

**IMPROVING TRUST AND MORALE AFTER
ORGANIZATIONAL LAYOFFS**

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ABSTRACT

This study examines the impact of organizational layoffs on employee trust and morale within a pharmaceutical company in Thailand. Using a qualitative research approach, in-depth interviews were conducted with ten employees who remained with the organization after a major layoff. The findings reveal that layoffs significantly affected the workplace atmosphere, leading to emotional distress, reduced motivation, and a decline in trust and morale. Employees reported increased workloads, lack of communication, and a shift in workplace dynamics from collaboration to individual survival. To address these issues, the study identifies key strategies to rebuild trust and morale, including offering competitive compensation, providing career development opportunities, improving transparent communication, enhancing job security, and implementing employee engagement activities. These findings highlight the importance of strategic leadership in restoring a positive organizational culture and encouraging renewed trust and dedication in the post-layoff environment.

KEY WORDS: EMPLOYEE TRUST/ ORGANIZATIONAL MORALE/ POST-LAYOFF MANAGEMENT

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CHAPTER I

INTRODUCTION

Organizational layoffs, though sometimes necessary for financial health or strategic realignment, can have a profound impact on both the employees who remain and the overall health of the organization. While layoffs may offer short-term operational relief, the aftermath often brings long-lasting consequences, particularly in terms of employee trust, morale, and overall organizational culture. When employees witness colleagues being let go, feelings of uncertainty, insecurity, and distrust can quickly set in, leading to disengagement and a decline in productivity. Furthermore, the remaining workforce may face increased workloads, skill gaps, and strained relationships with management, further exacerbating the challenges of maintaining a high-performance culture.

In Thailand, the pharmaceutical industry is not immune to the pressures that lead to layoffs. For example, August 2024 has been a challenging month for the pharmaceutical industries, with numerous companies implementing significant workforce reductions (Kankar, 2024). These layoffs underscore the ongoing pressures within the sector, including the need to optimize resources, respond to regulatory and clinical challenges, and maintain competitive positioning in a rapidly evolving market. While the industry is no stranger to such upheavals, the scale and frequency of these layoffs highlight a period of intense transition. Despite these challenges, the pharmaceutical sector continues to demonstrate resilience, with companies pivoting and adapting their strategies to navigate the complexities of modern drug development and commercialization. As the industry progresses, further restructuring and strategic pivots are likely, signaling a dynamic and ever-evolving landscape.

Having witnessed the negative consequences of layoffs firsthand in the pharmaceutical sector, I became increasingly aware of the critical need to understand how to rebuild trust and morale after such events. In many organizations, layoffs are not handled with the necessary sensitivity or transparency, which leads to lasting damage in

the workforce. As a result, I have chosen to focus on this topic to explore effective ways to recover from the emotional toll layoffs take on employees, restore confidence in leadership, and ultimately improve organizational culture.

The objectives of this paper, it explains in the research question below:

Research Question 1: What are the main challenges for the remaining employees after a layoff, and how do they affect them?

Research Question 2: What should organizations do to improve trust and morale after a layoff from the employees' perspective?

The investigation will use in-depth interviews to collect qualitative data from the experienced people, focusing on the remaining employees after a layoff at a pharmaceutical company in Thailand.

This paper investigates the consequences of layoffs within pharmaceutical company. It explores how the handling of layoffs may impact relationships between employees and management, morale and productivity. It also delves into strategies for building trust, boosting morale, and fostering a resilient organizational culture.

Ultimately, this paper aims to provide actionable insights for leaders and organizations in the pharmaceutical industry on how to not only recover from the immediate fallout of layoffs but to improve and understanding the subordinate employee's aspect.

CHAPTER II

LITERATURE REVIEW

Layoffs are a common yet difficult decision faced by organizations aiming to adjust to economic pressures, restructure, or realign their business strategies. While necessary in some cases, layoffs often lead to significant negative effects on the remaining workforce and overall organizational health. Employees may experience a decline in morale and productivity, and trust in leadership can be severely eroded. In addition, the company's reputation and ability to attract new talent can suffer, especially if layoffs are poorly handled. Furthermore, the increased workload and knowledge gaps left by departing employees may cause further disruption and dissatisfaction among those who remain.

This section delves into the various consequences of layoffs, focusing on their impact on employee morale, productivity, and organizational trust. It also highlights the challenges organizations face in maintaining a positive reputation and attracting skilled talent in the aftermath. Finally, this paper explores strategies for recovery, including leadership approaches to restore trust, efforts to rebuild workplace culture, and the importance of employee development for ensuring long-term stability and growth. Through these strategies, organizations can recover from layoffs, rebuild a resilient workforce, and position themselves for future success.

2.1 Effects of Layoffs on Workplace Morale and Employee Productivity

Layoffs are a source of stress, leading to decreased job and life satisfaction among employees who remain in the organization after layoffs. Therefore, organizations should prioritize employee care and create opportunities for employees to balance their work responsibilities with personal commitments, which can help improve overall satisfaction. Low job and life satisfaction results in reduced morale, which ultimately leads to lower productivity at both individual and organizational levels. Decreased

productivity is a clear indicator of poor work performance, which causes customer dissatisfaction with the products or services provided by the organization. Losing customers leads to declining sales, a clear sign of business failure (Ahmad & Hussain, 2010).

2.1.1 Decline in Workplace Morale

Layoffs significantly affect workplace morale by creating instability and fear. The emotional toll of losing colleagues and the uncertainty about future downsizing can lead to disengagement and decreased enthusiasm. Employees may feel disconnected from the organization's vision, reducing their sense of belonging and commitment to the company's goals. Studies show that these emotional challenges often result in increased absenteeism and disengagement, impacting overall productivity (Ahmad & Hussain, 2010).

2.1.2 Reduced Employee Productivity

Employee productivity typically declines after layoffs. The remaining workforce often faces increased responsibilities, which, without adequate support, leads to stress and inefficiencies. Knowledge gaps from the departure of experienced employees can disrupt workflows, further diminishing efficiency. When employees feel insecure about their job stability, their engagement and performance levels suffer (Ahmad & Hussain, 2010).

2.2 Trust and Loyalty Challenges in the Organization

Downsizing can lead to lower job satisfaction, higher intentions to leave, and emotional distress for both laid-off workers and those who remain. Laid-off employees may experience depression and anxiety, while survivors may face insecurity, stress, and fear of an uncertain future (Alhamad & Amira, 2024).

2.2.1 Erosion of Employee Trust

The manner in which layoffs are handled significantly influences employee trust in leadership. Layoffs that are abrupt, perceived as unjust, or communicated poorly can result in employees feeling betrayed, eroding their trust in management. Lack of transparency and empathy fosters skepticism, leading to disengagement, lower innovation, and reduced commitment to the organization's long-term success (Alhamad & Amirah, 2024).

2.2.2 Decreased Organizational Loyalty

Layoffs can instill a sense of disillusionment, causing remaining employees to seek more stable job opportunities elsewhere. When layoffs are frequent or poorly managed, they lead to a long-term decrease in organizational loyalty (Alhamad & Amirah, 2024). Employees may feel uncertain about their future within the company, making them more likely to leave in search of security.

2.3 Impact on Organizational Reputation and Employer Branding

Layoffs, while often implemented as a strategy to reduce costs and improve operational efficiency, can have far-reaching consequences beyond the immediate organization. These external effects can influence how stakeholders, including customers, investors, and potential employees, perceive and interact with the company. Two significant external impacts are the potential for negative public perception and challenges in talent acquisition (Flanagan & O'Shaughnessy, 2015).

2.3.1 Negative Public Perception

The way layoffs are managed can significantly damage a company's external reputation. Companies seen as treating employees unfairly often face negative media attention, which erodes customer and investor confidence (Flanagan & O'Shaughnessy, 2015). Poor handling of layoffs can amplify negative sentiment, potentially affecting long-term stakeholder relationships.

2.3.2 Challenges in Talent Acquisition

Frequent layoffs can make it more difficult for organizations to attract top talent. Job seekers prioritize stability, and companies with a history of downsizing may be perceived as unreliable or unstable. Negative employee reviews on platforms like Glassdoor can further harm a company's employer brand, making it challenging to recruit qualified candidates (Flanagan & O'Shaughnessy, 2015).

2.4 Increased Workload and Role Adjustments for Remaining Employees

Employees who survived layoffs often feel discouraged and dissatisfied after the layoffs. They have to adjust to the increasing demands of work, which require more working hours, including overtime, leaving them with less time for family or personal matters. This leads to dissatisfaction in both their work and personal lives, which organizations need to address (Ahmad & Hussain, 2010).

2.4.1 Increased Workload Pressure

Post-layoff, the remaining employees often experience a surge in workload, leading to burnout and job dissatisfaction. This added pressure can result in decreased motivation and engagement. Employees who are overwhelmed by additional responsibilities are more likely to experience emotional fatigue and decreased productivity (Ahmad & Hussain, 2010).

2.4.2 Knowledge and Skill Gaps

The departure of experienced employees creates knowledge gaps, which disrupt organizational efficiency and competitiveness (Flanagan & O'Shaughnessy, 2015). Without a strategic focus on upskilling and knowledge transfer, organizations may suffer from diminished service quality and innovation. Proactive mentorship and training programs can help fill these gaps and ensure smoother transitions.

2.5 Rebuilding the Organization After Layoffs

Building trust and cultivating a positive workplace culture are critical foundations for organizational success and resilience. Leadership has a role in demonstrating transparency, empathy, and stability to rebuild trust and enhance a motivated workforce (Ahmad, 2014). Additionally, revitalizing workplace culture through team-building initiatives and recognition programs enhances employee engagement and a sense of belonging, contributing to overall recovery efforts (Ahmad, 2014). Furthermore, investing in employee development through career growth opportunities and mentorship underscores an organization's commitment to its workforce, motivating employees to align their aspirations with organizational goals (Feldman, 1996).

2.5.1 Leadership Strategies to Restore Trust

To rebuild trust, leadership must demonstrate transparency, empathy, and a commitment to workforce stability. These efforts align with addressing employee's trust by providing job security and clear communication about the organization's direction. Open dialogue and ethical decision-making re-establish credibility and help create a sense of stability. Leaders who acknowledge employee concerns and guide them towards a secure future foster a more resilient and motivated workforce (Ahmad, 2014).

2.5.2 Workplace Culture Rebuilding Efforts

A strong focus on workplace culture is essential to meeting employee's engagement for belonging and connection. Initiatives such as team-building activities, recognition programs, and open forums for discussion provide employees with opportunities to bond and feel valued within the organization. Rebuilding a positive culture enhances morale and engagement, ultimately supporting the organization's recovery (Ahmad, 2014).

2.5.3 Investment in Employee Development

Offering career development opportunities and mentorship programs addresses motivation and helps employees regain confidence in their abilities. By investing in their professional growth, organizations signal a commitment to the long-term success of their workforce. Employees who perceive opportunities for advancement

within the company are more likely to feel motivated and committed, eventually achieving self-actualization through meaningful contributions to the organization (Feldman, 1996).

2.6 Conclusion

Although layoffs are occasionally necessary for financial or strategic reasons, their consequences can be far-reaching, affecting morale, trust, productivity, and an organization's reputation. However, by focusing on transparent leadership, supportive cultural rebuilding, and investing in employee development, organizations can navigate post-layoff recovery and emerge more resilient. Long-term stability can be achieved through strategic workforce planning, employee engagement initiatives, and a focus on agility and innovation.

CHAPTER III

METHODOLOGY

This chapter outlines the research design, data collection methods, and research framework used to explore the effects of layoffs on trust and morale among remaining employees in a pharmaceutical company in Thailand. By employing qualitative methods, the study aims to gain in-depth insights into employees' experiences and perspectives to provide actionable recommendations for organizations navigating similar challenges.

3.1 Primary Data Collection Method

The study uses a qualitative research approach to understand the detailed experiences of employees affected by layoffs. It focuses on in-depth interviews as the main way to collect information. Interviews are helpful because they allow employees to share their personal stories, feelings, and opinions. This method is useful for understanding how layoffs impact trust, morale, and the overall work environment in ways that numbers or surveys might not fully capture.

3.2 Interview Method

The interviews are done through face-to-face conversations with the participants. The interviews take place at a coffee shop to ensure they feel comfortable and relaxed, making it easier to have a smooth conversation. Besides listening to what the participants say, their body language, gestures, and facial expressions are also observed. Notes are taken to capture these observations. Each interview lasts about 30 to 45 minutes, including time for introductions, open-ended questions, and follow-up probing questions.

3.2.1 Sample Selection

Participants must have worked at a pharmaceutical company in Thailand during and after a layoff to make sure their experiences match the focus of this study. The people who have direct experience with layoffs. The participants are employees who stayed with the company after layoffs, as they can best share what happens afterward. For the sample, 8 people of staff level and 2 people of management level will be interviewed.

Table 3.1 Demographic Profile of the Participants

Code	Level	Gender	Years of Experience
A	Management	Male	16
B	Management	Female	4
C	Staff	Female	3
D	Staff	Female	3
E	Staff	Male	2
F	Staff	Female	3
G	Staff	Female	11
H	Staff	Female	10
I	Staff	Female	5
J	Staff	Male	3

3.2.2 Open-Ended Questions

This section examines the challenges of employees face after layoffs and explores strategies organizations can adopt to address them. It investigates the impact of layoffs on employees' situation that they experience. The analysis also considers how reduced trust and morale effect of their work performance, workload, communication, and changes in team dynamics. Finally, it explores actionable steps organizations can take to rebuild trust and morale, based on employees' perspectives and priorities

Table 3.2 In-Depth Interview Questions

Investigation	Question
1. General Question	<ul style="list-style-type: none"> - Can you share your role and how long you've been with the organization? - How would you describe your overall experience working here before the layoffs? - How would you describe the company culture prior to the layoffs? - How would you describe the current workplace environment compared to before the layoffs? - What changes have you noticed in how employees interact or in the overall atmosphere? - How do you feel the organization handled the layoffs overall?
2. How do the remaining employees feel after a layoff, what challenges do they experience, and does it affect their trust and morale?	<ul style="list-style-type: none"> - How did you feel immediately after the layoffs were announced? What changes did you notice in the workplace? - What specific challenges have you experienced since the layoffs? (e.g., workload, communication, team dynamics) - Did the layoffs impact your trust in the organization or your overall morale? If yes, how? - How have you managed or adapted to these challenges?
3. Does trust and morale impact work performance or do they affect to other aspects?	<ul style="list-style-type: none"> - Did the layoffs affect your personal work performance? If so, in what ways? - Beyond work performance, did the layoffs influence other areas, such as collaboration, motivation, or relationships with colleagues? - Based on your experience, what happens within an organization when employees have low trust and morale?

Table 3.2 In-Depth Interview Questions (cont.)

Investigation	Question
4. What should organizations do to improve trust and morale from the employees' perspective?	<ul style="list-style-type: none"> - What actions do you think the organization should take to rebuild trust and improve morale? Additional suggestion? - Rank in order of importance: (Suggestion ideas from the interviewees)

3.2.3 Probing Techniques

Probing techniques will be used during interviews to gather more detailed information from participants. First, the interview will start with open-ended questions to encourage participants to share their thoughts freely. Next, follow-up questions will be asked to dig deeper and understand the reasons behind their answers. This approach helps the interviewer gain clearer insights into what the participants want to express. Finally, the interview will end with closing questions to confirm that both the interviewer and interviewee have a shared understanding of the responses given for each question

3.3 Research Framework

The research framework demonstrates how the data collected through in-depth interviews relates to understanding the remaining employee after layoffs. Using qualitative methods, the study explores the connections between employees' feelings, the impact on their trust and morale to workplace atmosphere and work performance. Additionally, the framework highlights employees' recommendations strategies improvement. This structure helps connect the findings and identify strategies to support employees after organizational layoffs.

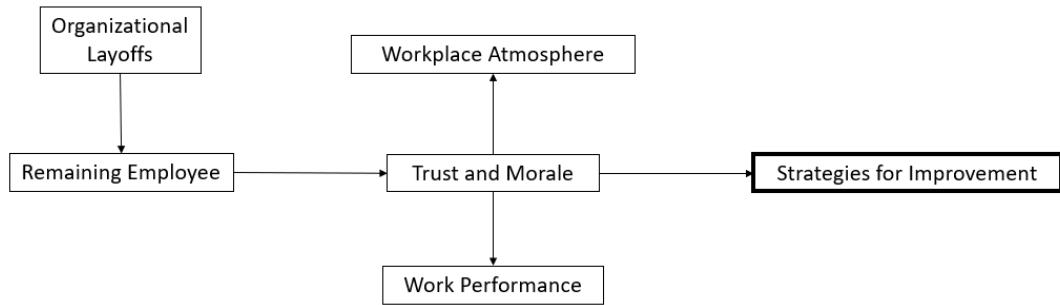


Figure 3.1 Research framework of Improving Trust and Morale After Organizational Layoffs

CHAPTER IV

DATA ANALYSIS

This analysis focuses on the experiences of employees who remained with a pharmaceutical company in Thailand after layoffs. The study investigates how layoffs affected overall workplace dynamics, employee trust and morale, work performance, company response and suggestion from employee aspect. The sample size consists of 10 employees, including 8 staff -level employees and 2 management-level employees.

4.1 Changes in Workplace Atmosphere

Before the layoffs, employees described the company culture as **peaceful, non-competitive, and low-stress**. All of the employees mentioned that the workplace had a "cooperative and supportive environment" before the layoffs, where employees felt valued and worked together as a team. Employee G highlighted that teamwork was a key factor in making work enjoyable, as colleagues often collaborated on projects and provided support to one another.

However, after the layoffs, the workplace became **competitive, pressured, and stressful**. Employees noticed an **increase in tension and job expectations**. Employee D noted that "everyone seemed more cautious and focused on survival rather than collaboration," indicating that employees no longer felt secure in their positions. Employee F expressed that "work expectations increased, but without any additional support or encouragement," leading to burnout and dissatisfaction. Employee E added that the atmosphere became competitive where individuals prioritized their own survival rather than supporting their colleagues. This shift created a **more isolated and distrustful** work environment, where employees were hesitant to share their thoughts or concerns with colleagues due to fear of repercussions.

While teamwork remained unchanged, the overall **enthusiasm and engagement decreased**. Employee G remarked, "We still communicate, but the energy and cooperation are not the same as before." Employees no longer felt as connected to their colleagues.

4.2 Immediate Reactions to Layoffs

All the employees who participated in this study felt **shock and surprise**, as they were unprepared for the layoffs. Employee A mentioned "Before this, the company had been cutting staff by reorganize a bit, but this layoff is bigger than anything we've seen before. Employee B stated that "there was no prior indication, and many employees were left confused." The suddenness of the layoffs led to feelings of betrayal and distrust toward management.

There was a strong **empathy for laid-off colleagues**, but also growing **fear and insecurity** about their own job stability. Employee H commented, "Even though I kept my job, I felt emotionally drained because I knew it could have been me." Employees who remained struggled with survivor's guilt and questioned whether they would be the next to go.

Conversations among employees **focused more on layoffs than on actual work**, affecting concentration and performance. Employee I said, "The uncertainty made it hard to focus on tasks. Instead, everyone was talking about who might be next." Employee J added that "there was a clear decline in morale, as employees were distracted and disengaged."

Employee E observed that "productivity dropped because people were more worried about job security than completing their work efficiently." Half of the employees expressed that their anxiety led to reduced efficiency, with some even considering quitting before being laid off.

4.3 Impact on Trust and Morale

All the employees who participated in this study **lost trust in the company**, believing that they could be laid off at any time. Employee A said "From my experience of going through several layoffs, I've never really trusted any company. All I can do is keep my performance up so I do not get laid off." Employee C admitted, "I no longer feel secure here, and I've started looking for new job opportunities." Employees who once felt loyal to the company began reconsidering their long-term future within the organization.

8 of 10 employees mentioned that **morale dropped significantly**, with employees. Employee E shared, "I used to be excited about my work, but now I feel disengaged and just do what is necessary." Employee J mention, "This layoff makes me just focused only on completing tasks, not improving anything because I might be next. In another perspective, the remaining 2 employees do not see it as something that effects to their morale. They think employees should separate emotions from work and continue with their responsibilities. Employee A stated, "I believe in staying professional no matter the situation. Even though it is hard, I remind myself to focus on what I can control."

4 of 10 employees **started seeking other job opportunities**, considering competitive positions elsewhere. Employee J said, "I've already sent out applications because I don't want to stay in an unpredictable environment." And 6 of 10 employees expressed that they had no intention of leaving the company, not due to confidence in the organization, but rather due to personal circumstances such as age and family condition.

3 of 10 employees who previously enjoyed their jobs began to **decline in overall workplace engagement**. Employee G remarked that "the joy of work disappeared, and now it's just about survival." The remaining 7 employees stated that workplace engagement was no important to them. Employee F mentioned, "As long as I meet expectations, that's enough. I don't need to go beyond that."

4.4. Effect on Work Performance

Employees managed to handle their tasks, but with lower enthusiasm. Employee C said, "The quality of work has been maintained, but there is no passion behind it." Employees performed their duties out of obligation rather than genuine interest.

8 of 10 employees said **low passions for work and no initiative to contribute beyond their basic duties**. Employee F explained, "There is no point in going the extra mile when the company does not value employees." Employees became less willing to take on additional responsibilities.

8 of 10 employees found themselves **doing only what was necessary**, rather than seeking ways to improve processes or support team members proactively. Employee I commented, "I just complete my tasks and go home. There's no drive to do more."

However, the remaining 2 employees A and D believe that they can separate emotions from work and continue with their responsibilities include job development. Employee D mentioned, "Even in a hard time, there is no reason for stop improvements because I think we can still make ourself better."

4.5 Organizational Response

All the employees who participated in this study noted that the company **did not take any action to address concerns**. Employee E stated, "Management has not made any attempt to reassure employees or explain the situation." This lack of communication deepened distrust and uncertainty.

They also felt that there was **a lack of transparent communication** from management. Employee I said, "We don't know if more layoffs are coming, and that uncertainty makes everything worse." Employees wanted clarity and reassurance but received none.

Employee D mentioned that "employees expected leadership to provide reassurance, but instead, there was complete silence. This made things worse because we didn't know what to expect." Employees wanted leadership to acknowledge their concerns rather than ignoring them.

The employees A and B as manager role they mentioned "Actually, the company did take action by providing reasonable compensation to the employees who were laid off (more than what the law requires). Some of them were reassigned to other positions within the organization, although not everyone was given that opportunity. However, there may have been a lack of effective communication to make people feel that company do nothing." Employee A added "The employees who were laid off were the result of being ranked lower in work performance within the organization. There were no clear evaluation criteria but, the manager has consistently provided feedback for improvement. Therefore, maintaining high performance is very important." And Employee B also added, "From a leadership point of view, we tried our best to soften the impact. But we have learned that actions without communication do not go far enough."

4.6 What Should Organizations Do to Improve Trust and Morale?

Given the significant impact of layoffs on employees' trust and morale, participants provided several recommendations for improving workplace culture and motivation. The following are ranked by importance, based on employee feedback

4.6.1 Offering Competitive Compensation and Benefits (Top Priority)

All the employees who participated in this study strongly believed that additional financial security would **improve morale and reduce job insecurity**. Employee F remarked, "Higher pay, incentive, or even improved healthcare benefits would make us feel like the company cares about us." Employee D added, "The workload has increased since the layoffs, but our salaries haven't changed. A pay adjustment would help motivate employees to stay." Employee A said "Providing **long-term job incentives** such as retention bonuses or profit-sharing plans would help retain top talent."

4.6.2 Providing Career Growth and Development Opportunities

All of the employees want to see their own future in **career advancement opportunities**. Employee J commented, "Right now, we feel stuck. If we had development programs, at least we could grow within the company." Employee G suggested, "The company should create a clear career progression plan so employees feel valued and see a future here." Employees B mentioned, "Upskilling programs and internal promotions would help **restore motivation and engagement**."

4.6.3 Proactive Support for Job Security and Transition Assistance

9 of 10 employees emphasized the need for **advance notice of layoffs and voluntary separation options**. Employee C stated, "If the company tells us what the long-term plan is, we can prepare and adjust instead of feeling uncertain every day." Employee H emphasized, "Even if more layoffs are planned, we deserve to know rather than being left in the dark." Company should set **transparent expectations about restructuring** to prevent panic among employees. Providing **severance packages, career counseling, and outplacement services** would ensure that those who are laid off can transition smoothly to new jobs, reducing overall fear among remaining employees. Employee H suggested, "If I knew that even if I got laid off, I'd have financial and job-seeking support, I wouldn't be so anxious every day." However, one remaining employee believed that such support wouldn't help. From her perspective, employees are capable of finding new jobs on their own.

4.6.4 Transparent Communication and Leadership Engagement

8 of 10 employees emphasized the need for **clear and honest communication from leadership**. Employee A suggested, "I have an ownership mindset but, if management had been upfront about the company's challenges, we wouldn't feel so blindsided." Employee I recommended, "Regular updates, even if they contain bad news, would help us feel more involved and respected." Half of the employees suggested that organizations should provide **town hall meetings, Q&A sessions, and open discussions** to address concerns and dispel rumors. The remaining 2 employees believe that the understanding cannot help. Employee D said "It just a word, I want something tangible to rebuild my trust and morale"

4.6.5 Employee Engagement Activities to Rebuild Teamwork

2 of 10 of the employees mentioned that **team-building activities, mental health programs, and workplace well-being initiatives** could help rebuild morale. Employee E suggested, "We used to have fun events and team lunches, but after the layoffs, everything disappeared. Small efforts like these would help bring us together again." Employee B proposed, "engagement activities can help people to stay by connection with colleague society" and "Organizing **workshops, feedback sessions, and team bonding events** would help restore a sense of unity." 8 of 10 remaining employees, did not place much importance on team engagement. They believed that simply focusing on completing their own tasks was enough.

CHAPTER V

CONCLUSION AND RECOMMENDATIONS

5.1 Conclusion

This study examined the impact of organizational layoffs on remaining employees within a pharmaceutical company in Thailand. The findings highlight the profound effect layoffs had on workplace atmosphere, employee trust, morale, and overall work performance. Prior to the layoffs, employees enjoyed a cooperative and supportive work environment, but post-layoff conditions shifted toward stress, competition, and job insecurity. The immediate reaction of employees was characterized by shock, fear, and uncertainty, leading to declining trust and morale. Many employees began seeking external job opportunities due to the instability within the organization.

Additionally, employee engagement and initiative significantly dropped, with employees only performing essential tasks without motivation or enthusiasm. While productivity was maintained, the passion and commitment to work were absent. The company's lack of communication and proactive support further deepened distrust, making employees feel neglected and unvalued.

Based on the analysis, the company should implement strategic improvements to rebuild trust, boost morale, and enhance work performance. The recommendations focus on mitigating negative effects and fostering a positive and engaging workplace culture.

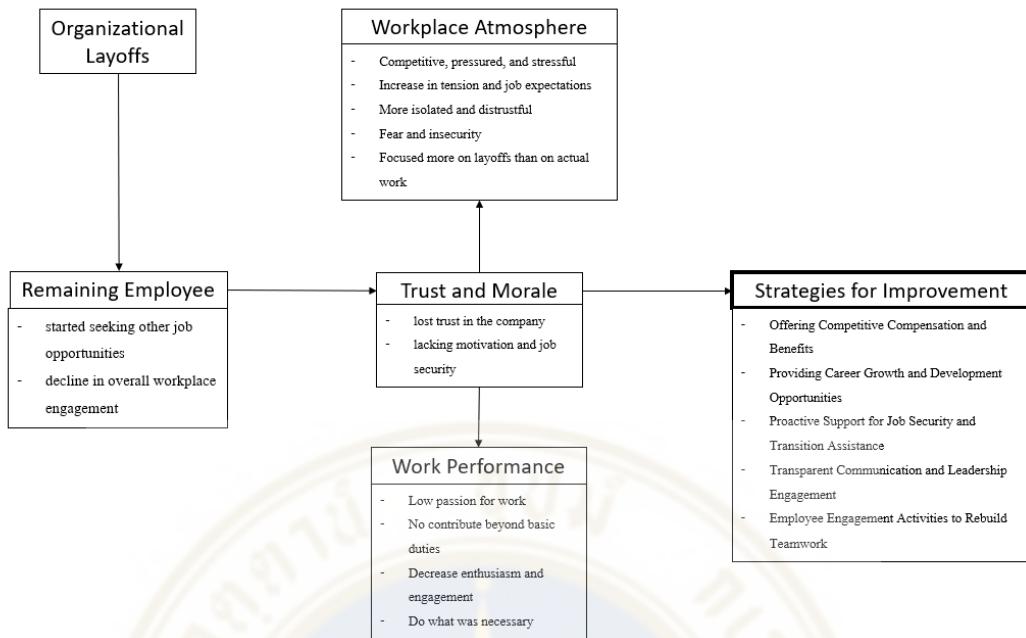


Figure 5.1 Summarized research framework of Improving Trust and Morale After Organizational Layoffs

5.2 Recommendations

The following recommendations have been developed to address key concerns identified in this study. These recommendations are structured to prioritize areas that employees consider most critical, focusing on restoring Competitive Compensation, career growth opportunities, job security, leadership transparency, and team engagement. By implementing these strategies, the company can rebuild employee confidence, retain talent, and enhance positive and supportive workplace environment.

5.2.1 Offering Competitive Compensation and Benefits (Top Priority)

To address financial insecurity and increased workload, the company should offer competitive compensation and benefits, including salary adjustments, retention bonuses, and profit-sharing plans that align with employees' increased responsibilities. Improving healthcare benefits, performance-based incentives, and long-term job security measures will help reduce financial anxiety. A workload-based compensation review should also be implemented to ensure fair remuneration for additional responsibilities.

5.2.2 Providing Career Growth and Development Opportunities

Providing career growth and development opportunities is crucial for employee motivation and retention. Developing clear career progression frameworks and internal promotion programs will help employees see long-term growth within the company. Upskilling programs, mentorship opportunities, and leadership training should be introduced to provide career advancement options

5.2.3 Proactive Job Security and Transition Assistance

To reduce uncertainty and fears about layoffs, the company should implement transparent restructuring communication policies that provide clear, honest, and timely updates. Offering voluntary separation programs, extended severance packages, and job transition assistance will help relieve employee concerns about job security.

5.2.4 Enhancing transparent Communication and Leadership Engagement

Building trust and maintaining an open dialogue between employees and leadership requires establishing regular town hall meetings, Q&A sessions, and leadership updates. These initiatives will improve transparency and employee confidence. Managers should also receive training in empathetic and strategic communication to address employee concerns effectively. Furthermore, a leadership accountability system should be developed to ensure management provides measurable improvements in employee engagement and morale.

5.2.5 Employee Engagement Activities to Rebuild Teamwork

To restore collaboration and workplace morale, the company should reinstate team-building activities, workplace wellness initiatives, and employee recognition programs to enhance team cohesion. Encouraging peer recognition programs and informal networking events will foster a supportive work environment. Lastly, introducing flexible work policies and mental health initiatives will help employees manage burnout and stress, ensuring a more balanced and engaged workforce.

The findings of this study align closely with existing literature, reinforcing the idea that layoffs deeply affect employee trust and morale. The study's recommendations

enhancing transparent communication, providing career development opportunities, and rebuilding employee engagement are strongly supported by researchers such as Ahmad (2014), Feldman (1996), and Alhamad & Amirah (2024). Transparent communication helps rebuild trust by reducing uncertainty and fostering a sense of inclusion. Career development opportunities restore motivation and encourage long-term commitment, while employee engagement activities strengthen team cohesion and morale.

In addition, the study highlights the importance of offering competitive compensation and proactive job security measures as key priorities from the employees' perspective. These strategies directly address financial concerns and help reduce fear of future layoffs. Together, these findings present a cohesive framework grounded in both research and employee experience, offering a practical path for organizations to rebuild trust, boost morale, and strengthen organizational culture in the wake of workforce reductions.

5.3 Limitations of the paper and suggestions for future research

While this study provides valuable insights into the effects of layoffs on employee trust and morale within a pharmaceutical company in Thailand, several limitations should be acknowledged. Firstly, the study was conducted within a single organization, focusing specifically on the sales and marketing teams. As such, the findings may not fully represent the experiences of employees in other departments where the nature of work and reactions to organizational change may differ. Secondly, the research relied on qualitative interviews with a relatively small sample size, while offering in-depth perspectives, limits the generalizability of the results to the broader industry or other organizational contexts.

Another limitation is the potential hesitation of participants to share openly, given the sensitive nature of the topic. Some interviewees may have withheld their true feelings due to concerns about confidentiality or potential repercussions, which could affect the depth and accuracy of the data. Although efforts were made to ensure a comfortable and confidential interview environment, the possibility of partial disclosure remains.

For future research, it is recommended to expand the scope to include multiple companies across different pharmaceutical sub-sectors or even other industries for broader comparison. Including employees from various functional areas and levels would also provide a more holistic view of the post-layoff environment. Moreover, longitudinal research could be beneficial in examining how trust and morale evolve over time.

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