative research approach using an interpretive descriptive design to explore how mass termination affects the performance, perceptions, attitudes, and adaptive strategies of surviving employees at PT Sang Hyang Seri (Persero), South Sulawesi Branch. A qualitative approach was considered appropriate because the phenomenon under investigation involves complex psychological, social, organizational, and economic dimensions that cannot be adequately captured through numerical indicators alone. The study therefore sought to understand not only what changes occurred following mass termination, but also how and why employees experienced, interpreted, and responded to those changes.

Qualitative inquiry is particularly appropriate when researchers seek to understand the meanings individuals attribute to social and organizational phenomena within their natural contexts (Creswell & Creswell, 2023). In the context of this study, the phenomenon of mass termination was examined from the

perspectives of employees who experienced termination, employees who remained in the organization, and organizational management. This multi-perspective design enabled the researchers to examine the phenomenon beyond a single employee group and to identify convergences and divergences in perceptions regarding workload, job security, motivation, organizational commitment, managerial support, and performance.

The study was designed as a single organizational case study, with PT Sang Hyang Seri (Persero), South Sulawesi Branch, serving as the bounded research setting. The case was selected because the organization experienced substantial workforce restructuring while simultaneously maintaining a strategic role in the agricultural sector and national food-security agenda. The case-study orientation allowed the researchers to investigate the phenomenon within its organizational, institutional, and socioeconomic context rather than isolating employee performance from the circumstances surrounding the mass termination.

To strengthen the methodological rigor of the study, source triangulation and methodological triangulation were employed. Source triangulation involved comparing information obtained from terminated employees, surviving employees, and management. Methodological triangulation involved integrating semi-structured in-depth interviews, non-participant observation, and document analysis. The combination of these sources and methods enabled the researchers to examine the consistency of evidence and reduce the possibility that the findings would be shaped by a single source, method, or perspective.

2.2 Research Setting and Period

2.2.1 Research Setting

The study was conducted at PT Sang Hyang Seri (Persero), South Sulawesi Branch, located in Maros Regency, South Sulawesi, Indonesia. The research setting was selected purposively because the branch provides a relevant empirical context for examining employee experiences following mass termination. PT Sang Hyang Seri (Persero) operates in the agricultural sector and has an organizational role related to the provision and management of agricultural inputs, particularly certified superior seeds. Consequently, organizational restructuring within the company has implications not only for internal human resource management but also for the continuity of operational activities associated with the agricultural sector. The organizational setting was treated as an integral component of the analysis. Particular attention was given to the interaction between workforce restructuring, changes in employee responsibilities, organizational communication, managerial support, interpersonal relations, and employee performance.

2.2.2 Research Period

The research was conducted over approximately two months, covering the preparation of research instruments, field access, data collection, data organization, coding, thematic analysis, triangulation, member checking, and preparation of the research findings. The fieldwork period included repeated engagement with the research setting to ensure that the researchers obtained sufficiently rich information and did not rely solely on one-time interactions with participants. Where necessary, follow-up interviews and clarification sessions were conducted to deepen or verify emerging findings.

2.3 Unit of Analysis and Participant Selection

2.3.1 Unit of Analysis

The primary unit of analysis was the experience of employees in relation to organizational and performance changes following mass termination. Rather than treating the total number of employees as the sole analytical unit, the study focused on the experiences, perceptions, interpretations, and adaptive responses of individuals situated within different positions in the post-termination organizational structure.

The accessible population comprised employees working at the South Sulawesi Branch who remained employed following the mass termination. Preliminary organizational information indicated that 10 employees were associated with the relevant post-termination context. In qualitative research, however, participant selection is determined primarily by the relevance and richness of information rather than statistical representativeness (Creswell & Creswell, 2023). Therefore, the study used purposive selection to identify participants capable of providing information directly relevant to the research questions.

2.3.2 Participant Selection

Participants were selected using purposive sampling, whereby individuals were deliberately selected based on their knowledge, experience, and direct involvement in the phenomenon being investigated. Purposive sampling is appropriate for qualitative research because participants are selected according to their ability to provide information-rich accounts of the research phenomenon. The inclusion criteria were established as follows:

Table 3.1. Participant Inclusion Criteria

Participant Group	Inclusion Criteria
Employees affected by termination	Former employees who had worked for the organization for more than five years and directly experienced termination
Surviving employees	Employees who remained with the organization following mass termination and continued to perform their organizational responsibilities
Organizational management	Managers or organizational leaders directly involved in financial, operational, marketing, human resource, or workforce-restructuring decisions
Relevant external stakeholders	Government officials or other institutional actors with knowledge of employment termination and labor-related matters relevant to the case

The final participant group consisted of 10 informants, representing terminated employees, surviving employees, and organizational management.

Table 3.2. Research Participants

No.	Participant Group	Number	Participant Code/Name	Position/Background
1	Terminated employees	2	Kurnia; Asrul	Former administrative and finance staff
2	Surviving employees	5	Zulfikar; Anzar; Agus; Rubyn; Marwan	Staff, supervisors, and coordinators representing different departments
3	Organizational management	3	Syamsuding; Junaidin; Candra	Finance Manager, Operations Manager, and Marketing Manager
Total		10		

Source: Researcher-processed data, 2026.

For publication purposes, participant names should preferably be replaced with pseudonyms or participant codes (e.g., P1–P10) unless explicit written consent was obtained for the disclosure of participants' identities. This approach is particularly important because the study concerns employment termination and potentially sensitive organizational information. Participant recruitment continued until the researchers considered the collected data sufficiently rich to address the research questions and no substantively new dimensions were emerging from subsequent interviews. The principle of information power was also considered, meaning that the adequacy of the sample was assessed based on the specificity

of the study aim, the quality of dialogue with participants, the use of established theory, and the relevance of participants to the research phenomenon.

2.4 Data Collection Procedures

Data were collected using three complementary techniques: semi-structured in-depth interviews, non-participant observation, and document analysis. The integration of these techniques was intended to generate a comprehensive account of the organizational consequences of mass termination.

2.4.1 Semi-Structured In-Depth Interviews

Semi-structured interviews constituted the primary source of empirical data. Interviews were conducted with participants from each of the three principal groups: terminated employees, surviving employees, and organizational management. The interview protocol consisted of open-ended questions organized around several analytical domains:

1. perceptions of the mass termination process;
2. employees' experiences before and after termination;
3. changes in workload and job responsibilities;
4. perceptions of job security;
5. changes in motivation and job satisfaction;
6. interpersonal and teamwork dynamics;
7. organizational trust and commitment;
8. managerial communication and organizational support;
9. strategies used by surviving employees to maintain performance; and
10. organizational interventions intended to stabilize performance following workforce restructuring.

Each interview lasted approximately 45–90 minutes, depending on the participant's role and the depth of the discussion. With participants' consent, interviews were audio-recorded and subsequently transcribed verbatim. Field notes were also prepared to document contextual observations, non-verbal responses, and emerging analytical reflections. Follow-up questions were used when participants provided responses requiring clarification, elaboration, or contextual interpretation. This flexible interview strategy allowed the researchers to pursue issues emerging during fieldwork while maintaining consistency with the research objectives.

2.4.2 Observation

Non-participant observation was conducted to examine the organizational environment following mass termination. Observation focused on:

1. workplace atmosphere;
2. employee interactions;
3. workload distribution;
4. task allocation;
5. teamwork;
6. employee discipline;
7. communication patterns;
8. managerial–employee interactions; and
9. behavioral manifestations of adaptation to organizational restructuring.

Observation was conducted over approximately six weeks, allowing the researchers to identify recurring patterns rather than relying exclusively on isolated observations. The observation process was documented through structured field notes. These records were subsequently compared with interview accounts to identify similarities, discrepancies, and contextual explanations.

2.4.3 Document Analysis

Document analysis was used to provide contextual and corroborative evidence. Relevant documents included:

1. company profiles;
2. employee records where access was ethically and legally permissible;
3. workforce-restructuring policies;
4. termination decisions and related employment documents;
5. employee performance records;
6. relevant organizational regulations;
7. government labor regulations;
8. internal communications concerning workforce restructuring; and
9. relevant public reports and media coverage.

Documents were not treated as automatically authoritative. Instead, they were critically assessed in terms of their source, purpose, date, relevance, and consistency with interview and observation data. The integration of interviews, observations, and documentary evidence enabled methodological triangulation and strengthened the overall credibility of the findings.

2.5 Data Analysis

Data analysis was conducted iteratively throughout the research process rather than being postponed until all fieldwork had been completed. The analysis followed a thematic approach involving data familiarization, coding, categorization, theme development, comparison, interpretation, and verification.

2.5.1 Data Familiarization and Reduction

First, interview transcripts, observation notes, and relevant documents were systematically organized and reviewed. The researchers repeatedly read the data to develop familiarity with participants' narratives and identify potentially relevant statements.

Data were subsequently condensed according to the research objectives. Initial coding focused on issues such as:

1. perceptions of mass termination;
2. workload changes;
3. job insecurity;
4. work environment;
5. interpersonal relationships;
6. management trust;
7. work motivation;
8. organizational commitment;
9. performance adaptation;
10. managerial support; and
11. strategies for maintaining productivity.

Data reduction did not involve eliminating contradictory evidence. Instead, divergent accounts were retained because differences between participant groups were considered analytically important.

2.5.2 Initial Coding and Categorization

The researchers conducted systematic coding of interview transcripts and field notes. Codes were initially generated from participants' statements and subsequently compared across cases and participant groups. Both deductive and inductive coding were employed. Deductive codes were informed by the research questions and existing concepts such as job insecurity, organizational support, employee

performance, and survivor experiences. Inductive coding allowed themes not anticipated during the initial research design to emerge directly from the empirical data. Related codes were then grouped into broader categories. For example, codes related to workload intensification, role expansion, task accumulation, and time pressure could be grouped under the broader category of post-termination work intensification.

2.5.3 Theme Development

The categories were further developed into broader themes that represented recurring patterns in participants' experiences. The researchers examined relationships among themes and considered whether particular experiences differed according to participant position. For example, management may interpret workforce reduction as an efficiency-oriented intervention, whereas surviving employees may interpret the same intervention as workload intensification or a threat to job security. Such differences were analyzed as part of the organizational meaning-making process rather than treated simply as inconsistencies.

2.5.4 Cross-Source Comparison and Triangulation

The emerging themes were compared across participant groups and data sources. The analysis specifically examined whether accounts from terminated employees, surviving employees, and management converged or diverged.

Triangulation was used to compare:

Source dimensions:

1. terminated employees;
2. surviving employees; and
3. organizational management.

Methodological dimensions:

1. interviews;
2. observations; and
3. documents.

Where inconsistencies were identified, the researchers returned to the original transcripts, field notes, or documents and, where appropriate, conducted follow-up clarification with participants.

2.5.5 Interpretation

The final stage involved interpreting the themes within the organizational context of PT Sang Hyang Seri (Persero). The interpretation focused on explaining how mass termination influenced the experiences and performance of surviving employees and identifying the organizational conditions that either constrained or facilitated performance recovery. The analysis therefore moved beyond descriptive reporting toward an explanation of the mechanisms through which employees adapted to post-termination conditions. Particular attention was given to organizational support, communication, workload redistribution, perceived fairness, trust, motivation, commitment, and adaptive strategies. The analytical process can be summarized as follows:

Raw Data → Familiarization → Initial Coding → Categorization → Theme Development → Cross-Source Comparison → Triangulation → Member Checking → Interpretation → Findings

2.6 Source and Methodological Triangulation

Triangulation was central to the methodological rigor of this study. Rather than assuming that a single participant account represented the organizational reality, the researchers compared evidence from multiple perspectives.

2.6.1 Source Triangulation

Source triangulation involved comparison among:

1. employees who experienced termination;

2. employees who survived the workforce reduction; and
3. organizational management.

The terminated employees provided information concerning the termination process and its consequences, surviving employees provided insight into changes in workload, workplace conditions, motivation, and performance, while management provided information concerning organizational decisions, financial conditions, workforce policies, and post-termination interventions. The comparison of these perspectives allowed the researchers to identify areas of consensus, disagreement, and contextual difference.

2.6.2 Methodological Triangulation

Methodological triangulation involved the integration of:

1. semi-structured interviews;
2. workplace observation; and
3. documentary evidence.

For example, claims regarding increased workload were examined through employees' interview narratives, observation of work distribution and activities, and available organizational records. This approach strengthened the evidentiary basis of the findings and reduced reliance on self-reported information alone.

2.7 Research Quality and Trustworthiness

The trustworthiness of qualitative research was assessed using four widely recognized criteria: credibility, transferability, dependability, and confirmability.

2.7.1 Credibility

Credibility refers to the extent to which the findings accurately represent participants' experiences and the phenomenon under investigation. Several strategies were employed to strengthen credibility. First, source and methodological triangulation was conducted by comparing information from different participant groups and data-collection methods. Second, member checking was conducted by presenting preliminary interpretations or selected findings to participants for confirmation. Participants were invited to clarify whether the researchers' interpretations adequately represented their experiences. Where discrepancies occurred, the researchers revisited the relevant data and modified interpretations where justified. Third, prolonged engagement was used through repeated interaction with the research setting. Extended observation enabled the researchers to develop contextual understanding and distinguish recurring organizational patterns from isolated incidents. Fourth, peer debriefing was undertaken through discussions with academic supervisors and research peers. These discussions were used to challenge preliminary interpretations, identify possible researcher assumptions, and assess the coherence of the analytical process.

2.7.2 Transferability

Transferability concerns the extent to which findings may be considered relevant to other contexts with comparable characteristics. Because qualitative research does not seek statistical generalization, this study provides thick description of the organizational context, workforce restructuring process, participant characteristics, and post-termination working conditions. Detailed contextual description enables readers and future researchers to determine whether the findings are applicable to other organizations experiencing similar workforce restructuring.

2.7.3 Dependability

Dependability refers to the consistency and transparency of the research process. To strengthen dependability, the researchers maintained an audit trail documenting the major stages of the research,

including participant selection, interview procedures, observation records, coding decisions, theme development, methodological changes, triangulation procedures, and interpretation. The audit trail provides a transparent record of how empirical evidence was transformed into analytical findings.

2.7.4 Confirmability

Confirmability concerns the extent to which findings are grounded in empirical evidence rather than researcher preferences or assumptions. The researchers maintained reflexive awareness throughout data collection and analysis by documenting analytical decisions and potential sources of interpretation bias. Conclusions were linked to interview transcripts, observation records, and documentary evidence. Contradictory evidence was retained and considered during interpretation rather than selectively excluded. Source and methodological triangulation further strengthened confirmability by requiring important findings to be supported by evidence from multiple perspectives where possible.

2.8 Ethical Considerations

Because the study addresses employment termination, job insecurity, organizational performance, and potentially sensitive managerial decisions, ethical considerations were incorporated throughout the research process. Participation was voluntary, and participants were informed of the purpose of the study and their right to decline participation or withdraw from the research. Informed consent was obtained before interviews were conducted. Participants were also informed about the intended use of the research data. Confidentiality was maintained by limiting access to raw research materials and, where appropriate, replacing participants' real names with pseudonyms or participant codes. Organizational information that could identify individual employees or disclose confidential corporate information was treated cautiously. The researchers also sought to minimize potential risks associated with discussing termination and employment conditions. Interview questions were designed to avoid unnecessary disclosure of sensitive personal information, and participants were allowed to decline to answer questions they considered uncomfortable.

2.9 Analytical Objectives and Expected Research Outputs

The methodological framework was designed to achieve four principal analytical objectives. First, the study sought to identify the consequences of mass termination for different organizational stakeholders, including terminated employees, surviving employees, and management. Second, the study examined how the termination process was implemented and how employees perceived its fairness, transparency, and consistency with applicable employment regulations. Third, the study investigated the consequences of mass termination for employee performance, organizational climate, employee relationships, managerial trust, motivation, organizational commitment, and workplace stability. Fourth, the study aimed to develop evidence-based recommendations for improving human resource management and organizational recovery following workforce restructuring.

The expected outputs of the study include:

1. a comprehensive narrative account of the experiences of terminated and surviving employees;
2. a thematic framework explaining the relationship between mass termination and post-termination employee performance;
3. a comparative analysis of perspectives among employees and management;
4. identification of organizational mechanisms that facilitate or constrain performance recovery; and
5. practical recommendations for organizational management and relevant stakeholders.

2.10 Methodological Contribution

The methodological contribution of this study lies in its integration of multi-perspective qualitative inquiry, source triangulation, methodological triangulation, and contextual analysis within a strategically important state-owned agricultural enterprise. Rather than conceptualizing mass termination solely as an

organizational cost-reduction strategy, the study investigates how workforce restructuring reshapes the experiences and performance of surviving employees. This enables the research to examine the conditions under which rationalization may result in performance deterioration or, alternatively, become a mechanism for performance rebuilding. The methodological design therefore supports a more nuanced understanding of post-termination organizational dynamics by examining not only the consequences of workforce reduction but also the managerial processes, employee interpretations, organizational support mechanisms, and adaptive strategies that shape post-termination performance.

RESULTS AND DISCUSSION

4.1 Results

This study examined the impact of mass termination on employee performance and the post-termination experiences of surviving employees at PT Sang Hyang Seri (Persero), South Sulawesi Branch. Data were obtained through in-depth interviews with 10 informants comprising five surviving employees, two employees affected by termination, and three members of organizational management. These interviews were complemented by approximately six weeks of field observation and document analysis. The data were analyzed through thematic coding, source triangulation, methodological triangulation, and member checking. The findings indicate that mass termination generated a multidimensional organizational impact. The consequences were not limited to changes in the number of employees but extended to workload, psychological security, workplace atmosphere, communication, perceived procedural fairness, employee motivation, organizational trust, and strategies for maintaining performance. At the same time, surviving employees demonstrated considerable adaptive capacity through self-regulation, target setting, work documentation, teamwork, and proactive efforts to demonstrate their organizational value.

3.1.1 Changes in the Post-Termination Work Environment

Field observations revealed a substantial transformation in the workplace environment following mass termination. The reduction in the number of employees made the office environment quieter and less socially interactive. Communication among surviving employees remained functional, but interactions became more cautious and increasingly focused on work-related matters. Rubyn described the workplace as becoming “quieter,” while Anzar perceived greater tension because employees were required to achieve larger targets amid uncertainty regarding possible additional termination. The most prominent organizational change was the increase in workload. Observational evidence showed more intensive employee activity, frequent overtime, work being taken home, and coordination meetings extending beyond normal working hours. All five surviving employees consistently reported that their workload increased after the workforce reduction.

This finding indicates that the organization reduced its human resources without implementing an equivalent reduction in operational responsibilities. Consequently, tasks previously distributed among a larger workforce were redistributed among fewer employees.

Table 4.1. Observed Changes in Employee Performance Before and After Mass Termination

No.	Performance Dimension	Before Termination (%)	After Termination (%)	Reported Decline (%)	Observed Impact
1	Work quality	80–90	50–60	25–35	Significant decline
2	Work quantity	90–95	55–65	30–40	Significant decline
3	Timeliness	85–90	40–50	35–45	Significant decline
4	Cost effectiveness	85–90	60–70	15–25	Moderate decline
5	Work independence	80–85	40–50	30–40	Significant decline
6	Teamwork	85–90	40–50	35–45	Significant decline

7	Management trust	80–85	30–40	40–50	Very significant decline
8	Work motivation	80–85	35–45	35–45	Significant decline
9	Job satisfaction	75–80	30–40	35–45	Significant decline
10	Organizational commitment	80–85	30–40	40–50	Very significant decline

Source: Preliminary observation and interviews with employees of PT Sang Hyang Seri (Persero), South Sulawesi Branch, 2026. The percentages represent indicative observational estimates and are not inferential statistical measurements.

Table 4.1 indicates that the most substantial perceived changes concerned management trust and organizational commitment, followed by timeliness, teamwork, motivation, job satisfaction, and work independence. The pattern suggests that the consequences of mass termination were simultaneously behavioral, psychological, relational, and performance-related.

3.1.2 Employee Perceptions of Mass Termination

The initial reaction to the termination was dominated by shock, anxiety, uncertainty, and fear. These responses appeared among surviving employees, terminated employees, and management. Surviving employees expressed concern that they could become the next victims, particularly those with family responsibilities. Terminated employees reported shock and sadness because of their relatively long tenure and their inability to anticipate the termination decision. Management personnel also reported being shocked by the decision, although they recognized the company's financial difficulties. The findings further demonstrate a distinction between the economic rationality of termination and its procedural legitimacy. Most informants understood the economic rationale because the company was experiencing financial difficulties and was reportedly unable to sustain its payroll obligations. However, they questioned the fairness of the employee-selection process because the criteria were perceived as insufficiently transparent. A particularly important finding was the communication gap between management and employees. Management indicated that formal socialization had taken place, but acknowledged that information did not reach lower organizational levels comprehensively. Employees similarly reported that information delivered through formal online meetings was difficult to understand and that the criteria used to determine termination were unclear.

Table 4.2. Thematic Coding of Employee Perceptions of Mass Termination

Theme	Empirical Evidence	Interpretation
Psychological uncertainty	Fear and anxiety regarding possible termination	Elevated job insecurity
Information asymmetry	Information did not reach lower organizational levels equally	Communication gap
Unclear termination criteria	Employees questioned the basis for selection	Perceived procedural injustice
Economic rationality	Employees recognized financial difficulties	Termination viewed as economically understandable
Perceived unfairness	Productive employees perceived themselves as being unfairly selected	Reduced organizational trust
Emotional shock	Terminated and surviving employees reported shock and concern	Psychological disruption

Source: Thematic analysis of interviews and field observations, 2026.

3.1.3 Responses of Surviving Employees

Despite the negative consequences, surviving employees did not respond passively. They developed several adaptive strategies to maintain performance. These included setting daily, weekly, and monthly targets; documenting work achievements; conducting routine evaluations; coordinating intensively with colleagues; checking work repeatedly; learning new skills; and attempting small innovations. For example, employees created performance reports and portfolios to demonstrate their contributions. One participant prepared a portfolio as a precaution against possible future termination. This behavior demonstrates that performance documentation was not merely an administrative activity but also a strategy for establishing individual organizational value.

Table 4.3. Performance Adaptation Strategies among Surviving Employees

Adaptive Strategy	Empirical Pattern	Functional Purpose
Daily performance documentation	Employees recorded achievements daily	Demonstrating contribution
Portfolio development	Employees documented work achievements	Preparing evidence of organizational value
Target setting	Daily, weekly, and monthly targets	Maintaining performance orientation
Team coordination	Intensive coordination with supervisors and colleagues	Preventing work omissions
Routine evaluation	Daily and weekly reviews	Detecting problems and improving performance
Quality checking	Rechecking completed work	Maintaining accuracy
Innovation	Small-scale work innovations	Improving efficiency
Skill development	Learning new ways of working	Adapting to expanded responsibilities

Source: Interview coding, 2026.

3.1.4 Organizational Support and Motivation

The study identified a significant gap between employees' increased performance demands and organizational support. Management introduced short training sessions, primarily through online platforms, but employees considered these interventions insufficient. Training for production and marketing functions was reportedly unavailable or limited. At the same time, management attempted to maintain employee motivation through bonuses, salary increases, performance evaluations, and increased flexibility in achieving targets. Employees generally regarded bonuses and salary increases as motivating, although they did not perceive these measures as fully compensating for the additional workload. The study also found an information gap concerning government assistance. Management reported that the company's condition had been communicated to the government, while some employees were unaware of these initiatives. This discrepancy further illustrates the communication gap between organizational leadership and employees. Overall, the findings reveal a paradox: employees were required to perform more under conditions of reduced organizational capacity, while their formal support mechanisms remained relatively limited.

DISCUSSION

The findings demonstrate that mass termination at PT Sang Hyang Seri (Persero), South Sulawesi Branch, should not be interpreted merely as a numerical reduction in the workforce. Rather, termination constitutes a multidimensional organizational event that restructures employees' psychological conditions, work responsibilities, interpersonal relationships, perceptions of fairness, and performance strategies. The central finding of this study is that workforce reduction generated a performance vulnerability paradox: the organization expected surviving employees to maintain or increase productivity, while simultaneously exposing them to greater workload, job insecurity, and uncertainty.

3.2.1 Mass Termination, Job Insecurity, and Employee Performance

The first major finding concerns the psychological consequences of termination. Almost all participants reported shock, anxiety, fear, or uncertainty when learning about the workforce reduction. Importantly, these reactions were not confined to terminated employees. Surviving employees also experienced anxiety because they perceived the possibility of becoming victims of subsequent termination. Management similarly experienced shock, demonstrating that the termination process represented an organizational crisis rather than an ordinary human-resource decision. This finding can be interpreted through the lens of job insecurity. When employees perceive that their employment continuity is uncertain, they may redirect cognitive and emotional resources from productive activities toward self-protection. In this study, surviving employees remained productive, but their productivity increasingly required additional individual effort. Thus, the absence of immediate employment loss did not imply psychological stability. This finding is consistent with previous evidence cited in the study showing that job insecurity following workforce reduction can negatively affect employee performance and innovative behavior. The current findings extend this perspective by demonstrating that employees may simultaneously experience performance deterioration and performance-preserving behavior. In other words, employees do not necessarily stop working hard; instead, they may work harder while experiencing greater psychological pressure.

3.2.2 Procedural Justice as a Critical Mechanism

The second major finding concerns procedural justice. Employees generally understood why the company needed to reduce labor costs, but they questioned whether the selection process was fair. This distinction is important because employees' acceptance of an organizational decision depends not only on its outcome but also on how the decision is made. The study identified several weaknesses in procedural justice: inconsistent perceptions of employee selection, limited access to information, insufficient employee representation, and uncertainty regarding the criteria used to determine termination. The evidence is particularly strong because perceptions of unfairness emerged from different participant groups. Surviving employees questioned why some productive employees were terminated, while terminated employees similarly believed that their contribution had not been adequately considered. The convergence between these accounts strengthens the interpretation that perceived procedural injustice was not an isolated individual complaint. The implication is that financial necessity does not automatically create employee acceptance. An economically rational decision may still be perceived as organizationally illegitimate when communication, representation, consistency, and transparency are weak. This finding supports research emphasizing the importance of procedural justice, transparent communication, and empathetic management practices in reducing the negative consequences of workforce reduction. The case of PT Sang Hyang Seri indicates that the absence of these mechanisms can amplify the negative psychological consequences of termination.

3.2.3 Work Intensification and the Survivor Performance Paradox

A third important finding concerns work intensification. All surviving employees reported increased workload after the reduction in personnel. Field observations confirmed this pattern through increased work intensity, overtime, work carried home, and extended coordination activities. This finding reveals a survivor performance paradox. Employees who remain in the organization are simultaneously expected to compensate for the loss of human resources and to maintain organizational performance. Consequently, the immediate preservation of organizational output may depend on employees' willingness to expend additional physical and psychological resources. However, such a strategy may not be sustainable. Increased workload without adequate organizational support can eventually generate exhaustion, disengagement, reduced job satisfaction, and turnover intention. The study therefore suggests that maintaining performance through employee effort alone is not equivalent to achieving sustainable

organizational performance. This distinction is particularly important for management. If productivity is maintained only because surviving employees work longer hours and take on additional responsibilities, the organization may experience a delayed performance crisis. Short-term performance preservation may therefore conceal longer-term risks related to burnout, turnover, and loss of organizational knowledge.

3.2.4 Self-Regulation as an Employee-Level Adaptation Mechanism

Despite these pressures, surviving employees demonstrated significant adaptive capacity. They created daily reports, established performance targets, developed portfolios, coordinated with teams, evaluated performance, and attempted small-scale innovations. These behaviors can be interpreted as forms of self-regulation. Employees responded to organizational uncertainty by increasing their own monitoring, target setting, performance evaluation, and behavioral adjustment. The portfolio strategy is particularly interesting because it represents both performance management and employment-risk management. Employees were effectively communicating: “I must demonstrate that I remain valuable to the organization.” Therefore, the study identifies an important mechanism through which employees respond to organizational insecurity: rather than simply withdrawing effort, they may increase visible performance behaviors to protect their employment position. Nevertheless, this mechanism should not be interpreted as evidence that termination is beneficial to productivity. Rather, it demonstrates employees' adaptive capacity under pressure. If the pressure remains excessive, the same adaptive mechanism may eventually become counterproductive.

3.2.5 Organizational Support as the Missing Link

The findings further indicate that organizational support was insufficient relative to the new demands placed upon surviving employees. Training was limited, often delivered through online platforms, and did not adequately cover production and marketing functions. This represents a gap between intended HR strategy and realized HR practice. Management expressed an intention to develop employee skills and maintain performance, but implementation remained partial. The theoretical implication is that employee performance following workforce reduction should not be examined solely through individual motivation. Performance is shaped by the interaction between employee effort and organizational resources. Thus, increasing performance targets without simultaneously increasing support can create a perceived imbalance between employee contributions and organizational rewards. Although bonuses and salary increases were positively received, employees still perceived the compensation as insufficient relative to the additional workload.

Table 4.4. Integrated Findings and Theoretical Interpretation

Empirical Finding	Employee Consequence	Organizational Implication	Theoretical Interpretation
Mass termination	Shock, anxiety, uncertainty	Reduced psychological stability	Job insecurity
Unclear selection criteria	Perceived unfairness	Reduced organizational trust	Procedural justice
Reduced workforce	Increased workload	Work intensification	Job demands
Increased targets	Performance pressure	Risk of exhaustion	Demand–support imbalance
Limited training	Reduced perceived support	Skill-development gap	Perceived organizational support
Performance documentation	Increased self-monitoring	Visible contribution	Self-regulation
Team coordination	Better task continuity	Collective adaptation	Social support

Bonuses and salary increases	Increased motivation	Partial compensation	Organizational reward/equity
Uncertainty about future	Vigilance and contingency planning	Turnover risk	Job insecurity
Strategic optimism	Hope for organizational recovery	Need for clearer communication	Organizational resilience

3.2.6 Toward a Post-Termination Performance Recovery Model

The integrated findings suggest that the relationship between mass termination and employee performance is not linear. Instead, the process can be conceptualized as a sequence:

Mass Termination → Job Insecurity and Perceived Injustice → Work Intensification → Individual Adaptation → Performance Preservation/Decline

However, organizational support can modify this trajectory:

Transparent Communication + Procedural Justice + Workload Redesign + Training + Recognition + Psychological Support → Employee Adaptation → Sustainable Performance Recovery

This conceptual interpretation represents the principal theoretical contribution of the study. Mass termination does not automatically determine whether employee performance will deteriorate. Rather, the post-termination outcome depends substantially on how management manages the surviving workforce. The findings therefore refine the argument that rationalization can function as a performance strategy. Rationalization alone does not improve performance; rationalization accompanied by organizational redesign and employee support may create the conditions for performance recovery.

3.2.7 Implications for PT Sang Hyang Seri (Persero)

The empirical evidence suggests that the organization should move from a cost-reduction orientation toward a post-restructuring recovery orientation. First, management needs to redesign workloads rather than simply redistribute tasks among surviving employees. Second, termination criteria and future workforce policies should be communicated transparently. Third, training should be expanded beyond online sessions and should cover functions directly related to operational continuity, particularly production and marketing. Fourth, performance incentives should reflect additional responsibilities rather than merely providing generalized bonuses. Fifth, management should establish mechanisms for employee feedback and psychological support. The findings also indicate the importance of communicating the organization's strategic recovery plan. Management expressed optimism regarding business diversification, innovation, and organizational recovery, but this optimism had not been fully translated into shared understanding among employees. Accordingly, organizational recovery should be communicated as a collective project rather than a management-level strategy. Employees need to understand not only why workforce reduction occurred, but also what the organization intends to become after the restructuring.

3.2.8 Overall Discussion

Taken together, the findings indicate that mass termination at PT Sang Hyang Seri (Persero) generated predominantly negative short-term consequences for surviving employees' working conditions and psychological security. Nevertheless, surviving employees demonstrated substantial resilience through self-regulation, target setting, teamwork, documentation, and adaptive behavior. The key issue is therefore not whether employees are capable of adapting, but whether organizational systems provide sufficient support for that adaptation to become sustainable performance. The study contributes to the literature by positioning workforce rationalization as a conditional performance strategy rather than inherently positive or negative. When conducted without transparent communication, procedural fairness, workload redesign,

competency development, and organizational support, rationalization may intensify job insecurity and undermine performance. Conversely, when accompanied by these mechanisms, workforce restructuring may create an opportunity to redesign roles, improve accountability, strengthen employee capabilities, and rebuild organizational performance. In the context of PT Sang Hyang Seri (Persero), the evidence suggests that the immediate challenge is not simply recovering employee productivity but rebuilding the psychological, relational, and organizational foundations upon which sustainable productivity depends.

CONCLUSION

4.1 Summary of Findings

This study examined how mass termination influenced employee performance and the post-termination experiences of employees at PT Sang Hyang Seri (Persero), South Sulawesi Branch. Using a qualitative case-study approach, the research integrated in-depth interviews with terminated employees, surviving employees, and organizational management, together with workplace observations and document analysis. The findings demonstrate that mass termination was not merely a workforce reduction exercise but a multidimensional organizational event that reshaped employees' psychological conditions, work responsibilities, interpersonal relationships, perceptions of organizational justice, and approaches to maintaining performance. The first major finding is that mass termination generated substantial psychological uncertainty among employees. Feelings of shock, anxiety, fear, and concern about future employment were expressed not only by employees whose employment had been terminated but also by those who remained within the organization. This indicates that the consequences of mass termination extend beyond the directly affected employees and create a broader climate of job insecurity throughout the organization. The resulting uncertainty influenced employees' sense of stability and contributed to changes in motivation, organizational commitment, and trust in management.

The second major finding concerns employees' perceptions of procedural fairness. Although many participants understood the financial circumstances that led the company to reduce its workforce, they questioned the transparency and consistency of the employee-selection process. Limited communication regarding the criteria used for termination and unequal access to information contributed to perceptions of procedural injustice. These perceptions were associated with reduced trust in management and lower organizational commitment, demonstrating that employees evaluate organizational restructuring not only in terms of its economic necessity but also in terms of how fairly and transparently it is implemented. Third, the findings reveal that surviving employees experienced significant work intensification. Following the reduction in personnel, responsibilities previously distributed among a larger workforce were transferred to fewer employees. Increased workloads, overtime, additional coordination, and expanded responsibilities became common features of the post-termination work environment. Although employees continued to perform their duties, the sustainability of this performance became dependent on greater individual effort rather than on improved organizational capacity.

Fourth, despite the adverse consequences of mass termination, surviving employees demonstrated substantial adaptive behavior. They developed strategies such as documenting their performance, setting daily and weekly targets, coordinating more intensively with colleagues, evaluating their work regularly, and seeking opportunities for innovation. These behaviors suggest that employees actively attempted to preserve their organizational value and maintain productivity under conditions of uncertainty. Thus, the study does not portray surviving employees merely as passive recipients of organizational restructuring but as active agents who reconstruct their performance through self-regulation and adaptation. Finally, the study found that organizational support remained limited relative to the increased demands placed upon surviving employees. While management introduced bonuses, salary adjustments, performance evaluations, and short training sessions, participants generally viewed these measures as insufficient to fully address the additional workload and uncertainty they experienced. The findings therefore indicate that organizational performance after workforce restructuring depends not only on employees' willingness to adapt but also

on the extent to which management provides adequate communication, training, workload redesign, and psychological support. Overall, the findings suggest that the consequences of mass termination are conditional rather than deterministic. Workforce reduction does not automatically result in either performance improvement or deterioration. Instead, the outcomes depend substantially on the quality of managerial intervention, organizational communication, perceived procedural justice, employee support, and the capacity of employees to adapt to the new organizational environment.

4.2 Theoretical Contributions

This study contributes to the literature on downsizing, employee performance, and organizational restructuring in several ways. First, it challenges the assumption that workforce rationalization should be evaluated solely as a cost-efficiency strategy. While downsizing is frequently justified on economic grounds, the findings demonstrate that its organizational consequences extend to psychological, relational, and performance-related dimensions. The study therefore supports a broader conceptualization of workforce rationalization as an organizational transformation process rather than merely a reduction in employee numbers. Second, the study advances the understanding of the relationship between mass termination and employee performance by identifying the importance of mediating organizational conditions. The findings suggest that job insecurity, perceived procedural justice, workload intensification, and organizational support represent important mechanisms through which workforce restructuring affects employees. This perspective helps explain why previous studies have reported contradictory findings regarding the consequences of downsizing. Rather than assuming that layoffs inherently improve or reduce performance, the present study indicates that outcomes depend on the organizational context in which the restructuring is implemented.

Third, the study highlights the role of employee self-regulation in the post-termination environment. Surviving employees did not simply experience declining performance. Many responded by documenting achievements, setting performance targets, strengthening teamwork, and seeking new ways to demonstrate their organizational contribution. This finding contributes to the literature by showing that employees may respond to organizational insecurity through active adaptation. However, such adaptation should not be interpreted as evidence that downsizing itself improves performance. Instead, it reflects employees' capacity to cope with uncertainty and preserve their position within the organization. Fourth, the study proposes a contextual model of post-termination performance recovery. The model suggests that mass termination initially creates job insecurity and perceptions of injustice, which are followed by work intensification and psychological pressure. Employees then engage in adaptive behaviors to preserve performance. Whether these efforts result in sustainable performance recovery or eventual deterioration depends on the availability of transparent communication, procedural fairness, training, workload redesign, recognition, and organizational support. Finally, the study contributes to the relatively limited body of qualitative research on workforce restructuring in Indonesian state-owned enterprises operating in strategically important sectors. By focusing on an agricultural enterprise connected to the national food-security agenda, the research provides contextual evidence that organizational restructuring in public-sector or state-owned organizations may involve different institutional and social dynamics from those observed in private-sector firms.

4.3 Practical Implications

The findings have several practical implications for organizational leaders and human resource managers. First, organizations undertaking workforce restructuring should recognize that employee performance after mass termination cannot be sustained simply by redistributing tasks among fewer employees. Workload redesign is essential to prevent excessive demands from undermining employee well-being and long-term productivity. Managers should systematically review responsibilities, eliminate non-essential activities, and ensure that workloads remain manageable. Second, transparent communication should become a central component of restructuring processes. Employees require clear explanations

concerning the reasons for workforce reduction, the criteria used to make decisions, and the organization's future direction. The findings indicate that communication gaps can amplify uncertainty and perceptions of injustice even when employees understand the economic rationale behind organizational decisions. Regular communication, opportunities for employee questions, and accessible information across organizational levels can help rebuild trust.

Third, organizations should invest in post-restructuring employee development. Training should be aligned with the new responsibilities assumed by surviving employees rather than being limited to short or generic sessions. Employees who inherit additional duties require opportunities to develop the competencies necessary to perform effectively in their expanded roles. Such investments are likely to contribute to both performance and organizational commitment. Fourth, reward systems should reflect the increased responsibilities carried by surviving employees. Financial incentives such as bonuses and salary adjustments can be valuable, but they should be accompanied by recognition, career development opportunities, and managerial support. Employees are more likely to perceive the restructuring as equitable when organizational rewards correspond to the additional effort expected of them. Fifth, management should pay greater attention to the psychological consequences of workforce restructuring. Employees who remain after mass termination often experience survivor-related stress, uncertainty, and concern about future employment. Establishing mechanisms for employee feedback, counseling, mentoring, and supportive supervision can help reduce these pressures and support organizational recovery. For PT Sang Hyang Seri (Persero), the findings suggest that the next phase of organizational recovery should move beyond cost reduction toward rebuilding organizational capability. This includes strengthening communication between management and employees, expanding relevant training, redesigning workloads, and clearly communicating the company's strategic plans for future development. Such measures can help transform workforce rationalization from a crisis response into a more sustainable organizational recovery process.

4.4 Limitations

Several limitations should be considered when interpreting the findings. First, the study was conducted within a single organizational setting, PT Sang Hyang Seri (Persero), South Sulawesi Branch. Although the case provides rich contextual insights, the findings are not intended to be statistically generalized to all organizations experiencing workforce restructuring. Instead, they offer analytical insights that may be relevant to organizations with similar characteristics. Second, the study involved ten informants representing terminated employees, surviving employees, and management. The qualitative design emphasized depth and diversity of perspectives rather than sample size. Nevertheless, a larger and more diverse group of participants could have captured additional variations in experiences related to age, tenure, position, and professional background. Third, the research was conducted over approximately two months. The consequences of mass termination may evolve over a longer period. Employees may gradually adapt to new responsibilities, or they may experience increasing exhaustion and declining commitment as the effects of prolonged work intensification accumulate. Longitudinal research would therefore provide a more comprehensive understanding of how employee experiences change over time. Fourth, access to certain internal organizational documents was limited because of their confidential nature. Consequently, the study relied primarily on interview accounts, observations, and available documentation. Greater access to detailed financial reports, formal termination criteria, and internal policy documents could have provided additional insights into the organizational decision-making process. Finally, because mass termination is a sensitive and emotionally charged topic, some participants may have moderated their responses or chosen not to disclose certain experiences fully. Although triangulation and member checking were used to strengthen the credibility of the findings, the possibility of response bias cannot be entirely eliminated.

4.5 Directions for Future Research

Future research should build on the findings of this study in several directions. First, longitudinal studies are needed to examine how surviving employees' performance, motivation, organizational commitment, and psychological well-being evolve over time. Such research could identify whether the adaptive strategies observed in the present study result in sustainable performance or whether prolonged work intensification eventually leads to burnout and employee turnover. Second, comparative studies across different industries would help determine whether the mechanisms identified in this study are specific to the agricultural sector or are common across other organizational contexts. Comparisons between state-owned enterprises and private-sector organizations would also be valuable because differences in governance, employment security, and institutional responsibilities may shape employees' responses to workforce restructuring. Third, mixed-method research could combine qualitative exploration with quantitative measurement of job insecurity, organizational support, procedural justice, employee engagement, and performance. Such an approach would enable researchers to test the relationships suggested by the present qualitative findings while preserving the contextual richness of employee experiences.

Fourth, future studies should examine the perspectives of additional stakeholders, including labor unions, government agencies, and employees' families. Mass termination can have consequences that extend beyond the organization itself, particularly in strategically important industries. Incorporating these perspectives would provide a broader understanding of the social and institutional implications of workforce restructuring. Finally, future research could further develop and empirically test the post-termination performance recovery framework proposed by this study. Specifically, researchers could investigate whether transparent communication, procedural justice, workload redesign, training, recognition, and psychological support moderate the relationship between workforce reduction and employee performance. Testing these mechanisms across multiple organizations would contribute to a more robust theory of how organizations can rebuild employee performance following large-scale workforce restructuring. In conclusion, this study demonstrates that mass termination should not be viewed solely as an instrument of cost reduction. Its long-term organizational consequences depend on how management addresses the psychological, relational, and performance challenges faced by surviving employees. While employees at PT Sang Hyang Seri (Persero), South Sulawesi Branch, displayed considerable resilience and self-regulation in maintaining their performance, sustainable organizational recovery requires more than individual effort. Transparent communication, fair procedures, appropriate workload management, employee development, and organizational support are essential for transforming workforce restructuring from a disruptive event into a process of rebuilding employee performance and restoring organizational capability.

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