

# DOWNSIZING AND ORGANIZATIONAL PERFORMANCE IN THE ERA OF DISRUPTION AND DIGITALIZATION ON OIL AND GAS SERVICE PROVIDER IN THE UPSTREAM SECTOR OF PT. HALLIBURTON INDONESIA AND MALAYSIA

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## Abstract

The Corona virus, also known as COVID-19, has had a significant impact on several elements in the period of disruption. Digitization enables businesses, industries, and individuals to share information, ideas, expertise, goods, and services while also transforming the workplace into a digital environment. As a result, a number of organizations downsize in order to increase organizational performance, as well as pay attention to the effectiveness of existing leadership in order to assess an organization's level of performance. The goal of this study was to see how downsizing affects organizational performance in the age of disruption and digitalization, as mediated by leadership effectiveness. The participants in this study were 85 PT. Halliburton Indonesia managers (52 persons) and 33 PT. Halliburton Malaysia managers (33 persons). Respondents were given questionnaires to complete, which were used to gather data for the study. The data was analyzed using Smart PLS. The findings revealed that downsizing had a positive and significant impact on leadership effectiveness, a positive and significant impact on organizational performance, a positive and significant impact on leadership effectiveness, and a positive and significant impact on organizational performance via leadership effectiveness as a mediator.

**Keywords:** Downsizing, Organizational Performance, Leadership Effectiveness.

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## 1. INTRODUCTION

Disruption and digitization have had a significant impact on many parts of life (Adnyana et al., 2021). The importance of digitalization in determining organizational performance has shifted (Céspedes-Lorente, Magán-Díaz & Martínez-Ros, 2018). As a result, businesses must be prepared to adjust to the digitization era (Yoshino & Miyamoto, 2020). Although corrections have been made, the impact of the distribution and

the COVID-19 epidemic on organizational policies cannot be denied (Frone, 2020). Due to the era of disruption and COVID-19, large and small organizations are nearly universally downsizing. Downsizing is a deliberate attempt to minimize the workforce in order to improve organizational performance (Rondeau & Wagar, 2003).

Because economic activity is being suppressed, business players are being forced to become more efficient in order to reduce losses. As a result, many workers have been laid off or are on the verge of being laid off. According to data from the Ministry of Manpower, 39.977 formal sector enterprises elected to lay off and lay off their personnel as of April 7, 2020, owing to the COVID-19 outbreak. A total of 1.010.579 workers were affected. In total, 873.090 people were laid off from 17.224 businesses, while 137.489 workers were laid off from 22.753 businesses. Meanwhile, 34.453 enterprises and 189.452 workers are affected in the informal sector (Coleman, 2020).

Organizational restructuring is a process that transforms a company from its current state to its desired future state, which is to become more effective. In order to continue to exist and function, the organization must be responsive and adept at predicting changes, therefore functional. The goal of organizational restructuring is to improve and maximize a company's performance, through organizational reorganization, management enhanced cash flow, increased efficiency, increased production, increased profitability, and boosted firm value (Purdiaswari, Rahardjo, Idris, 2016).

Downsizing has become a popular and acceptable practice among managers in many industries as organizations seek to adapt their workforce to meet their current operational realities, financial budgets and other socioeconomic factors in the business environment (Inggried, 2020). As technology advances and gives cost-effective options, global leaders and managers will continue to seek out innovations and alternative organizational leadership structures in order to gain a competitive advantage (Mujtaba, 2019). New technologies may be able to reduce the need for a large number of people. Technological advancements have impacted manufacturing and industrial workers, as evidenced by historical statistics over the last four decades, by enabling for speedier automation at lower costs for repetitive labour. The majority of downsizing decisions are made in order to increase business profitability by reducing costs. (Ramlall, Al-Sabaan, Magbool, 2014).

Digitization refers to the digital implications of technology in a business setting. The impact of digitalization on businesses is positive, bringing international business expertise and digital policy implementation. Transparency in procedures, focus on results, and liberalization for growth characterize digital technology administration (Bresciani, Ferraris, Del Giudice, 2018). Employees at the organization work during the COVID-19 pandemic, the structuring of the business environment as well as the creation of organizational opportunities are all part of digitization. Organizations, industries, and individuals are linked by digital

globalization in order to share information, ideas, knowledge, goods, and services. In the workplace, work will be computerized (Guo, Yang, Huang, 2020).

PT. Halliburton Indonesia is a company based in Houston. After Schlumberger and GE Baker Hughes, PT. Halliburton is the third largest oilfield services firm. The world's largest provider of hydraulic fracking fleets is Halliburton, one among the world's largest suppliers of energy-related products and services also, having been formed in 1919. With more than 40.000 employees representing 130 countries in more than 70 countries, the company helps its customers maximize value throughout the reservoir life cycle, from discovering hydrocarbons and managing geological data to drilling and formation evaluation, well construction and completion, and production optimization throughout the asset's life cycle. The collapse of the oil and gas industry, as well as the drop in international oil prices as a result of COVID-19's effect, are two of the major causes of the large number of deaths. The management must also carry out restructuring and downsizing without sacrificing organizational performance.

One of the efforts made by PT. Halliburton Indonesia to improve performance and the effectiveness and efficiency of the organization's performance is organizational restructuring. The restructuring was carried out not without a solid foundation, but with careful consideration and in accordance with the company's needs. The indicators involved in restructuring when carrying out organizational restructuring include Downsizing, reducing the size of the organization by eliminating certain jobs or functions, Delaying, the process of regrouping existing types of work. Decentralizing is accomplished by delegating some functions and responsibilities to lower organizational levels. Refocusing is a review or reorganization of core competencies (core competencies. competition) from the organization in question. According to the viewpoint, organizational restructuring is a component of the business strategy to rearrange in order to achieve the company's vision and mission. (Purdiaswari, Rahardjo, Idris, 2016).

Another factor that can affect organizational performance is leadership effectiveness. Effective leaders are those who can blend implementation-oriented behaviour with the interpersonal skills required to foster trust, cooperation, and a balance of performance between their leadership and their workforce. (Liu & van Dooren, 2015). As a result, leaders have an impact on the performance of their employees and organizations. The perception of potential for both the leader and the subordinates is strongly influenced by the highest performing leader. This emphasizes the importance of innovation and excellence in leaders, mastering influencing skills in order to achieve alignment and commitment. (Pawatte & Tampi, 2009).

When talking about downsizing and organizational performance, it'll come up in conversation about leadership effectiveness. Because the effectiveness of an organization's executives and policies determines its success or failure, this study also considers the impact of downsizing on leadership effectiveness, as well as the impact of leadership effectiveness on organizational performance (Frone,

2020). Leadership has a major role in the dynamics of organizational life. The success of the organization in achieving its goals will greatly depend on the quality of leadership. According to Tsai & Yen (2020) and Frone (2020), leadership effectiveness has an effect on organizational performance.

The goal of this research was to have a look at:

- 1) the impact of downsizing on organizational performance,
- 2) the impact of downsizing on leadership effectiveness,
- 3) the impact of leadership effectiveness on organizational performance,
- 4) leadership effectiveness mediates the impact of downsizing on organizational performance.

The study was conducted on the management team of PT Halliburton in Indonesia and Malaysia. The results of prior investigations were inconsistent, which prompted this investigation. The study's findings of Gandolfi & Littler (2012), show that the more frequent downsizing is done, the lower the effectiveness of the work. Downsizing failed to increase organizational productivity, meanwhile other research results (Ifeoma & Mukhtaruddin, 2019), shows that downsizing is one of the company's tactics for transforming its current organizational structure into a new one in order to preserve a competitive edge and meet client expectations. The urgency of the research is also carried out because the downsizing policy is mostly carried out by large and small organizations in this distribution era, but this policy is considered appropriate or not, it still needs to be tested further.

## 2. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

### 2.1. Downsizing

The era of disruption and digitalization makes organizations to rearrange organizational policies so that companies can improve their performance (Rondeau & Wagar, 2003). The downsizing policy is carried out by the organization because the company is burdened by the number of employees (Ifeoma & Mukhtaruddin, 2019). Downsizing is a reduction in the company's workforce and its work processes (Sanders, 2019). According to Gandolfi & Littler (2012), downsizing is a reduction of a company or reduction in the number of employees in a company. Organizational restructuring through downsizing is expected to re-evaluate the effectiveness of organizational performance.

According to Cameron (1993), there are four main dimensions to downsizing:

- 1) Downsizing can be done on purpose as a proactive and planned approach to increase organizational effectiveness.
- 2) Employee downsizing (labour) usually entails a reduction in the number of employees. Downsizing, on the other hand, isn't just about laying off employees. New items are added, new sources of income are

opened, and/or more works are acquired in some downsizing situations. Even if a few more individuals are added, the whole process will result in fewer workers per unit of production than at earlier levels of effort.

3) Downsizing is done either reactively or proactively in order to reduce expenses, raise income, enhance efficiency, and/or boost competitiveness.

4) Restructuring and downsizing efforts might result in modifications in work procedures. There will be fewer employees to complete the same amount of work after a workforce reduction, which will impact what work is done and how it is done.

Downsizing on a small scale will change the routine of existing organizational activities, but downsizing in large numbers will affect organizational life, employee perceptions, organizational image and effectiveness of leadership (Brauer, 2014). Elimination of one of the tasks or incorporation in the organizational structure followed by the downsizing of the workforce will have an impact on organizational performance (Susskind & Moore, 2018).

## 2.2. Organizational Performance

The assessment of the company's performance is intended to assess and evaluate the company's objectives, namely increasing shareholder prosperity or company value. As explained by Siegel (1987), the performance measurement is a calculation of a company's effectiveness and efficiency over a set period of time in order to attain the best results. As a result, if a company's performance is good, it signifies that the company's operations were carried out successfully and efficiently, resulting in an optimal level of profit.

Organizational performance is a measure of an organization's ability to achieve goals, a reflection of its success, and the outcome of its members' actions. Performance may alternatively be defined as the outcome (result) of a certain process carried out by all organizational components against specific inputs (input). Furthermore, performance is the final result of a set of process actions that are carried out in order to achieve the desired results. (Hajar & Lubis, 2018). Non-financial intangible assets (such as client interactions, innovative products and services, high quality and responsive operations procedures) are now prioritized by corporations over tangible assets (such as fixed assets and inventory). According to Slavkovic, Marko and Babic (2013), organizational performance consists of the following indicators:

- 1) Cost reduction, is the company's ability to reduce costs from income earned at constant operations;
- 2) Employee productivity is the consequence of employees' efforts, which are supported by the company's infrastructure;
- 3) Increased profitability, is the profit earned by the company by subtracting the revenues and costs incurred;

- 4) The quality of various sorts of items (goods/services) given to consumers is referred to as product and service quality;
- 5) Customer satisfaction, is the satisfaction felt by consumers for the products produced;
- 6) Quick problem solving (problem solving), is the company's ability to solve problems quickly;
- 7) Responsive to changes in technology, is the company's actions to respond quickly to changes in technology that are in accordance with the business world;
- 8) Organizational reputation is the company's ability to always maintain a good name in the eyes of consumers and society.

### **2.3. Leadership Effectiveness**

According to Pawatte & Tampi (2009), the dynamics of organizational life in the organizational context are heavily influenced by leadership. Leadership serves as a motivator for all of the organization's resources. The organization's success in achieving its goals will be determined by the leadership quality of the organization's leadership. In other words, leadership is one of the most important aspects of organizational life, including in the public sector. Leadership factors determine whether an organization succeeds or fails. Once the importance of this leadership is recognized, the leader becomes the focal point of evaluation of the causes of an organization's success or failure. As stated by Rasyid (1995), effectiveness and leadership ability can be judged by a person's ability to carry out the government's primary functions, namely:

- 1) Service, service indicates the existence of concrete actions aimed at others so that people who need help feel served, cared for, and satisfied in service;
- 2) Empowerment, empowerment means that a leader is not solely tasked with helping the community, but he must also be able to provide motivation so that every member of the community is able to participate in various activities carried out with the various potentials he has;
- 3) Development.

### **2.4. Downsizing and Organizational Performance**

Downsizing is one of the hottest topics in the field of human resource management in this era of distribution and digitization. Organizations assume that the downsizing policy is carried out with the expectation of higher organizational performance, but on the other hand, the downsizing policy makes low trust in the organization (Notanubun et al., 2019). Gandolfi & Littler (2012) and Brauer (2014) study's findings suggest that downsizing has a direct impact on organizational effectiveness, as stated by Hajar & Lubis (2018) also. According to Jankingthong (2012), downsizing is carried out by the company as follows: if downsizing is carried out on a small scale it will improve organizational

performance, but if downsizing is carried out on a large scale, careful consideration is needed. Khalid et al. (2012) stated that in order to be competitive, firms must continually adapt and be willing to change their structures, strategies, methods, and practices as a result of increased global competitiveness, digitization, and ongoing environmental changes. The hypothesis can be formulated using the above statement:

H1: Downsizing has an impact on the performance of an organization.

### **2.5. Downsizing and Leadership Effectiveness**

Downsizing has an impact on breaking the communication network with employees, and a leader's role is needed to rearrange the disrupted communication network (Council, 2004). According to Ratnasari (2021), downsizing causes a negative attitude, and a lack of trust in the managerial team in the company. From the statement above, the following is an example of a hypothesis:

H2: Downsizing has an impact on the effectiveness of leadership.

### **2.6. Leadership Effectiveness and Organizational Performance**

Leaders and management teams play a significant role in establishing the organizational climate. Every policy implemented by the leadership will have an impact on the organization's strategic objectives, as well as employees and consumers (Hajar, Lubis, 2018; Notanubun et al., 2019). The results of Ratnasari (2021)'s study show that leadership effectiveness improves organizational performance. The study results of Čudanov et al., (2020) show that the role of leadership has a direct effect on employee morale and organizational productivity. Notanubun et al., (2019) and Council (2004) stated that the more frequent coordination is carried out, the lower the effectiveness of the work. From the statement above, the research hypothesis results:

H3: Effectiveness of leadership affects organizational performance.

## **3. RESEARCH METHODOLOGY**

In this study, quantitative methodologies were used in the investigation. This research used path analysis with a Structural Equation Model (SEM) technique, which was helped by the Smart PLS application. The participants in this study were 85 PT. Halliburton Indonesia employees (52 persons) and 33 PT. Halliburton Malaysia employees (33 persons). The sample in this study consisted of 85 managers from PT. Halliburton Indonesia and Malaysia. The sample size chosen by the author in this study was determined using the Slovin method as a measurement tool to calculate the size of 85 people using the Slovin formula in order to make research easier. 46 participants were chosen as research



samples after the Slovin formula was calculated. Purposive random sampling was used to choose respondents from Malaysia and Indonesia before randomly distributing the sample to the rest of the respondents.

#### **Outer Model**

The outer model establishes the relationship between each set of indicators and latent variables. The model's reliability and validity are assessed using the measurement model. Conformity tests are performed to determine the inspection tool's capability for the measurements that are supposed to be measured (Abdillah & Jogiyanto, 2009). The reliability test can be used as a measure of the adequacy of the measurement tool in concept measurement. It can also be used to assess respondent compliance with the questions or research tool's instructions.

The link between indicator and variable scores can be used to assess the measurement model's convergent appropriateness. If the indicator has an AVE value greater than 0.5 or if all dimensions of the external variable load are greater than 0.5, the measurement findings are in compliance with the convergent appropriateness requirements. The link between the indicator and variable scores demonstrates the measurement model's convergent validity. The indicator's validity can be determined if it has an AVE value more than 0.5 or if all of the variable's outer loading dimensions have a loading value greater than 0.5. As a result, it may be inferred that measuring it complies with the convergent validity requirements (Kalnadi, 2013). The value of Cronbach's alpha and the value of composite reliability can then be used to determine the reliability test. To be regarded a reliable statement item, the Cronbach's alpha value must be greater than 0.6, and the composite reliability value must be greater than 0.7.

#### **Inner Model**

The structural model was evaluated using the proportion of variance explained by looking at R<sup>2</sup> for the dependent latent construction using the Stone-Geisser Q-square test, as well as the magnitude of the structural path coefficient (Inner model). The R-square dependent latent variable, which has the same meaning as regression, was used to assess the model's fit; Q-square predictive relevance for structural models was used to examine how well the observed values and estimated parameters were created by the model. The model is predictively relevant if the Q-square value is larger than zero; otherwise, the model is not predictively relevant if the Q-square value is zero.



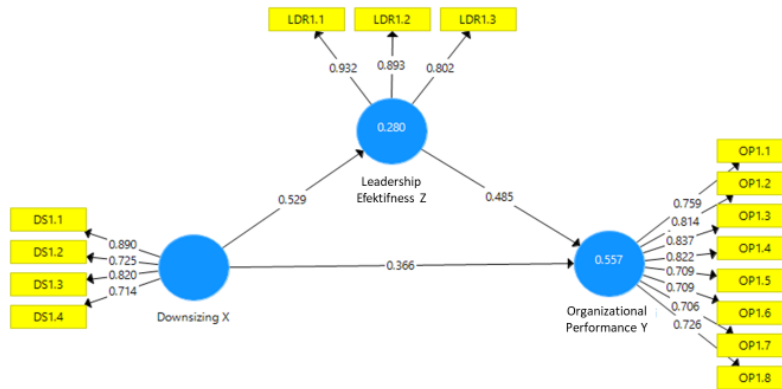


FIGURE 1. OUTER MODEL

Source: Primary data processed (2021) by authors

## 4. RESULT AND DISCUSSION

### 4.1. Outer Model Analysis

#### 1. Validity Test

Validity test is used to measure the validity of a questionnaire. The validity test of this research was carried out using convergent validity and discriminant validity, where the instrument is considered valid if the outer loading value is 0.5 - 0.6 and average variant extracted (AVE) > 0.5. The results of the validity test in this study found that there was no indicator variable whose outer loading value was below 0.5 and the AVE value of the Downsizing variable, Leadership Effectiveness and Organizational Performance > 0.5. Thus, it can be stated that each variable is said to be valid.

#### 2. Reliability Test

The reliability test in this study used composite reliability and Cronbach alpha. With the composite reliability indicated above, the Cronbach alpha value can be utilized to supplement the reliability test. A variable can be called trustworthy if its Cronbach alpha value is larger than 0.7 (Eisingerich & Rubera, 2010).

TABLE 1. CRONBACH ALPHA

	Cronbach's Alpha
Downsizing X	0.819
Leadership Effectiveness Z	0.848
Organizational Performance Y	0.897

Source: Primary data processed (2021) by authors

As seen in table 1, the Cronbach alpha value for each research variable is greater than 0.7. This data suggest that each research variable has met the Cronbach alpha value standards, meaning that all variables have a high level of dependability. The R-square Test is a method for determining whether or not something is dependable of a variable.

**TABLE 2. R-SQUARE VALUE**

	R Square	R Square Adjusted
Leadership Effectiveness Z	0.280	0.264
Organizational Performance Y	0.557	0.536

Source: Primary data processed (2021) by authors

The Leadership Effectiveness variable has an R-Square value of 0.280, as can be shown. The Downsizing percentage is 28.0 percent as a result of this calculation. After that, for the Organizational Performance variable's R-Square value of 0.557. Therefore, downsizing can explain 55.7 percent of organizational performance and leadership effectiveness, according to this value.

#### 4.2. Inner Model Analysis

**TABLE 3. T-STATISTICS AND P-VALUE**

Hypothesis	Impact	T Statistics	P Values
H1	Downsizing X -> Leadership Effectiveness Z	5.117	0.000
H2	Downsizing X -> Organizational Performance Y	2.735	0.006
H3	Leadership Effectiveness Z -> Organizational Performance Y	3.168	0.002

Source: Primary data processed (2021) by authors

##### 1. The Effect of Downsizing on Leadership Effectiveness

The results of the hypothesis testing show that the effect of Downsizing (X) on Leadership Effectiveness (Z) has a T statistic of 5.117 and a P-Value of 0.000. The T statistic value is greater than the T table ( $5.117 > 1.954$ ) and the P value is 0.010 or smaller than the 5% alpha standard ( $0.000 < 0.05$ ), indicating that there is a significant effect of Downsizing on Leadership Effectiveness. The path coefficient value is positive indicating the effect given by Downsizing on Leadership Effectiveness is positive. So, it can be concluded that there is a positive and significant influence by Downsizing on Leadership Effectiveness. In other words, better Downsizing can increase Leadership Effectiveness or the first hypothesis (H1) is accepted. According to the findings of Mutjaba (2020), in order for the downsizing policy to be successful, it must be implemented by human resource experts who play a leadership role.

##### 2. The Effect of Downsizing on Organizational Performance

The results of the hypothesis testing show that the effect of Downsizing (X) on Organizational Performance (Y) has a T statistic of 2.735 and a P-Value of 0.006. The T statistic value is greater than

the T table ( $2.735 > 1.954$ ) and the P value is 0.006 or smaller than the 5% alpha standard (0.006  $< 0.05$ ), indicating that there is a significant effect of Downsizing on Organizational Performance. The path coefficient value is positive, indicating that downsizing has a positive effect on organizational performance. As a result, it is possible to conclude that downsizing has a positive and significant impact on organizational performance. In other words, if the second hypothesis (H2) is accepted, better downsizing can improve organizational performance.

The findings of this study are consistent with previous research (Agwu et al., 2014), which shows that downsizing, while intended to improve labour and organizational performance, often has the opposite effect. Downsizing (including layoffs, severance pay, and rightsizing) has a detrimental impact on organizational performance, according to (Yesu, 2020) It has a beneficial impact on market orientation, on the other hand. Organizational reorganization will improve cash flow, efficiency, production, profitability, and business value (Purdiaswari et al., 2016). Organizations downsize in order to save money and improve profits (Ramlall, Al-Sabaan, Magbool, 2014). Mutjaba (2020) states that downsizing allows companies to clear up the organization and bring new, fresh and innovative ideas.

### **3. The Effect of Leadership Effectiveness on Organizational Performance**

The influence of Leadership Effectiveness (Z) on Organizational Performance (Y) has a T statistic of 3.168 and a P-Value of 0.002 according to hypothesis testing results. The T statistic is more than T table ( $3.168 > 1.954$ ), and the P value is 0.002 or less than the standard alpha 5 percent (0.002  $< 0.05$ ), showing that Leadership Effectiveness has a substantial impact on Organizational Performance. Because the path coefficient is positive, Leadership Effectiveness has a positive impact on Organizational Performance. As a result, it is possible to conclude that Leadership Effectiveness has a positive and significant impact on Organizational Performance. In other words, if the third hypothesis (H3) is accepted, better leadership effectiveness can improve organizational performance. According to (Rekha et al., 2016), leadership is a combination of traits that leaders utilize to influence subordinates in order to achieve organizational goals. According to (Sonmez & Adiguzel, 2020), leadership effectiveness has a favourable impact on the performance of an organization. According to Agwu et al. (2014), organizational performance is influenced by leadership effectiveness. Organizational effectiveness is a product of effective leadership, according to Taylor et al., (2014). Leadership effectiveness has an impact on employee and organizational performance, according to (Liu & van Dooren, 2015). Leadership effectiveness has an impact on organizational performance, according to Martin (2021) and Bangun et al. (2021).

TABLE 4. T-STATISTICS AND P-VALUE

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Downsizing X -> Leadership Effectiveness Z -> Organizational Performance Y	0.256	0.272	0.105	2.437	0.015

Source: Primary data processed (2021) by authors

**4. The Effect of Downsizing on Organizational Performance Mediated by Leadership Effectiveness**

The results of the hypothesis testing show the effect of Downsizing (X) on Organizational Performance (Y) through Leadership Effectiveness (Z) has a P-Value value of 0.015. The P value of 0.015 or less than the standard alpha 5% ( $0.015 < 0.05$ ) indicates that there is a significant effect of Downsizing on Organizational Performance through Leadership Effectiveness. The path coefficient value is positive, indicating that downsizing has a positive impact on organizational performance via leadership effectiveness. As a result, it is possible to conclude that downsizing has a positive and significant impact on organizational performance via leadership effectiveness. In other words, the fourth hypothesis (H4) is accepted if downsizing improves organizational performance. As a result, Leadership Effectiveness can be viewed as an intervening variable for the Downsizing variable. The findings of this study are backed up by Notanubun et al. (2019) research, which found that organizational restructuring has a direct impact on organizational performance. Due to cost-effective possibilities, global leaders and managers will continue to seek innovations and different organizational leadership structures to obtain a competitive advantage as new technologies minimize the requirement for a large number of personnel (downsizing) (Mutjaba, 2020).

**5. CONCLUSION**

The following conclusions can be drawn from the research on the effects of downsizing on organizational performance as mediated by leadership effectiveness at Halliburton Company (Indonesia and Malaysia):

- 1) The impact of downsizing on leadership effectiveness is favourable and considerable. This demonstrates how downsizing can boost leadership effectiveness.
- 2) Downsizing improves organizational performance in a major way. This demonstrates how, in the age of disruption, organizations can enhance their performance by taking smart and proactive actions.

3) Leadership effectiveness affects organizational performance in a good and meaningful way. Organizational performance can be improved through better leadership effectiveness.

4) Downsizing has a positive and significant effect on organizational performance through the effectiveness of leadership as a mediation. This shows that if downsizing is applied well, the organizational performance will also be better, so leadership effectiveness is able to mediate for the downsizing variable. Downsizing strategy of PT. Halliburton has been implemented well, this can be seen from how the company manages organizational resources efficiently so that even though the organization is doing downsizing in large numbers, operations are still running well, organizational performance is also getting better, this is also influenced by the effectiveness of leadership, where the leader is very influential in contributing to the company and motivating employees.

## 6. RECOMMENDATION

Effectiveness of leadership has a bigger role than downsizing on improving organizational performance. The role of leadership in providing direction, guidance and support to employees is important, so that organizational profits can still be achieved even in the era of disruption.

## 7. LIMITATION

The research was conducted in the era of the COVID-19 pandemic, so the questionnaire could not be given directly to respondents, but through the google form.

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