

## **Job Rationalization in the SMEs in Papa Area of Lagos State**

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### **Abstract**

Globally rationalization is gaining attention as a restructuring strategy used by organisations to reduce size of employees' with the aim of making greater profit and remaining afloat in the face of uncertainty. In Nigeria, the SMEs use of rationalization as a restructuring strategy is not only affecting job security but is also having effect on the career opportunities available to Nigerian workers. This research, therefore, assess the rationalization of employees jobs using SMEs operating in Apapa Area of Lagos State as a case study. The study employed survey research design and data was obtained using questionnaire. Data was analyzed and hypothesis tested using SPSS 23 version. The results from the findings revealed that COVID 19 and economic situation in the country has forced most of the SMEs in APapa Area of Lagos State to engage in job rationalization; and this significantly affect the morale and performances of surviving employee in SMEs. The finding also shows that rationalizations of job do have significant effect on wages and salaries paid to surviving employees. Finally, it was revealed that job rationalization encourages labor turnover of surviving employees, and also breed poor attitude towards work and increased work load amongst surviving employees of the SMEs. Based on the findings, the study conclude that it would be imperative for management of SMEs in Apapa areas of Lagos State to communicate the objective of the job rationalization exercise to their employees before embarking on it to achieve its desired objective. The study, therefore recommend that since rationalization exercises when conducted takes a huge toll on the employees, there is therefore, need to have exit plan in form of counseling, training or seminars for employees to help them navigate the effect of the exercise. Lastly the study also recommends that government should have proper laws that would govern the rationalization processes in organisations. This will help employees to have more confidence in the exercise in different organisations.

**Keywords:** Employee, performance, morale, retrenchment, organisation.

