

**INFLUENCE OF ORGANIZATIONAL RESTRUCTURING  
ACTIVITIES ON EMPLOYEE COMMITMENT IN STATE  
CORPORATIONS IN KENYA**

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**Influence of Organizational Restructuring activities on Employee  
Commitment in State Corporations in Kenya**

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Philosophy in Human Resources Management in the Jomo Kenyatta  
University of Agriculture and Technology**

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**DECLARATION**

This thesis is my original work and has not been presented for a degree in any other University.

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## **DEDICATION**

To my family for their immense support as I carried out my research. Special dedication goes to my parents who taught me the value of education.

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## **ABBREVIATIONS AND ACRONYMS**

<b>CBD</b>	Central Business District
<b>GOK</b>	Government of Kenya
<b>HCWP</b>	High Commitment Work practice
<b>HR</b>	Human Resource
<b>HRM</b>	Human Resource Management
<b>ISC</b>	Inspectorate of State Corporations
<b>JKUAT</b>	Jomo Kenyatta University of Agriculture
<b>RBV</b>	Resource Based View
<b>SC</b>	State Corporations
<b>SCA</b>	Sustained Competitive Advantage
<b>SCA</b>	State Corporations Act
<b>SHRM</b>	Strategic Human Resource Management.
<b>SPSS</b>	Statistical Package for Social Sciences



## **OPERATIONAL DEFINITION OF TERMS**

- Compensation** Compensation includes not only salary, but also the direct and indirect rewards and benefits the employee is provided with in return for their contribution to the organization (Armstrong, 2012).
- Downsizing** Downsizing refers to activities undertaken by management to improve the efficiency, productivity, and competitiveness of the organization by reducing the workforce size (West, 2010).
- Employee Commitment** Organizational commitment can be defined as the relative strength of an employee's attachment to, or involvement with, the organization where she/he is employed (Stup, 2006).
- Job Redesign** Is an effort where job responsibilities and tasks are reviewed - and possibly re-allocated among staff - to improve output (Armstrong, 2012). Job design also refers to the way tasks are combined to form complete jobs. It also involves recollecting and revising job-related information to determine the inconsistency between person and the job (Robbins & Stuart-Kotze, 2013).
- Psychosocial Support** Psychosocial support deals with education for those living the organization to be able to survive out of employment. It is also the process of counseling the survivors to overcome fear and grief which may have occurred after restructuring (Borosan & Burgess, 2012).

<b>Restructuring</b>	Restructuring can be defined as an organizational change that is much more significant than a commonplace change and affects at least a whole organizational sector or an entire company rather than focusing on peripheral changes in work practices (Kieselbach et al., 2009).
<b>State Corporation</b>	It is defined as a state corporation established under section 3 of the Act; a body corporate established before or after the commencement of this Act by or under an Act of Parliament or other written law but not It includes: commercial entities, regulatory bodies, service providers, universities, training institutions and research (State Corporations, Act Cap 446).
<b>Restructuring Survivors</b>	Staff that were directly or indirectly affected by restructuring activities (i.e. their position may or may not have been changed) but who remain as staff (Thessian, 2004).
<b>Survivor Syndrome</b>	Is defined as a set of attitudes, perceptions and behaviors of staff who remain following involuntary employee reductions (Robbins, 2011). Also known as survivor sickness.

## ABSTRACT

This study sought to determine how restructuring activities affected employee commitment in State Corporations in Kenya. The increase in global competitiveness, together with advances in technology and ongoing changes in the environment, requires organizations to continuously adapt and be willing to change their structures, methods and practices to remain competitive. In some cases they need to transform themselves from rigid bureaucracies into leaner, more flexible operations also leads to the need to restructure. In quest to improve service delivery restructuring has become increasingly prevalent in Kenya today. Scholars found that restructuring has a significant attribution to employee commitment. The study was guided by the overall objective which was to examine the influence of restructuring activities on employee commitment in State Corporations in Kenya. The study tested the hypothesis that downsizing, reviewed policies and practices, psychosocial support, compensation changes and job redesign influenced employee commitment in state corporations in Kenya. The Unit of analysis was state corporations and individual employees formed the unit of observation because surviving employees are often called upon to assume expanded roles, functions and responsibilities in a post restructuring environment. The study covered 20 state corporations with a workforce compliment of 33,407 employees. The State Corporations were selected using purposive method of sampling. Respondents in the study included 381 employees across all cadres. These corporations are those which had completed restructuring. Descriptive research was used in a representative sample of employees from restructured state corporations. The questionnaire containing both structured and unstructured questions was used as the main data collection instrument. Data was analyzed using descriptive statistics by means of SPSS a statistical package. The study established that downsizing, policies and practices, restructuring psychosocial support, compensation changes and job redesign influenced employees' commitment. The study found downsizing, reviewed policies and practices, psychosocial support, compensation changes and job redesign were significant predictors of employee commitment. Overall the study demonstrated positive relationship between restructuring activities and employee commitment. The study showed that some employees from the organizations under study felt more dedicated to perform their jobs after restructuring however, a minority felt their supervisors did not involve them in decision making. The results further revealed that some supervisors did not listen to their juniors and employee benefits information was not regularly communicated. The study recommended that involvement of staff in decision- making process is vital and could be enhanced by ensuring more comprehensive feedback on staff matters and by providing opportunities for further decisions and debate, even when ideas are not considered feasible by the senior management team. The state corporations gained practical insights into the factors influencing employee commitment thereby enriching their knowledge how to increase employee commitment. Future researchers may study other variables that were not captured in the current study.

## **CHAPTER ONE**

### **INTRODUCTION**

This chapter provided the general information on restructuring and employee commitment globally and in Kenya with specific focus on State Corporations. It also contains a background of the study, statement of the problem and research objectives. A justification and limitation of the study was also be provided.

#### **1.1 Background of the Study**

The increase in global competitiveness, together with advances in technology and ongoing changes in the environment, requires organizations to continuously adapt and be willing to change their structures, strategies, methods and practices to remain competitive. In some cases they need to transform themselves from rigid bureaucracies into leaner, more flexible operations also leads to the need to restructure (Cummings & Worley, 2009). Restructuring is perceived as one of the significant forms of organizational change that affects the whole organization than the peripheral changes commonly found in work places (Kieselbach, Armgarth, Bagnara, Elo, Jefferys, Joling, Kuhn, Nielsen, Popma, Rogovsky, Sahler, Thomson Triomphe, & Widerszal-Bazyl, 2009).

Restructuring takes various forms including relocation, off shoring, outsourcing, bankruptcy, Merger/acquisition internal restructuring, and business expansion.

A corporate restructure is often associated with a failing business model and loss of jobs or major job cuts. While a restructure may help the company move forward and improve business, the process comes with some fallout for both the company and the employees. Anticipating these disadvantages and potential difficulties helps to deal with their negative impact (Frost & Media, 2007). Restructuring causes uncertainty, with potential side effects in the work environment.

### **1.1.1 Restructuring Activities**

Organizational restructuring which according to Ryder (2006) involves: downsizing, outsourcing or amalgamation is in most cases presented as strategies to improve organizational efficiency, productivity and competitiveness in both the private and public sectors. As a result of restructuring, employees might be suspicious about the future direction of the organization and their role in it. This situation can impact on trust and employee commitment (Lee & Teo, 2005). Restructuring is directed at altering the key organizational variables that affect employee commitment (Zypan & Ugrojensek, 2005). Available literature reveals that what is gained in terms of performance imperative is lost in other areas (Hirsch & Sourcey, 2006)

Most employees in post-restructuring context are incessantly dissatisfied with the changing conditions of work and find it more difficult to sustain commitment by adjusting positively to the discomforts which accompanied the restructuring of the workplace (Longe, 2012).

Ashok (2005), found evidence of damaged morale of managerial and non-managerial employees based on indicators like lack of employee commitment, poor job satisfaction, excessive labour turn-over in post-restructuring context in a multi-activity organization across four continents: Asia, Europe, America, and Africa. Burchel, Ladipo and Wilkinson, (2011) equated organizational restructuring to job insecurity and argued that the consequences for an organization on the employees in terms of commitment and willingness to work beyond contracts are damaging.

### **1.1.2 Employee Commitment**

Organizational commitment is essential for retaining and attracting well qualified workers as only satisfied and committed workers will be willing to continue their association with the organization and make considerable effort towards achieving its goals (Nagar, 2012). Acquiring, maintaining and retaining best workforce is an important success factor in today's organizations.

Organizational commitment and job satisfaction are directly related to an organization's profitability and competitive position in the market.

Organizational commitment directly affects employees' performance and is therefore treated as an issue of great importance. (Siders, George & Dharwadkar, 2001). Organizational commitment has significant importance because committed workers have less intention to quit the job, less often absent and highly motivated to perform at an advanced level (Bushra *et al.*, 2011).

It is viewed as a psychological connection that individuals have with their organization, characterized by strong identification with the organization and a desire to contribute to the accomplishment of organizational goals (Meyer & Allen, 1997). Organizational commitment can be attributed as employees' loyalty and faithfulness towards organization and their intentions to be the part of that organization. Three essential components related to the definitions of organizational commitment have been found in literature. These three types of commitment are: affective, continuance and normative (Greenberg, 2005).

Affective commitment relies on an emotional attachment to the organization and it is likely that the affectively attached employee will be motivated to make a greater contribution to shape the organization's vision (Aghashahi, Davarpanah, Omar & Sarli, 2013). Continuance commitment deals with the commitment to pursue working in an organization because of the inter-employee relations and other non-transferable investments like retirement benefits. The employee feels compelled to commit to the organization because the monetary, social, psychological and other costs associated with leaving are high. Employees with high level of this type of commitment therefore remain a member of the organization because they need it. Normative commitment refers to a sort of an obligation on the part of an employee, due to which he is willing to stay (or continue working) in an organization (Alam & Ramay, 2011).

Employees high in normative commitment feel that they must maintain membership in the organization, because that is the “right and moral” thing to do (Meyer & Allen, 1991).

A study carried out in South Africa across public and private sectors indicates that employee morale and staff commitment and motivation plummeted after restructuring. It further found that commitment generally meant attachment and loyalty. This was more prevalent in public than in private sectors (Vermeulen, Wiesner & Littler, 2009). Further, researchers observed that restructuring caused uncertainty with potential side effects in the work environment. Resultantly, restructuring exposes employees to suspicion about the future direction of the organization and their role in it. This situation can cause turbulence in employee trust and commitment (Lee & Teo, 2005). Employee commitment involves an active relationship with the organization such that the employees are willing to give something of themselves in order to contribute to the organization’s well-being (Theissen, 2004). This is a possibility for employees in both private and public organizations.

### **1.1.3 State Corporations in Kenya**

The State corporations in Kenya are regarded highly in regard to their potential to facilitate growth (Njiru, 2008). They were established under the state corporations Act Chapter 446, section 3. (SCA, 2015).

Their functions include accelerating social-economic development, redress regional economic imbalances, increase Kenyan citizen’s participation in the economy, promote indigenous entrepreneurship and promote foreign investments (through joint ventures). However, the state corporations have been undergoing numerous challenges, such as: poor corporate governance, low performance, political interference, poor leadership and tribalism (Obala, 2013). Some of these have led to the need to restructure in order to improve efficiency in service delivery.

A report from the presidential task force (GOK, 2013) recommended restructuring of 75 state corporations. This was intended to boost efficiency, effectiveness, productivity and competitiveness in service delivery to the citizens. The task forces also proposed the rationalization of functions in order to remove overlaps, duplication and redundancies, thereby trimming the number of State Corporations from 262 to 187 (GOK, 2013). Nag and Pathak (2009) aver that corporate restructuring is achieved through changes in corporate structure, including financial restructuring and the optimization of resources. This study considered the restructuring components of: downsizing, psychosocial support, compensation and policies review and job redesign and their effect on employee commitment.

## **1.2 Statement of the Problem**

Employee commitment has been a topical area of discussion by scholars in HRM in the recent past (Armstrong, 2010). The foregoing arose out of realization that modern organizations (public and private) are challenged by dwindling employee commitment. For instance (Kiarie, 2007) did a study on challenges to performance in the Kenyan public sector, and established that there was low of commitment among employees in the state corporations. Low commitment is linked to loss of social and economic costs and is also said to result from various organizational processes among them organizational restructuring (Reed & DeWitt, 2009). Notably, a cross section of literature linking restructuring to commitment is drawn from developed countries context and does not provide conclusive evidence on the causal relationship between the two. The findings from the foregoing studies cannot therefore be generalized to developing world where social, economic and cultural orientations are different (Stuart, 2010).

In a quest to improve service delivery, restructuring has become increasingly prevalent in Kenya today. This is evidenced by government's expressed interest to restructure State Corporations (GoK, 2013). Scholars allude to the fact that restructuring is a business strategy adopted by organizations to improve efficiency (Allen et al., 2006). Corporate restructuring is said to help companies address poor performance, pursue new strategic opportunities, attain credibility in the capital market and consequently help



employees to develop high levels of organizational commitment (Stuart, 2010). Traditionally restructuring was viewed in terms of systems and processes re-organization. Weaver and Franz (2011) found considerable evidence connecting restructuring to various outcomes of employee commitment especially in relation to the wellbeing and unstable intentions to leave among survivors of a restructuring process.

Brockner, Grover, Reed, DeWitt and O'Malley (2009) studied survivor's reaction to layoffs and found that restructuring took the form of reduced employee commitment and lower work performance. On the contrary, Brockner, Grover, Reed, and DeWitt (2009) found that survivors who perceived restructuring as a threat but had high economic need to work responded by increasing their work efforts. Thus, while some research depicts restructuring as a threat to employees' job security, breach of psychological contract and high commitment, another section of research suggests that restructuring is an opportunity for employees to advance and assume greater responsibility by assuming the task and responsibilities of the victims (Mishra & Spreitzers, 2012). In this regard, literature on the link between organizational restructuring and commitment remains conflicting and inconclusive.

Kivuva (2013) observed that 67.5% of restructuring survivors in Telkom Kenya felt less committed to work in the company. This implies that employee commitment dropped owing to the restructuring process. However, this study was conducted in one state corporation, hence a case study whose results cannot be generalized to other state corporations. The study also left out some core constructs of restructuring which the current study has embraced like psycho-social support. In view of the foregoing conceptual, contextual and methodological gaps, this study sought to examine the effect of restructuring on employee commitment in state corporations in Kenya.

### **1.3 Objectives of the Study**

This study was guided by both general and specific objectives.

### **1.3.1 General Objective**

The overall objective in this study was to examine the influence of restructuring activities on employee commitment in State Corporations in Kenya.

### **1.3.2 Specific Objectives**

The research was guided by the following specific objectives:

- (i) To examine the influence of downsizing on employee commitment in state corporations in Kenya.
- (ii) To establish the influence of reviewed policies and practices on employee commitment in state corporations in Kenya.
- (iii) To evaluate the influence of psychosocial support during restructuring on employee commitment in state corporations in Kenya.
- (iv) To assess the influence of compensation changes on employee commitment in state corporations in Kenya.
- (v) To determine the influence of job redesign on employee commitment in state corporations in Kenya.

## **1.4 Hypotheses of the Study**

**H<sub>0</sub>1:** Downsizing has a significant influence employee commitment.

**H<sub>0</sub>2:** Reviewed policies and practices have a significant influence employee commitment.

**H<sub>0</sub>3:** Psychosocial support during restructuring significant influence employee commitment.

**H<sub>0</sub>4:** Compensation changes have a significant influence employee commitment.

**H<sub>0</sub>5:** Job redesign has a significant influence employee commitment.

## **1.5 Justification of the Study**

The findings of this study are expected to benefit the following:

### **1.5.1 Policy Makers**

The results would act as a benchmark not only in the state corporations but the public service in general as they endeavor to restructure processes. Government policy is very critical as it forms the basis upon which implementation of restructuring systems and processes are based. This study would provide a base line upon which they can compare for uniformity and consistency.

### **1.5.2 HR Practitioners**

The recommendations would be useful in tackling employee commitment challenges in state corporations in Kenya. The research would also enable the state corporations to adopt relevant management practices and involve employees fully in the restructuring process. Human Resource (HR) Professionals, being the interface between management and employees in the restructuring process would implement best HR practices to ensure employee commitment thus improving service delivery.

### **1.5.3 Researchers and Scholars**

The study findings would add value to the existing knowledge on restructuring activities hence enrich employee commitment in the organizations of study.

It would also act as an eye opener to other researchers and form a basis for further research as they address the gaps identified that affect employee commitment in state corporations in Kenya which may enhance employee motivation thus improving commitment of the employees.

It would form a framework for future empirical studies on how restructuring activities affects employee commitment in the Kenya state corporations.

### **1.5.4 Other Managers**

The study sought to examine the magnitude with which restructuring activities affected employee commitment in state corporations. This would provide a framework for employee performance thus improving commitment of employees in the public sector in general. It would also provide general managers with strategies to build - a committed and dedicated workforce.

### **1.6 Scope of the Study**

The study was carried out among the restructured state corporations in Kenya. There were a total of 187 state corporations in Kenya out of which 20 had completed the restructuring process at the time of the study. The population comprised of employees of state corporations selected randomly across all cadres.

Although there were other factors which affected employee commitment, the study focused on: downsizing, policies and practices review, restructuring psychosocial support, compensation changes and job redesign. This was because it was not possible to review all variables that in a study (Bhattacharyya & Chatterjee, 2005). Further, Kieselbach et al. (2009) reiterated that the four variables were the epitome to a restructuring process and were likely to affect employee's commitment directly.

### **1.7 Limitations of the Study**

According to Mugenda and Mugenda (2008), limitation has to do with process-related factors that may have an impact on the results of the study but which have not been taken into account. The limitation of the study related to obtaining the expected information. There arose some suspicion/apathy regarding the use of the information gathered by the researcher. Some respondents were also too busy to adequately provide required responses. In an attempt to mitigate the challenges, the researcher sought permission from the organizations by presenting the Authority research letter from the University. The results obtained would be shared with the top management of state corporations to persuade them to implement the recommendations where necessary.

## CHAPTER TWO

### LITERATURE REVIEW

#### 2.1 Introduction

This chapter covers review of secondary sources of literature which the study employed to augment the discussion from divergent scholars. The independent variables include: downsizing, restructuring psychosocial support, compensation changes, policies and practices review and job redesign while the dependent variable is employee commitment.

#### 2.2 Theoretical Review

A theory is defined as a set of interrelated concepts, definitions, and propositions that present a systematic view of phenomena by specifying relations among variables with the purpose of explaining or predicting the Phenomena (Bull, 2006). This study was founded on the following theories:

##### 2.2.1 Resource Based View Theory (RBV)

RBV aspires to explain the internal sources of a firm's sustained competitive advantage (SCA). Its central proposition is that if a firm is to achieve a state of SCA it must acquire and control valuable, rare, inimitable, and non-substitutable resources and capabilities, plus have the organization in place that can absorb and apply them (Barney, 1991a, 1994, 2002).

The resource – based view (RBV) approach to competitive advantage contends that internal resources are more important for a firm than external factors in achieving and sustaining competitive advantage (Teece *et al.*, 2001). This proposition is shared by several related analyses; core competences (Hamel & Prahalad, 1994), dynamic capabilities (Helfat & Peteraf, 2009; Teece, Pisano, & Shuen, 2006) and the knowledge-based view (Grant, 2012). The RBV theory supports all variables in the study as it

focuses on how to give a company an edge over other competitors. This is based on the premise that in RBV the mix, type, amount and nature of a firm's internal resources should be considered first and foremost in devising strategies that can lead to sustainable competitive advantage. It clearly relates an organizations resources and capabilities as the key resource to its competitiveness. The integration of the two gives an organization an edge over its competitors in service delivery. Creating capabilities is simply not a matter of assembling a team of resources: it involves a complex pattern of coordinating between people and other resources.

Perfecting such coordination requires learning through repetition (Grant, 2012). The increase in global competitiveness, together with advances in technology and ongoing changes in the environment, requires organizations to continuously adapt and be willing to change their structures, strategies, methods and practices to remain competitive. In some cases they need to transform themselves from rigid bureaucracies into leaner, more flexible operations (Cummings & Worley, 2009).

The notion of firm's resources heterogeneity is the basis of the RBV. This initial statement of the theory served as the foundation that was extended by others such as Rumelt (2008), Barney (1996), Dierick and Cool (2009). However, Barney's (1991) specification of the characteristics necessary for a sustainable competitive advantage seemed to be a seminal article in popularizing the theory within the strategy and other literatures.

He noted the resources which are rare, valuable, inimitable, and non-substitutable can provide sources of sustainable competitive advantages. Cappelli and Singh (2007), provided an examination of the implications of the RBV on SHRM. Specifically, they noted that most models of SHRM based on fit assume that (a) a certain business strategy demands a unique set of behaviors and attitudes from employees and (b) certain human resource policies produce a unique set of responses from employees. Wright et al. (2004), distinguished between the firm's human resources (i.e., the human capital pool) and HR policies (those HR tools used to manage the human capital pool). In applying the concepts of value, rareness, inimitability, and substitutability, they argued the HR

policies could not form the basis for sustainable competitive advantage since any individual HR policy could be easily copied by competitors. This theory has overlooked the people perspective or the entrepreneur (his/her abilities) as one of the crucial sources of competitive advantage of a firm. This is because of the fact that it views employees as a bundle of resources.

### **2.2.2 Equity Theory**

Equity theory of motivation, developed in the early 1960's by J. Stacey Adams, recognizes that motivation can be affected through an individual's perception of fair treatment in social exchanges. It proposes that a person's motivation is based on what he or she considers to be fair when compared to others (Redmond, 2010).

As noted by Gogia (2010), when applied to the workplace, Equity Theory focuses on an employee's work-compensation relationship or "exchange relationship" as well as that employee's attempt to minimize any sense of unfairness that might result. The theory is used to explain the relationship between employee commitment and compensation. Because Equity Theory deals with social relationships and fairness/unfairness, it is also known as The Social Comparisons Theory or Inequity Theory (Gogia, 2010). Pritchard (2012) points out that Adams presentation of the equity theory is most explicit theory of compensations which has received widespread attention among persons concerned with compensation theories and practices.

In its most recent formulation (Adams, 1965), the theory considers: the nature of inputs and outcomes, the nature of the social comparison process, the conditions leading to equity or inequity and the possible effects of inequity, and the possible responses one may make to reduce a condition of inequity. Inputs include any and all factors perceived by a person to be relevant for getting some return on his personal investment, effort, education, beauty. Equity theory can be applied in almost any exchange situation, so there are a multitude of components that can be listed as inputs or outcomes. There also can be significant difficulty in determining these exact components due to their subjective nature (Siegel, Schraeder, & Morrison, 2007).

Siegel et al. (2007) found that there might be patterns to how individuals cognitively frame inputs and outcomes. For example, employees tend to distinguish inputs based on whether they are controllable, such as communications or attendance, or non-controllable, such as seniority or job training.

Employees also distinguish differing characteristics of outcomes (Siegel, et. al., 2007). Outcomes are evaluated on whether they are economic or non-economic and whether they are personalized or generalized outcomes. It is important to understand if there are general guides for how employees evaluate inputs and outcomes, in order to help prevent perceptions of inequality. It is important for managers and employers to find a suitable measure between them (Cory, 2006). If managers can help prevent perceptions of inequality they can help prevent their employees from becoming de-motivated. Swinton (2006) developed a list of ways an employee can express motivation.

(Guerrero et al., 2007) said that anger is induced by underpayment inequity and guilt is induced with overpayment equity (Spector, 2008). Payment whether hourly wage or salary, is the main concern and therefore the cause of equity or inequity in most cases. In any position, an employee wants to feel that their contributions and work performance are being rewarded with their pay. If an employee feels underpaid then it will result in the employee feeling hostile towards the organization and perhaps their co-workers, which may result in the employee not performing well at work anymore (Gogia, 2010).

It is the subtle variables that also play an important role in the feeling of equity. Just the idea of recognition for the job performance and the mere act of thanking the employee will cause a feeling of satisfaction and therefore help the employee feel worthwhile and have better outcomes.

According to Cory (2006) Adams does not consider individual difference in productivity which renders the comparison other impractical. The theory is too simplified too and there are other variables that affect people's perceptions of fairness which vary from person to person. It also introduces the concept of social comparison where if in equity



is perceived, employees seek to reduce their inputs and others chose to leave the organization, this organization suffers.

### **2.2.3 Social Identity Theory**

This theory was formulated by Henri Tajfel and John Turner in 1979 and relates to employee commitment. The theory held that there are three cognitive processes relevant to a persons being part of an in-group, or of an out-group. Such group membership being, depending upon circumstances, possibly associable with the appearance of prejudice and discrimination related to such perceived group membership. For purposes of this study, the theory will discuss social categorization, identification and comparison in relation to employee commitment: Ford (2007) avers that the process of deciding which group you or another person or persons belongs to.

At its most basic and non-involved level any group will do and no necessity is seen for conflict between groups (Redmond, 2010). The processes by which one's identify with an in-group more overtly. The norms and attitudes of other members within that group being seen as compatible with as worth of emulation or as compatible with those of another person or persons or seen as being by open to emulation by another person or person.

Someone's own self-concept or the social concept of another person or person becomes closely meshed in with perceptions of group membership. Self-esteem, or the estimate of another person or persons is enhanced or detracted from by perceptions of how in-groups and out-groups are held to behave or are held to be able to perform or to rate in society. The theory replaces individualism with social identity as social identity theory attempts to explain how and why individuals identify as members of a group, and to quantify the impact of that identification on their behavior. This is reflected by some of its main concepts include inter-group comparisons, self-categorization, and optimal distinctiveness (Zorlu, 2009).

### **2.2.4 Human Capital Theory**

This theory was popularized in 1960 by Theodore Schultz. Human capital represents the human factor in the organization, the combined intelligence, skills and expertise that gives the organization its distinctive character. The human elements of the organization are those that are capable of learning, changing, innovating and providing the creative thrust which if properly motivated can ensure the long – term survival of the organization (Armstrong, 2009).

Human capital theory explains the relationships between human resource policies and practices and human capital accumulation. One example of these human resource practices is HCWP focusing on human capital elements such as skills, firm specific knowledge, and rewards systems that enhance employee performance, and could lead to enhanced organizational commitment thus higher performance (Huselid, 2010). The theory maintains that workers with higher skill levels receive higher compensation because they are more productive. Employee involvement may require workers with more general skills to perform more complex tasks, which might result in more rigorous selection and hiring criteria and increase the demand for and wages of more educated workers.

New practices may also require more firm-specific skills, which would increase employer-providing training and wages as well (Handel & Levine, 2007). Human capital theory suggests that education or training raises the productivity of workers by imparting useful knowledge and skills, hence raising workers' future income by increasing their lifetime earnings (Becker, 2006).

Becker (2006) outlines an explanation that links investment in training with workers' wages. Specifically, their theory draws a crucial distinction between general education and firm-specific training. Human resource policies and practices can influence a firm's future return through the embedding of resources in people which is called investing in human capital (Becker, 2006). The core concept of human capital is that people possess skills, experience, and knowledge that have economic value to firms (Snell & Dean,

2006). These skills can be acquired by rotating employees from one duty station to the other or enriching the roles they perform to reduce monotony. The human capital theory examined the economic value of education, but more recently it has been used in human resource practices and policies field. Firms attain human capital through recruiting employees with high level of skills and knowledge, much of these skills and knowledge are intangible, including such abilities as solving problems, coordinating, and making decisions in new situations.

These intangible skills and knowledge constitute idiographic resources which create competitive advantage to firms (Barney, 2007). Human capital is of value to a firm but it is transferable, it is embodied in employees, who are free to move from one place to another, especially for employees with general human capital (Becker, 2006). The contribution of human capital to a firm's performance largely depends on employees' willingness to perform.

### **2.3 Conceptual Framework**

A conceptual framework is a written presentation that explains either graphically or in narrative form the main things to be studied, key factors concepts or variables and presumed relationship between them (Vaughan, 2009). Further it provides the structure/content for the whole study based on literature and personal experience.

It is intended to assist a researcher to develop awareness and understanding of the situation under scrutiny. Immense competition and continuous increase in cost of production is leading organizations towards downsizing, layoffs and restructuring. As a result employees have to do a lot of work as compared to before as additional workload is added to their responsibilities (Hellgren & Sverke, 2008). Downsizing refers to activities undertaken by management to improve the efficiency, productivity, and competitiveness of the organization by reducing the workforce size. Many researchers explain the types of response we can expect from survivors of a corporate downsizing. The possible attitudes and behaviors due to downsizing are of particular interest to managers, because managers will inevitably face a workforce at least partially staffed

with survivors of downsizing (West, 2010). Downsizing involves important conceptual and theoretical issues for organizations. The price paid by laid-off workers has been high, while the costs to employees who survive organizational downsizing have been substantial as well (Peterson, 2006). Trust and commitment often erode as workloads increase and job in security escalates (Elshtain, 2010; Fischer, 2007). According to Cameron et al. (2011), downsizing has four major attributes that help define and separate it from related, but non-synonymous concepts such as decline and layoffs.

The workforce attribute of downsizing usually involves reductions in employees. However, downsizing is not limited entirely to workforce reductions. In some downsizing situations new products are added, new sources of revenue opened up, and/or additional work acquired (Angwin, 2005).

Even though some people may be added, the overall process results in fewer numbers of workers employed per unit of output as compared to some previous level of employment.

Downsizing occurs either reactively or proactively to contain costs, enhance revenue, enhance efficiency, and/or bolster competitiveness (West, 2010). In view of the above discussion the following hypothesis was formulated:

Downsizing affects employee commitment.....Hypothesis 1

Armstrong (2012) explains that policies set out the approaches the organization adapts to dealing with key aspects of human resource management (HRM) and provide continuing guidelines on how these approaches should be applied. They define the philosophies and values of the organization on how people should be treated and from these are derived the principles upon which managers are expected to act when dealing with Human Resource (HR) matters. Human resource policies are those courses of action designed to- enhance the effectiveness of 'human beings in their productive roles and to make the productive role best serve the other needs of man. There are several categories of human resource policy: policies designed to achieve the fullest development of human

resources, policies concerned with the optimal, allocation of resources, policies concerned with human resource utilization, policies-concerned with human resource maintenance and conservation, and policies concerned with maintaining high level of demand for employment in the economy.

As Guest (2009) suggested, HRM policies are designed to maximize organizational integration, employee commitment, flexibility in their work. In view of the above discussion the following hypothesis was formulated:

Reviewed policies and practices affect employee commitment.....Hypothesis 2

Psychosocial support is necessary in order to educate those living the organization to be able to survive out of employment, counsel the survivors to overcome fear and grief. Furthermore, because employees have already witnessed a restructuring, surviving staff are believed to increasingly be living under the fear of being fired (Borason & Burgess, 2012). This is what necessitates psychosocial support. Restructuring affects employees well-being not only directly, but also indirectly through work- related factors. For instance, it increases job demands, emotional demands and time pressures for employees and which in turn decrease employees well - being (West, 2010).

It has also been found that the change process is a challenge for social relations within the organization. Supervisory support decreases during change, while conflicts in supervisor - subordinate relationships and between colleagues become more common (Peterson, 2006).The decreased social support in turn, has a negative effect on well-being of employees (Pahkin et al., 2011). Staff who have always worked in jobs that are insecure have less psychological attachment to lose:

Those who build their lives around their employer will suffer the most as survivors (Sparrow & Cooper, 2008). Noer (2003) believes that staff who break the chain of co-dependency with their employer are immune to survivor sickness.

Individuals who survive cutbacks must learn to deal with their own feelings as they develop a new relationship with their organization in which they are more empowered

and less dependent (Burke & Nelson, 2007). In view of the above discussion the following hypothesis was formulated:

Psychosocial support during restructuring affects employee commitment.....hypothesis 3.

Employee compensation plays such a key role because it is at the heart of the employment relationship, being of critical importance to both employees and employers.

Employees typically depend on wages, salaries, and so forth to provide a large share of their income and on benefits to provide income and health security. For employers, compensation decisions influence their cost of doing business and thus, their ability to sell at a competitive price in the product market. In addition, compensation decisions influence the employer's ability to compete for employees in the labor market (attract and retain), as well as their attitudes and behaviors while with the employer (Gerhart, Minkoff & Olsen, 2005).

Employee compensation plays such a key role because of their income and on benefits to provide income and health security. In view of the above discussion the following hypothesis was formulated:

Compensation changes affect employee commitment.....Hypothesis 4

Job redesign looks at specifically at ways to expand the employees job by redesigning certain aspects relating to the scope and depth of the job of what the employee does and is responsible for in the organization (Komio,2005). In so doing the managers ensures commitment and motivation of the employee in the job. Job design, and redesign, can have an important impact on job performance and morale. Job characteristics and job enrichment are alternative approaches to job design that focus on reorganizing job content. By using either approach, you can improve employee performance and ultimately organizational productivity. Understanding these approaches and their limitations will help you choose how to best approach job design in your organization (Angwin, 2005).

The theory of job design is an important concept in business management and has been well known in the private sector for over 30 years. According to its proponents, workers are motivated by jobs in which they feel they can make a difference—and jobs can be designed with that in mind. For Connell (2005) an employee may take on a whole position involving many tasks, or a reduced number of tasks, depending on ability, time allotment and other constraints.

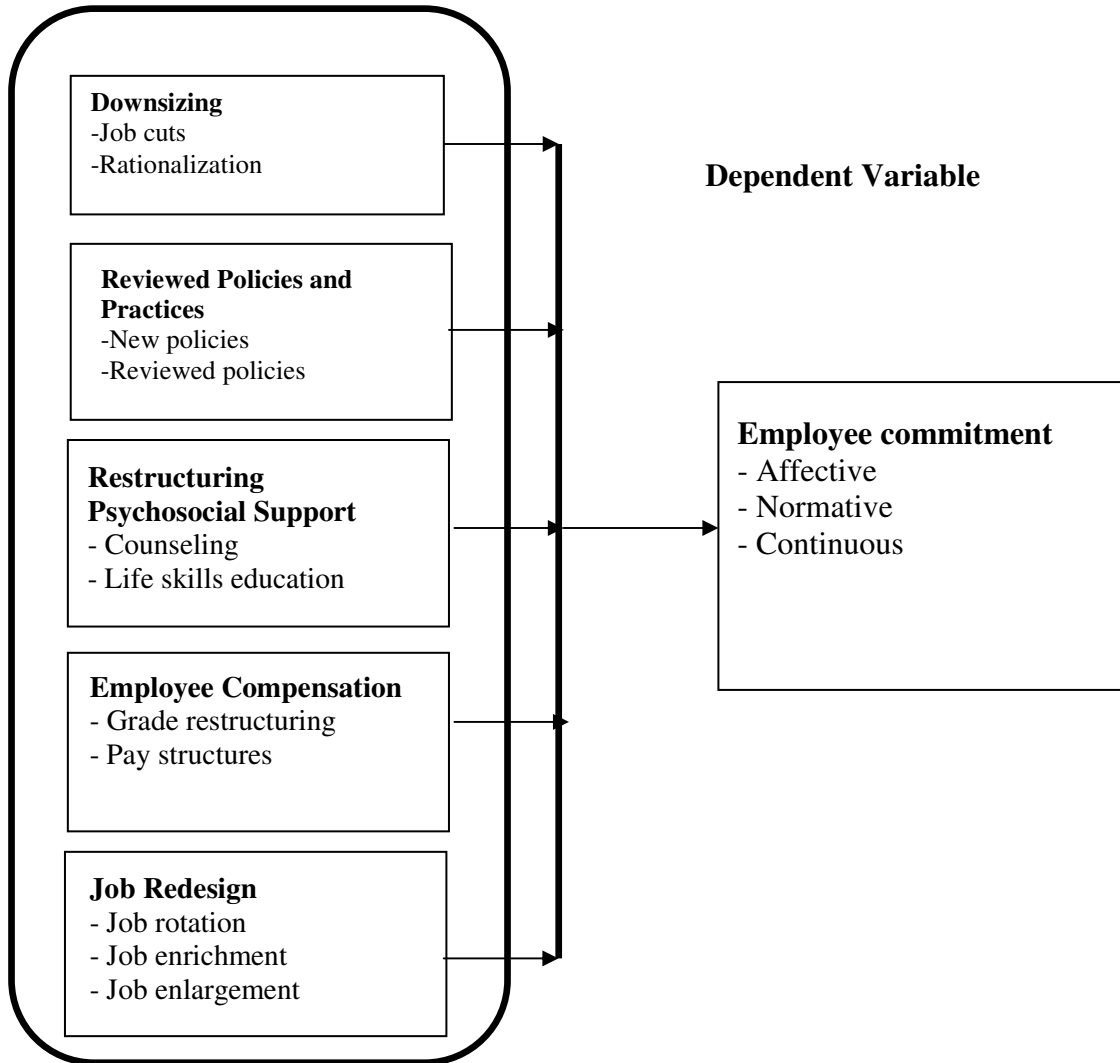
Put simply, job design refers to the way tasks are combined to form complete jobs (Robbins & Stuart-Kotze, 2013). He adds that the process of redesigning a job entails: revising the content, analyzing job-related information, altering the job elements, reformation of job description and specification, and reshuffling job-related duties (rotation, enrichment etc).

Using job design principles results in clear job descriptions, a motivated workforce and successful completion of tasks (Riopel & Croteau, 2008). A contractual element - through either a position description or the employment contract - ensures that both employer and employee have a shared understanding of the work to be done. In view of the above discussion the following hypothesis was formulated:

Job redesign affects employee commitment.....Hypothesis 5.

To conclude, (Ugboro, 2005) notes that survivors responses range from constructive to destructive. Some may experience affective commitment while others none. Restructuring deals with the structure of organization and is usually associated with cultural change. This may be due to: effects in job cuts, compensation, psychosocial issues, policy review and job redesign. The discussion above can be presented in the framework below (figure 2.1).

## Independent Variables



**Figure 2.1: Conceptual Framework**



## **2.4 Empirical Review**

### **2.4.1 Employee Commitment**

Armstrong (2012) notes that commitment represents the strength of the individual's identification with, and involvement in, an organization.

He avers that commitment refers to attachment and loyalty. Meyer and Payfyonova (2010) reiterated that "workers' commitment can take multiple forms, each characterized by a different psychological state or mindset. He adds that affective commitment reflects an emotional attachment and desire to remain with the organization, normative commitment is experienced as a sense of obligation to remain, and continuance commitment reflects an awareness of the costs associated with leaving. All three forms of commitment tie an individual to the organization and decrease the likelihood of leaving, but their implications for on-the-job behavior can differ. It is associated with feelings of the individual about their organization.

Applebaum et al. (2005) rephrased this definition as organizational commitment is a multidimensional construct that reflects a worker's identification with the organization (loyalty), attachment to the organization (intention to stay), and willingness to expend effort on the organizations behalf (discretionary effort). Allen and Meyer (2006) differentiated organization commitment into three components: Affective commitment, normative commitment and continuance commitment. Affective commitment relates to how much employees want to stay at their organization. (Nzulwa, 2013). It relates to emotional attachment, and is normally linked to a favorable working environment and relationships with the other employees. Employees who are affectively committed feel valued, act as ambassadors for their organization and are generally great assets for organizations. According to Rainayee and Zaffar (2013).

Affective Commitment refers to employees' perception of their emotional attachments to their organizations and their goals. Employees with high affective commitment to organizations have strong motivation to contribute to the organization goals because

they see them as theirs (Frderick, John & Fred, 2010). Affective commitment of an employee is directly proportional to positive work experience. Muthuvelo and Rose (2005) argued that employees with low affective commitment will leave an organization while those with high affective commitment will stay for longer periods because they are more loyal and believe in the goals and mission of the organization. Affective commitment brings about overall employee commitment.

A study by Meyer et al. (2012) revealed that employees that are affectively and normatively committed want to stay with their organizations because they feel it is the right thing to do this is because they are happier, more satisfied, more self-directed, healthier, more engaged and more willing to go the extra mile for their organization. So, management policies and strategies that make proper strength and weakness assessments of employees and create situations and workflows where the maximum number of employees individually experience positive work experiences, help to build a successful organization (Fredrick, John & Fred, 2010).

Organizations who have the most success in maintaining employee commitment following downsizing tend to be those that plan well in advance, communicate openly and regularly with all staff throughout the entire process, respect the seniority rights of staff, depersonalize layoff decisions as much as possible and clearly align and articulate the company's values and strategic objectives (Dolan, Belout, Balkin, 2010; Thornhill, Saunders, Stead, 2007). Riveros and Tsai (2011) believe that experiences that contribute to a person feeling comfortable and competent in their job are considered antecedents of affective commitment. Further, Suma and Lesha (2013) add that organizations can build affective commitment by providing open communication, access to information and allowing employees to participate in decision making.

Continuance commitment relates to how much employees feel the need to stay at their organization (Nzulwa, 2013). For employees who are continually committed, the underlying reason for their commitment lies in their need to stay with the organization. Wiener (2009) adds that Continuance Commitment represents cognitive attachment between employees and their organizations because of the costs associated with leaving

the organization (Thessian, 2004). Meyer and Herscovitch (2001) reported that employees with continuance commitment were less willing than those with affective and normative commitment to exert extra discretionary behaviour.

Meyer et al. (2012) however found that workers with strong affective, normative, and continuance commitment are satisfied, self-directed and loyal to their organization. The absence of affective and normative commitment in such workers is what leads to the negative behavior exhibited.

In support Meyer and Parfyonova (2010) believe that the combination of affective and normative commitment leads to more positive outcomes such as organizational citizenship behavior, employee wellbeing and intention to stay. Organizations benefit more when employees display affective and normative commitments than when they have only affective commitment. Organizations need to be more concerned with identifying the combination of different commitment profiles than mere looking at independent components of commitment alone (Meyer et al., 2012). It is based on the assumption that individuals do not leave an organization if they would lose their benefits, take a pay cut, incur job search expenses and risk of being unemployed (Rainayee & Zaffar, 2013).

Continuance commitment is defined as willingness to remain in an organization because of personal investment in the form of nontransferable investments such as close working relationships with coworkers, retirement investments and career investments, acquired job skills which are unique to a particular organization, years of employment in a particular organization, involvement in the community in which the employer is located, and other benefits that make it too costly for one to leave and seek employment elsewhere (Ugboro, 2005). According to Fredrick and Fred (2010) normative commitment relates to how much employees feel they should stay at their organization. Normative commitment is related to obligation: employees may feel they owe the organization for being given a job when they need it most.

Such a feeling of obligation often results from what Wiener (2009) characterized as "generalized value of loyalty and duty. Normatively committed employees feel that leaving their organization would have disastrous consequences, and feel a sense of guilt about the possibility of leaving. Reasons for such guilt vary, but are often concerned with employees feeling that in leaving the organization they would create a void in knowledge/skills, which would subsequently increase the pressure on their colleagues (Ugboro, 2005). Such feelings can, and do, negatively influence the performance of employees working in organizations. Common to the three types of commitment is the view that commitment is a psychological state that: characterizes the employees relationship with the organization, and has implication for the decision to continue or discontinue membership to the organization (Meyer, Allen & Smith, 2004).

#### **2.4.2 Employee Downsizing**

Organizational downsizing constitutes a set of activities, undertaken on the part of the management of an organization, designed to improve organizational efficiency, productivity, and/or competitiveness. Downsizing represents a strategy implemented by managers that affects the size of the firm's workforce and its work processes (Cameron et al., 2011). It has become the one most adopted restructuring activities by succeeding authors, such as: Freeman and Cameron (2003), Kozlowski et al. (2003), Mishra and Spreitzer (2012). Restructuring implies that the environment is changing and denies that the environment is stable or that the environment is similar to past environmental states.

In fact, the interpretation that environments are rapidly changing and the restructuring that underpins that interpretation appear to have acquired the status of an order-creating ideology among some top executives in recent decades (Kraar, 2009). Downsizing is currently one of the most popular strategies being used by organizations in an effort to survive and compete in the current business scenario (Shuck, Rocco, & Albornoz, 2011).

Existing literature in the area has broadly focused on the following three issues: Why do organizations downsize?, What are the consequences of downsizing on the individual and the organization as a whole?, What are the strategies that can be adopted for

successful downsizing? Bhattacharyya and Chatterjee (2005) observed that the toll of job elimination and downsizing of human resources in an organization is often extremely negative. Survivors of workforce reduction experience a wide range of emotions-grief and shock and the loss of their colleagues, guilt from feeling responsible for everyone's suffering, uncertainty about their competence and job identity, relief for being spared, fear that at the next round of job cuts they may be the next victims and anger that company they trusted has changed the rules of the game (Stevenson, 2008). Majority of the research on downsizing has been conducted to examine and understand the consequences of downsizing (McKinley, Mone & Barker, 2007) on the individual employee as well as on the organization as a whole.

According to Leo and Teo (2005) effects on the individual employee have been studied predominantly from a psychological and behavioral viewpoint with a focus on the 'survivors' (employees who remain in the organization after downsizing), victims (employees who are actually asked to leave), and 'executioners' or implementers (managers who are involved in directly implementing the downsizing, including asking people to leave) (Kraar, 2009). Survivor's morale is affected due to fear of the unknown. They sit waiting to hear who is next in line in terms of exit which is counterproductive for the organization. Once organizations no longer reward hard work and dedication with lifetime employment, the old psychological contract no longer holds (Mathys & Burack, 2010).

Even though downsizing appears to create an illusion that some positive actions are being taken to turn around an organization, one prime casualty of the process seems to be the way in which people affected by the process are dealt with (Kets de Vries & Balazs, 2007). As Shah (2012) reiterates a firm's post lay off success is contingent upon the reactions of the people in its surviving workforce. Scholars have found a number of negative responses exhibited by survivors of downsizing.

The main problems that have been identified are lowered morale (Henkoff, 2012; Kets de Vries & Balazs, 2004), initial upsurge in productivity followed by depression and lethargy (Applebaum, Simpson & Shapiro, 2007), perceived violation of the

‘psychological contract’ (Kets de Vries & Balazs, 2007; Turnley and Feldman, 2008; Singh, 2008), increased stress (Brockner, 2008).

As a result of increased level of uncertainty and ambiguity, threat of job loss, denial or psychological distancing from the perceived threat (KetsdeVries & Balazs, 2007), ‘survivor guilt’ (Brockner, 2008) lower commitment, increased absenteeism, turnover.

### **2.4.3 Restructuring Policies and Practices**

Organizations implement a wide variety of policies to govern their internal and external business activities. The kinds of policies referred to in this paper are major organizational initiatives that affect employee commitment during restructuring. Examples of such polices include: compensation, training and development, promotion, (Rao & Millier, 2012). A study by Turnley and Feldman (2008; Pate et al., 2010) and communication (Pate et al., 2010). Pate et al. (2010) found that employees of restructuring organizations experienced lower commitment.

Turnley and Feldman (2008), state that compensation and advancement opportunities described that particularly HR policies and practices led to lower employee commitment. Thus, commitment seems to be affected when organizational changes are implemented. Dwivedi (2006) indicates that it is very difficult to initiate competitive strategy based on human resources. The key to competitive advantage in the modern world is the application of sophisticated HR policies and practices. This is because of the fact that competitors are unable to formulate an effective response in the short term.

The human resources can help a company to accomplish competitive advantage by lowering costs, enhancing sources of product and service differentiation or by both. However, these activities must be managed from a strategic perspective to accomplish competitive advantage. A study by Vanhala and Ahteela (2011) found that HRM policies and practices influence institutional trust and that employee commitment in the whole organization is related to their perceptions of the fairness and functioning of such practices after restructuring.

#### **2.4.4 Psychosocial Support during Restructuring**

The provision of specific training for career self-management and encouragement for workers to learn transferable skills will assist in reducing dependency in a changing work environment (Smithson & Lewis, 2010). Leka and Cox, (2008) posit that due to the potential impact of restructuring changes, particularly on psychosocial issues it is important for organizations to take account of the need to retain competent and committed staff. The retention of the staff allows adequate responses to abnormal, exceptional and emergency events, having a stronger focus and higher dependence on outsourcing.

In addition, training ensures that life skills are acquired by staff leaving the organization. (Kieselbach et al. 2009). Further, it is transferred to organizational processes taking consideration of new roles and responsibilities of survivors (Gervas, 2008).

Participating in the change initiative at the organizational level, and focusing on line managers, who would be involved in some aspect of the change process, it would be useful for the line managers to involve members of their team in the training (Leka, 2008). Line managers need to be supportive of the training process but should also be able to give support to their teams (Holbeche, 2006). The key driver of employee commitment during restructuring in an organization is created by providing employees with life skills to survive post restructuring within and out of the organization.

The skills can be passed either through counseling or sensitization, both horizontally and vertically. The implication of this finding is that when employees experience restructuring negatively, this will impact negatively on their institutional commitment and vice versa. This statistical evidence supports the findings of Lee and Teo (2005) and others (Dietz & Deb 2006; Cummings & Worley 2009), namely that restructuring is likely to cause uncertainty with potential defects in the work environment after restructuring employees are suspicious about the future directions the organization and the roles within this situation impacts seriously on trust and job commitment (Costigan et al, 2006). A research by Zeffane and Connell (2013) found that commitment in

organizations is possible when interdependent factors work her affect to climate of communication and proper.

In addition, counseling increases the efficiency and effectiveness off communication Bijlsma and Koop (2013) identified counseling as being critical to survivors after restructuring process.

#### **2.4.5 Employee Compensation**

Compensation is a broad and complex issue. Compensation is administered through policies which must be developed and administered by all organizations regardless of size. This section addresses compensation in terms of grade and pay structures. Employees demand that pay be equitable (Milkovich & Newman, 2005). Firms must address inequities in pay decisions to insure fairness to protected classes. Employees view pay as a return for hard work and as a reward for a job well done. Managers have a stake in compensation and view it from two perspectives. First, they view compensation as a major expense that must be controlled. Second, they recognize that pay has a potential influence on employee work attitudes and behaviors (Milkovich & Newman, 2005). Grade and pay structures provide the framework for managing compensation.

Armstrong and Murlins (2009) noted that one of the outcomes of a restructuring is reviewed grade structure which together with market rate intelligence forms a framework for designing and managing pay structures. A grade structure consists of a sequence or hierarchy of grades, bands or levels into which groups of jobs that are broadly comparable in size are placed. A structure groups jobs with similar characteristics together.

They provide the rationale of where jobs should be placed in a hierarchy, define pay levels and scope for pay progression. They also act as a medium through which the organization can communicate the career and pay opportunities available to employees. Armstrong and Brown (2008) breakdown grade and pay structures into: Single graded appropriate in large organizations), broad banded (where management capability is



high), career family (used in organizations where career development is emphasized) and job family (used where there are distinct market groups which need to be rewarded differently).

#### **2.4.6 Job Redesign**

After a reduction in the workforce, fewer employees remain to do the same amount of work, and this affects what work gets done and how it gets done (Cameron, 2004). According to Mishra and Spreitzer (2008), empowerment and job redesign provide survivors with the confidence in their individual capacity to cope with the threat of restructuring and hence would result in their exhibiting more active and progressive responses. Concentrating on the responses of managerial level employees, Amstrong-Stassen's (2009) study found that job performance and organizational commitment of managers suffered significantly following restructuring. It also identified individual predispositions and support variables which facilitated more successful adaptation to organizational change. There are three ways managers can improve the employee's job through redesign: Job enrichment, enlargement and rotation (Hartzell, 2013).

By job enrichment, an employee finds satisfaction in respect to their position and personal growth potential. The underlying principle is to expand the scope of the job with a greater variety of tasks, vertical in nature, that require self-sufficiency. Since the goal is to give the individual exposure to tasks normally reserved for differently focused or higher positions, merely adding more of the same responsibilities related to an employee's current position is not considered job enrichment. (Kotila, 2010). An important determinant of employee's behavior at work is job enlargement.

Job enlargement is defined as assigning workers additional same level activities, thus increasing the number of activities they perform (Dessler, 2005). It is a strategy that increases only the tasks of a particular job. It is the opposite of the scientific approach, which seeks to reduce the number of duties in a given job. Job enlargement seeks to increase skill variety. Job enlargement refers to having additional duties and responsibilities in a current job description (Hartzell, 2013). Amstrong and Stassen's

(2009) study states that Job rotation is the final job redesign strategy that assigns workers to a alternative job on a temporal basis. It provides a broader perspective on what the organization does as a whole.

It does not change the nature of a specific job; it increases the overall number of duties an employee performs overtime - by moving the employee around different jobs in the same - or even other departments. Thus, job rotation can increase task variety and job identity since the employee is performing several tasks (Patrick & Lucock et al , 2011).

Lack, Lynch and Kriyelyoya (2004) expound that Job rotation can also be used to alleviate the physical and mental stresses endured by employees when working the same position, year after year. By allowing employees to rotate to other positions, the risk factors for some types of musculoskeletal disorders may be reduced. It is also believed to have the ability to decrease the amount of boredom and monotony experienced by employees who work the same position for extended periods of time (Jorgensen, Danna, Kotwisk, Aedla & Dunning, 2005).

## **2.5 Restructuring and Commitment**

A study by Thessein (2004) on assessing the impact of restructuring on employees that were directly or indirectly affected (i.e. their position may or may not have been changed) but who remain as staff. This group of staff are often referred to as the survivor (Brockner, 2009; Allen, 2009; Robbins, 2013).

The literature on survivor syndrome suggests the process of restructuring, the level of staff involvement and the way in which staff are communicated with and supported during and after downsizing, are indicators of surviving staff's future commitment, motivation, performance and intent to leave. The term survivor syndrome was introduced to management studies by Brockner (2009) to help describe the common symptoms of guilt, lack of organizational commitment and fear that survivors often experience following a downsizing (Noer, 2009, 2003 and 2008 cited in Allen, Freeman, Russell, Reizenstein & Rentz, 2007).

The implications for organizations with staff suffering from survivor sickness are considerable. Those that fail to address survivor sickness risk higher levels of turnover and reduced commitment, negatively affecting productivity and performance thus inhibiting organizational success (Kinnie, Hutchinson & Purcell, 2010; Allan, 2007; Thornhill, Saunders & Stead, 2011; Greenhalgh, 2002, Roskies & Guering, 2001 cited in Kinnie, Hutchinson & Purcell, 2008, Doherty & Horsted, 2006). There is considerable evidence to suggest that those staff who remain within an organization after significant restructuring/downsizing often experience the adverse effects of change as profoundly as those who have left (Allen, 2009; Brockner 2005; Astrachan, 2010; Baruch & Hind, 2009).

On the other hand, some empirical studies have found positive effects on survivors of downsizing in terms of increased loyalty (Emshoff, 2008) and viewing downsizing as an opportunity for personal growth (Henkoff, 2010). A crucial factor in ensuring the success of a downsizing effort is the speed and effectiveness with which survivors adapt to the changed conditions (Wiesenfeld, Brockner & Thibault, 2010). A study by Roger & Yvonne (2011) observed that Changes in job nature due to downsizing are tied to job content and changes in work procedures (Cameron 2011; Sverke & Hellgren, 2005). The most obvious result is internal workforce reduction, which is not matched by equivalent decreases in workloads or increases in resources.

Cascio (2013) cites a 2009 Business Week survey in China in which 54% of the respondents—all survivors of downsizing—felt that they were overworked, with 55% reporting that they felt “crushed” by their workloads.’ According to Thornhill, Saunders and Stead (2011) downsized organizations aiming to ensure employee commitment need to overcome the adverse responses of survivors that are often negatively orientated towards them. Stephen (2012) supports this by stating that restructuring often causes employees to panic and wonder how the changes will affect their job security. When the news gets out that the company is restructuring, some employees may begin looking for new employment.

The stress of the restructuring sometimes takes away from the staff's focus on their actual work. Redman (2012) reiterates that restructuring can strike fear and terror in the hearts and minds of employees. Although restructuring may be beneficial for an organization, it often comes with layoffs, job changes and increased responsibilities for the employees left in the organization. There are a number of implications of restructuring, both positive and negative, that may have long-term effects on an organization especially in terms of employee commitment.

Odembo (2013) noted that employees become even more worried if the company is not forthcoming with details about the restructure. While organizations might not have the option of sharing all the details ahead of time, a sense of transparency that allows employees to have some idea of what's happening may put employees at ease. In some cases, the corporate restructure involves downsizing the workforce, facilities or product lines. This means the organization may be forced to choose the employees to let go. In case the employees leave, the organization loses the experience, skills and knowledge of company projects that those staff members possess (Njiru, 2008). A study in Turkey by Mokwena (2012) notes that the dual impact of corporate restructuring on those who experience and manage it, accounts for some of the schizophrenia towards restructuring. Work environments can be filled with high anxiety and low morale. At the same time, the quality of work life often improves, with more variety, responsibility, and teamwork. Executives experience stress as they manage the transformation, but in doing so they are also laying a framework for improved company performance (Donaldson, 2004). Niehoffet. al. (2010) found a positive relationship between job enrichment, empowerment and employee commitment in a downsizing environment.

This is supported by Spreitzer and Mishra (2012), who found that empowerment, facilitates survivors' attachment (affective commitment) which, in turn, leads to a lower level of voluntary turnover among survivors in the years following restructuring. Cascio (2014) found that more than one-half of survivors report increased job stress and symptoms of burning out following downsizing. A study by Perry and Engel (2009) observed that during job redesign roles should not be overloaded – restructures generally

leave an organization with fewer people to do the same amount of work. When restructuring to reduce headcount, it is critical to understand the current workload of employees.

This will help to ensure roles are designed that are neither too heavily laden nor indeed too light. Furthermore, role design must take into account realistic groupings of skills. Packing a role with too many distinct skill-sets reduces the pool of durable candidates. Job enrichment is a type of job redesign intended to reverse the effects of tasks that are repetitive requiring little autonomy. Some of these effects are boredom, lack of flexibility, and employee dissatisfaction (Leach & Wall, 2013). Coetzee, Schreuder and Tladinyane (2009) as cited by Okpu and Obiora (2015) further explains that committed employees do better than non-committed ones and organizations with committed employees do better financially than those with non-committed ones. Boxall and Purcell (2011) assert that the perception by employees that management is concerned about them is associated with higher levels of commitment after a restructuring process.

## **2.6 Critique of the Review**

Brocker (2007) et.al. maintains that restructuring survivors both those who leave and those who remain in the organization experience survivor syndrome.

The scholars fail to recognize individual differences in the employees who have divergent ways of handling unpleasant issues in their lives. They too fail to recognize that restructuring may be a motivator for some employees to work harder than usual to prove their worth to the employer. It is obvious from the above discussions that institutional commitment can be damaged if employees view restructuring in a negative light and see it as unfair, and it will have a crucial effect on the organization's attempts to achieve a competitive advantage over other organizations (Barney & Hansen, 2004).

The argument of Odembo (2013) regarding communication of restructuring that employees will be worried ignores that employees have the capability of pedaling rumours as grapevine which is normally a good source of information to the employees

and management as well. A study by Ford (2007) assumed that the motivating factors potentially could increase the work motivation of all employees. Yet it now appears that some individuals are much more likely to respond positively to an enriched, complex job than are others (Hulin, 2010). The theory provides weak support to determining how such individual differences should be dealt with, either at the conceptual level or in the actual applications.

## **2.7 Research Gaps**

Based on the literature discussed, a gap exists in this particular area of study. Albeit the fact that there have been numerous studies in the area of restructuring and employee commitment the key focus has been only on downsizing as a restructuring activity. The researchers have not concentrated on other activities which affect the employees commitment too. Some studies have concentrated on the survivor's who are in the organization and ignored those who left to facilitate them with relevant skills to enable them survive out of the organization. This proposed study endeavors to address various restructuring activities that an organization would adopt to ensure commitment of employees is optimal.

It is therefore more comprehensive study on areas which have not been addressed widely by other scholars. While studies have been overly done within the private sector firms there are no adequate studies that have measured commitment levels in state corporations organizations yet restructuring has been going on in a good number of these organizations. The study has also taken into account only one state corporation whose results cannot be used to generalize to all state corporations. The study thus seeks to address the various activities that that place during restructuring.

It will also seek to answer the big question as to how to make employees feel committed to their organizations especially in such a dynamic work environment where restructuring is the order of the day. Most studies also focused on the developing world where the social-economic and cultural practices differ with the local ones. Further results reveal that commitment of employees is particularly sensitive to five dimensions

of restructuring viz. downsizing, psychosocial support, compensation, policies and practices and job design. Most studies failed to support the relationship between these variables and employee commitment. Further, findings reveal that the focal point in the development of any strategy is directed towards impacting the commitment of employees towards their work. Fewer studies are found in which some statistical relationship between the organizational restructuring and commitment in state corporations has been worked out.

Moreover, some authors like Budhwar et al. (2006) in their study organizations firms suggested that further research should be conducted with a large sample including different levels of managers and employees to obtain a more complete picture of restructuring activities and their effect on different measures of employee commitment such as downsizing, psychosocial support, compensation, and overall commitment of employees and their correlation to organizations' commitment with more rigorous statistical analysis. This study thus seeks to bridge the gap by examining the effects of restructuring activities on employee commitment in state corporations in Kenya by focusing on: downsizing, restructuring policies and practices, restructuring psychosocial support, employee compensation, job redesign.

## **2.8 Summary of the Review**

The literature reviewed the effect of restructuring activities on employee commitment in State Corporations in Kenya. The conceptual framework has provided an analysis of the variables under study. These include: downsizing, employee compensation, psychosocial support, policies and practices and job redesign. The theoretical framework has reviewed theories related to the variables related to the study.

The RBV theory formed the foundation of the theoretical review. It seeks to explain the internal sources of a firm's sustained competitive advantage. This theory links all the variables in the study as it explains that for an institution to remain globally competitive, it must be willing to embrace changes such as: technological advancement, changes in

structure, strategies, policies practices and many more processes in order to offer effective services to it's clients.

The dependent variable which is employee commitment is discussed in three dimensions : affective, normative and continuance commitment. Affective commitment relates to the employee's emotional attachment to, identification with, and involvement in the organization. The continuance component refers to commitment based on the costs that the employee associates with leaving the organization. The normative component reflects a feeling of obligation to continue in the employment.



## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter provided a description of the research method used. It commenced with research design that underpinned the study followed by research population, sample and sampling technique, the instrument of data collection, pilot study, and how data was eventually be analyzed in order to achieve the envisaged results.

#### **3.2 Research Design**

A research philosophy is the foundation of knowledge and the nature of that knowledge contains important assumptions about the way in which researchers view the world (Saunders et al., 2007). Hatch and Cunliffe (2006) noted that there are two major research philosophies: positivism and interpretivist. The positivist position is derived from that of natural science and is characterized by the testing of hypothesis developed from existing theory through measurement of observable social realities. Positivism is based upon values of reason, truth and validity and there is a focus purely on facts, gathered through direct observation and experience and measured empirically using quantitative methods such as surveys, experiments and statistical analysis (Blaikie, 2003; Saunders, Lewis & Thornhill, 2007; Eriksson & Kovalainen, 2008; Easterby-Smith, Thorpe & Jackson, 2008; Hatch & Cunliffe, 2006).

Interpretivism position is described by Hatch and Cunliffe (2006) as anti-positivist and by Blaikie (2003) as post-positivist since it is contended that there is a fundamental difference between the subject matters of natural and social sciences. In view of the discussion above, this study will adopt positivist philosophy.

This study adopted descriptive design. According to Ogula (2005) this design is used to obtain information that describes the characteristics of a population, explains the current practices, conditions or needs and provides information for generating research questions. It is also used to explore existing status of two or more variables. Kombo and Tromp (2010) emphasize that the purpose of descriptive research is not only restricted to fact findings, but often results in formulation of important principles of knowledge and solution to significant problem. This study benefited from descriptive design because it involved; formulation of objectives of study, design of methods of data collection, selection of sample, collection of data and analysis of results as indicated by (Mugenda & Mugenda, 2003; Zimkud, 2010).

### **3.3 Population of the Study**

Population is the total collection of elements from which inferences are made. Population refers to an entire group of persons or elements that have at least one thing in common. It also refers to all possible cases which are of interest for the study (Sekaran, 2008). Population comprises of the target and study population.

The target population of the study will be the state corporation in Kenya. According to (ROK, 2014) the total state corporations in Kenya are 187. The target population is the population that the researcher wants to generalize results to (Mugenda & Mugenda, 2003). The study population is the key focus elements of the study. The study population will be 20 state corporations which have completed the restructuring process. According to ISC (2015), out of 187 state corporations, only 20 state corporations have completed restructuring. The study focused only on the restructured state corporations since restructuring is the major construct to the theme of this study which provided the required information to operationalize the construct restructuring.

The unit of analysis of this study which is the major entity being analyzed will be the state corporations, while the unit of observation for the study was employees from the 20 state corporations. According to Nachmias and Nachmias (2008) a sampling frame is the list of all the items where a representative sample is drawn for the purpose of a study.

The sampling frame for this study was a list of state corporations that was sourced from inspectorate of state corporations, Kenya (2015).

### **3.4 Sample and Sampling Technique**

Kasomo (2007) posits that a sample size is the number of units in a sample. A sample size is representative of the population from which it is drawn. A sample is a smaller collection of units from a population used to determine truths about that population (Field, 2005). Its determination involved establishing the number of observations to include in a statistical sample while ensuring representativeness. For this study, a sample of 381 employees was selected. According to ISC (2015) the restructured state corporations (20) has a total of 33,407 employees. The sample size was determined using the Krejcie and Morgan (1970) table for determining sample size for a finite population which recommends that for a population of between 30,000 to 40,000 the sample size should be between 380 to 381. Since the study population was 33,407 the 381 subjects adopted fell within the range.

Other researchers like Waiganjo (2013) utilized a similar sample size with 300 subjects and obtained reliable results. In addition, Orodho (2008) avers that most social researchers recommended at least 100 cases. Since the study was interested only on the restructured state corporations, purposive sampling technique was used to select the unit of analysis which was the 20 state corporations out of 187. Purposive sampling involved deliberate selection of particular units of the universe to be studied (Kothari, 2009). It ensures proper representation of the universe and is free from bias. The population was considered highly homogenous, with similar attributes. This is in line with (Allen and Meyer, 2006) who said the individual link to leave or stay in the organization is similar at all levels. Thus, simple random sampling was used to select the 381 employees across all cadres out of 33,407 using computer generated random numbers and proportionately picked from the 20 state corporations.

According to Mugenda and Mugenda (2003) simple random sampling was key to obtaining a representative sample and every sample in the accessible population has an

equal chance of being selected. The proportionate distribution per state corporation was as stated in table 3.1.

**Table 3. 1: Sample Size distribution per State Corporation**

	Restructured State Corporation	Total Number of Employees	Sample Size
1	Kenya Railway Corporation	725	10
2	National Social Security Fund	1,700	18
3	Kenya Revenue Authority	4,500	50
4	Coffee Board of Kenya	60	1
5	Kenya Power & Lighting Company	11,000	124
6	Telkom Kenya	330	4
7	Kenya Re-insurance Corporation	1,200	14
8	Kerio Valley Development Authority	400	5
9	Pyrethrum Board of Kenya	550	6
10	Cotton Board of Kenya	130	2
11	Commission Authority of Kenya	800	9
12	Kenya Agri. Livestock & Research Organization	200	4
13	Kenya Sisal Board	1,200	15
14	Post Bank	2,500	28
15	Agriculture Livestock & Fishery Authority	800	8
16	Commodity Fund	250	3
17	Lake basin Development Authority	250	3
18	Industrial & Commercial Development Corporation	1,560	17
19	Agriculture Development Authority	1,040	11
20	Postal Corporation of Kenya	4,212	49
	Total	33,407	381

### **3.5 Data Collection Instruments**

The study collected both primary and secondary data and utilized both qualitative and quantitative data. Coopers and Schindler (2013) explain that there are two approaches of research, qualitative and quantitative. Qualitative data is one that requires to be organized according to emerging themes. Quantitative data is one in the form of numerals. It is critical to use both as neither of them is sufficient on its own to capture all trends in a study. They therefore require complementing each other.

In social science research the most commonly used instruments are: questionnaires, interviews, and observation (Cooper & Schindler, 2007). The study therefore utilized questionnaires to obtain primary data. The questionnaire was designed to address specific objectives, research questions and test hypothesis. This study used open-ended questions and a 5-point Likert scale to measure the objectives. Open-ended questions give a chance to respondents to add information which may not have been included in the closed-ended questions, while the Likert scale, which is essentially an interval scale, is designed to examine how strongly subjects agree or disagree with a statement (Sekaran & Bougie, 2010). Kothari (2009) explains that 5-point Likert scales are used because they are more reliable and can provide more information. Waiganjo (2013) used the likert scale on his study about effect of competitive strategies on the relationship between strategic human resources management and firms performance of Kenya used the scale. Questionnaires were administered to the selected team of employees.

The choice for the questionnaire was informed by its abilities to give respondents freedom to express their views or opinions more objectively. Secondary data was collected through review of published literature such as journals articles, government publications, textbooks and the internet. Other records kept by the various state corporations in the form of reports and employee records were also used as far as possible. These assisted in the final discussion of results. The data focused on downsizing, policies and practices review, compensation review, job design and psychosocial support which was hypothesized to influence employee commitment.

### **3.6 Pilot Study**

Pilot testing is used to test or design instruments prior to carrying out research (Saleemi, 2009; Gupta, 2007). A pilot study was conducted prior to the main study to ensure that the tools developed for use in the research are suitable in their content and length and that the respondents are interpreting the questions in the manner intended. Pilot studies are conducted to detect weaknesses in design and instrumentation and provide proxy data for a selection of a probability sample (Cooper & Schindler, 2007). The key aim of a pilot study was to ensure the instrument measures what it is supposed to measure. The researcher was therefore able to refine the instrument accordingly. This helped the respondents not to experience difficulties when responding to the questions as well as assisting the researcher familiarize with the questions.

The pilot survey was conducted to find out if the respondents could respond to the questions without difficulty. They were also asked to evaluate the questions for relevance, comprehension, meaning and clarity. For pilot sample, Kothari (2004) and Sekaran (2006) recommend 1% from the study population as being fit for statistical test of instruments. Further, (Cooper & Schindler, 2013; Creswell, 2013) propose the rule of the thumb as 1% of the sample to for the pilot. The pilot study respondents were selected outside the main study sample but within the target population.

#### **3.6.1 Validity of Research Instruments**

This is a measure of accuracy of the research instrument. Mugenda and Mugenda (2003) notes that validity is the accuracy and meaningfulness of inferences based on the research results. The validity of the data collection instrument for the study was tested by first administering it on conveniently selected respondents of two state corporations. Validity tests centered on both content and construct validity. Content validity will check if the contents in the questionnaire are representative of variables or concepts that are intended to be measured (Senkaran, 2007). Construct validity refers to how well one translates a concept, idea, or behavior (a construct) into an operating reality (Trochim, 2006).

It also checks whether a measure of a concept relates strongly with another measure that it should strongly correlate with and negatively with measures it should not.

### 3.6.2 Reliability of Research Instruments

Reliability is a measure of the degree to which a research instrument yields consistent results data after repeated trials. It is a measure of consistency, stability and dependability of data. Reliability of the instrument will be assessed by internal consistency technique. In addition, some of the questionnaires on employee commitment were adopted from previous studies (Wainaina, 2015) with reliability coefficient of 0.7. Internal consistency of data is determined from scores obtained from a single test administered by researcher to a sample of subjects. The study will utilize the most common internal consistency measure known as Cronbach alpha. This was popularized by Cronbach (1951). It measures the extent to which all variables in a scale are positively related to each other.

Pallant (2010) avers that where Cronbach's Alpha coefficient is used for reliability test, the value should be above 0.7. A high coefficient of 0.70 or more implies high degree of reliability of the data (Mugenda and Mugenda, 2003). Schumacker (2004) pointed out that a reliability coefficient of .70 or higher is considered acceptable in most social sciences research.

The K-R20 formula is as follows:-

$$KR_{20} = \frac{(K)(S^2 - \sum s^2)}{(S^2)(K-1)} \dots\dots\dots\text{equation 2}$$

Where: KR20 = Reliability coefficient of internal consistency

$KR_{20}$  = Reliability coefficient of internal consistency

K = Number of items used to measure the concept

$S^2$  = Variance of all scores

$s^2$  = Variance of individual items

### **3.7 Data Analysis and Presentation**

The study generated both quantitative and qualitative data. Once the questionnaires had been administered, the mass of raw data collected was systematically organized in a manner that facilitated analysis. The raw data was cleaned and edited to enable quantitative analysis. Data collected from closed- ended questions was coded. After coding, the data was entered into a computer and analyzed using Statistical Package for Social Sciences (SPSS). Descriptive statistic generated by SPSS to provide the expected results of summaries used. It also utilized: percentages proportions, factor analysis and frequency distribution for all variables in the questionnaire. Mean scores and standard deviations were evaluated and ranked to give the relative importance of each of the explanatory variables.

These analytical tools were appropriate because of the qualitative nature of the variables under study. Qualitative data were organized according to emerging themes and patterns. Since the current study intended to generate qualitative and quantitative data there was need to use both descriptive and inferential research to analyze the data jointly. Descriptive design was used to describe specific behavior as it occurred in the environment. There are a variety of descriptive research methods available, the nature of the question that needs to be answered drives which method is used. Regression analysis was utilized to establish the direction of the relationship between the variables while correlation established the strength of the relationship between the variables.



The regression model took the following form;

$$Y_i = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \hat{\epsilon}_i$$

Where:

$Y_i$ =Employee Commitment,  $X_1$ =Downsizing,  $X_2$ =Policies and Practices review,  $X_3$ =Compensation Changes,  $X_4$ =Restructuring Psychosocial Support,  $X_5$ =Job Redesign and  $E_i$ =error term of the sample as a result of other factors unexplained by the explanatory variables. This model was analyzed using SPSS software. The empirical results obtained were used to answer the research hypotheses at level of significance 0.05.

### **3.8 Operationalization of the Research Variables**

To operationalize the research variables, the study first determined the indicators/parameters of each independent variable and then employed ordinal/Likert scale to measure the independent variables. Based on theories and models in the literature review, the scale comprised an ordinal scale of 1-5 (1= strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly agree. The study operationalized the research variables as follows:.

**Table 3. 2: Operationalization of the Research Variables**

Variable	Indicator	Measure	Scale	Instrument
Downsizing	Job cuts	Likert/ Ordinal	5 Point Likert Scale	Questionnaire
Reviewed Policies and Practices	Rationalization  New policies Reviewed policies	Likert/ Ordinal	5 Point Likert Scale	Questionnaire
Psychology Support	Counseling  life skill education	Likert/ Ordinal	5 Point Likert Scale	Questionnaire
Employee Compensation	Grade restructuring Pay structures	Likert/ Ordinal	5 Point Likert Scale	Questionnaire
Job Redesign	Job rotation  Job enrichment Job enlargement	Likert/ Ordinal	5 Point Likert Scale	Questionnaire
Employee Commitment	Affective  Normative Continuous	Likert/ Ordinal	5 Point Likert Scale	Questionnaire

## **CHAPTER FOUR**

### **RESEARCH FINDINGS AND DISCUSSIONS**

#### **4.1 Introduction**

This chapter discusses research findings for the data collected from 381 respondents in 20 state corporations in Kenya. It is divided into six sections covering: response rate, data reliability and validity, factor analysis, background information of the state corporations, descriptive and inferential analysis of dependent variable which is employee commitment, the five dimensions of restructuring activities (Restructuring psychosocial support, compensation, policies and practices, job redesign and downsizing) which is the independent variable.

#### **4.2 Response Rate**

The data was collected from the state corporations in Kenya which are registered under the State Corporations Advisory Committee (SCAC). A total of 381 questionnaires were administered and 310 were received as complete, and therefore, all of them were viable for consideration. This represented 81.37% response rate. The response rate is considered excellent given the recommendations by Mugenda and Mugenda (2009), a response rate of 50% is adequate for analysis and reporting, a rate of 60% is generally good while a response rate of above 70% is excellent. This is also the same position taken by Babbie (2010) who adds that a response rate of above 70% is deemed to be very good. Based on these assertions, this implied that the response rate for this study was adequate for the study.

#### **4.3 Results of the Pilot Study**

A pilot study was conducted where 38 respondents in two state corporations were tested. These were not included in the study. The pilot study enabled the researcher establish the content validity of the instrument and to improve questions, format and the scales

(Sekaran, 2006). Thirty eight questionnaires were administered as this constituted 10% of the sample. After pilot testing, the questionnaire was revised to incorporate the feedback that was provided.

#### **4.3.1 Test of Construct Validity**

The questionnaires were tested to ascertain validity and relevance. According to Cooper and Schindler (2006), factor analysis is an exploratory tool used to help the researcher make decisions on whether the variables under investigation explain the dependent variable. In this study, validity was concerned with finding out whether the results will explain employee commitment in state corporations in Kenya.

To be able to determine this, factor analysis was carried out to develop factors that aid in explaining the role of the constructs being measured in the dependent variable, employee commitment. Related studies by (Lee & Teo, 2005) used the same method which has been broadly accepted for factor analysis Cooper and Schindler (2006).

A factor loading of 0.40 and above is considered acceptable and has been used by other researchers such as (Thessein, 2004) and (Hartzell, 2013) in their studies on employee commitment. Factor analysis results are indicated in Appendix III. The results show that all the factors related to restructuring psychosocial support, compensation, policies and practices, job redesign and downsizing were found to have a factor loading of 0.4 and above. Therefore, they were used in the subsequent analysis.

#### **4.3.2 Data Reliability**

Reliability refers to the extent to which data collection techniques and analysis procedures will yield similar findings to those of prior researchers. Data on employee commitment in state corporations was subjected to reliability test to establish the extent to which data collection techniques could yield consistent findings or data after repeated trials (Mugenda & Mugenda, 2003). Measurement of reliability provides consistency in the measurement of variables.

Internal consistency reliability is the most commonly used psychometric measure assessing survey instruments and skills (Zhang, Waszink, & Wijngaard, 2000).

Cronbach alpha is the basic formula for determining reliability based on internal consistency (Kim & Cha, 2002). After the factor analysis was conducted, the reliability test was conducted using Cronbach's Alpha based on the items that were confirmed in order to ascertain the measure of the degree to which a research instrument would yield the same results of data after repeated trials.

Constructs were tested for internal consistency reliability using Cronbach alpha test as depicted in Table 4.1.

**Table 4.1: Reliability Test**

Study Construct	Cronbach Alpha
Downsizing	0.712
Policies and Practices	0.891
Job redesign	0.766
Restructuring Psychosocial Support	0.789
Compensation	0.761

According to Nunnally (1978) and Malhorta (2004) the standard minimum value is  $\alpha = 0.7$ . Thus the values in Table 4.1 of downsizing  $\alpha = 0.712$ , policies and practices  $\alpha = 0.891$ , Compensation  $\alpha = 0.761$ , Job redesign  $\alpha = 0.766$ , and restructuring psychosocial support  $\alpha = 0.789$ , are sufficient confirmation of data reliability for the five independent variables.

**Table 4. 2: Reliability Statistics of Employee Commitment**

Cronebach's Alpha	Number of Items
0.7865	6

#### **4.4 Respondents Background Information**

This section presents personal information of the respondents who participated in the research study.

##### **4.4.1 Gender Distribution**

Both gender participated in the study. The results indicate that there was a fair balance of gender participation in the study. Kothari (2004) asserts that a ratio of at least 1:2 in either gender representation in the study is representative enough. The results in Table 4.3 shows majority of the respondents (53.9%) were male while (46.1%) of the respondents were female. This is a good distribution which depicts a fair balance of gender.

Since majority of the responses for this study relies on the perceptual measures of the respondents, this gender distribution is expected to accommodate the opinions and views from both sides of the gender divide. Nevertheless, the balance in gender in state corporations is evidence of balance in opinion on employee commitment. This demonstrates the commitment by state corporations to adopt gender balance as stipulated in the Constitution and that the respondents provided a balanced view across all genders.

**Table 4.3: Distribution of Respondents by Gender**

Gender	Percentage
Male	53.9%
Female	46.1%
<b>Total</b>	<b>100.0%</b>

#### **4.4.2 Age Distribution**

The study sought to establish the age of the respondents, the results in Table 4.4 shows most of the respondents (39%) were aged between 40 and 49 years, 31% were aged between 31 and 39 years while 18% were aged 50 years and above, this means that the greatest number of employees in the State Corporations were older generation.

**Table 4.4: Distribution of Respondents by Age**

Age	Percentage
Below 30 years	12.0%
31 – 39 years	31.0%
40 – 49 years	39.0%
50 years & above	18.0%
Total	100.0%

#### **4.4.3 Job Categories of the Respondents**

The study sought to establish the respondents' position in their respective organization in order to ascertain if they were equipped with relevant knowledge and experience on restructuring activities and employee commitment. The results of the study as shown on Table 4.5 indicated that majority (68.0%) of the respondents were Support, 19% were in the low level management, 10% were middle level and a few 3% were senior. This is due to the practice that the top management comprises of very few individuals as

compared to those in the lower management level who are the majority in organizations. This profile distribution was important since the study aimed at capturing the opinions of all cadres of employees in the organization as a unit of observation.

**Table 4.5: Job Categories of the Respondents**

Designation	Percentage
Senior	3%
Middle level	10%
Lower level	19%
Support	68%
Total	100%

#### **4.4.4 Working Experience of the Respondents**

The study determined the working experience held by the respondents in order to ascertain the extent to which their responses could be relied upon to make conclusions on the study problem using their working experience. The respondents who participated in the study had worked for their respective organizations in diverse years. From the findings in Table 4.6, most of the respondents (48.7%) indicated to have a working experience of 6-10 years, 20.1% had a working experience of less than 5 years, 16.2 % had a working experience of 11-15 years and 14.9% had a working experience of 16 years and above.

These findings were in line with Braxton (2008) that respondents with a high working experience assist in providing reliable data on the study problem since they have technical experience on the problem being investigated by the study. This indicates that 50% of the respondents had worked in their respective organization for a long time and thus understood technical issues on the influence of restructuring on employee commitment in state corporations in Kenya.



**Table 4.6: Working Experience of the Respondents**

Years	Percentage %
6 -10 years	48.70%
Less than 5 years	20.10%
11 - 15 years	16.20%
16 years and above	14.90%
Total	100.00%

#### **4.4.5 Education Level of the Respondents**

It was important to establish the education level held by the study respondents in order to ascertain if they were equipped with relevant knowledge and skills on restructuring on employee commitment. Table 4.7 shows the level of education of respondents was sought and majority (65.6%) had college education level, 24.7% had university education level, 3.2% had post graduate education level, 5.2% had secondary education level and 1.3% had professional qualifications.

These findings implied that most of the respondents were qualified to understand the nature of the study problem. This concurs with Thamrin (2012) that during research process, respondents with technical knowledge on the study problem assist in gathering reliable and accurate data on the problem under investigation. This demonstrated that most of the employees were qualified professionals with technical knowledge and skills on the study problem and thus provided the study with reliable information on the influence of restructuring activities on employee commitment in state corporations in Kenya.

**Table 4.7: Education Level of the Respondents**

Education Level	Percentage %
College Education	65.60%
Bachelors degree	24.70%
Post graduate degree	3.20%
Secondary education	5.20%
professional qualifications	1.30%
Total	100.00%

## 4.5 Diagnostic Tests of Variables

### 4.5.1 Auto-correlation

Correlation test was done to test the relationship between variables using Durbin-Watson, which is a test used to detect the presence of auto-correlation (a relationship between values separated from each other by a given time lag) in the residuals (prediction of errors). The Durbin-Watson statistic is always between 0 and 4. A value of 2 means that there is no autocorrelation in the sample.

Values approaching 0 indicate positive autocorrelation and values toward 4 indicate negative autocorrelation. This means that there should be no serial correlation among the observations. The dependent variable in this study was tested using Durbin-Watson Test and the results are indicated on Table 4.8.

**Table 4.8: DurbinWatson Test**

Test Statistic (DW)	P-value
1.943	0.07569

The rule is if  $P > 0.05$ , fail to reject null hypothesis. From the table above the p value is 0.000 which is less than  $\alpha 0.05$ . We therefore fail to reject the null hypothesis and conclude that the variables under the study are not correlated and thus the linear model is acceptable.

#### **4.5.2 Test of Normality**

In statistics, normality tests are used to determine if a data set is well-modeled by a normal distribution and to compute how likely it is for a random variable underlying the data set to be normally distributed. Normality is important in knowing the shape of the distribution and helps to predict dependent variables scores (Paul & Zhang, 2009). The test results indicate whether you should reject or fail to reject the null hypothesis that the data come from a normally distributed population. Variables that are not normally distributed can distort relationships and significance tests.

Additionally, when normality assumption is violated, interpretation and inferences may not be reliable or valid (Razali & Wah, 2011). This is because all regression analyses assume normal distributions. There are several ways of testing normality such as Shapiro-Wilk, Kolmogorov-Smirnov, Lilliefors and Anderson Darling. According to Razali and Wah (2011) Shapiro-Wilk is the most powerful normality test in social sciences. This study adopted Shapiro Wilk test for normality. The findings of the tests are presented in Table 4.9.

**Table 4.9: Tests of Normality**

Item	Kolmogorov-Smirnov <sup>a</sup>			Shapiro-Wilk		
	Statistic	Df	Sig.	Statistic	Df	Sig.
Downsizing	2.056	303	.065	3.089	303	.476
Policies and Practices	1.625	303	.074	3.740	303	.246
Compensation			.200			.497
	1.627	303		3.708	303	
Job redesign	2.172	303	.075	2.900	303	.376
Restructuring			.079			.236
Psychosocial Support	2.188	303		2.923	303	

---

#### Lilliefors Significance Correction

If the p-value is greater than the chosen alpha level, then the hypothesis that the data came from a normally distributed population cannot be rejected. The test was done such that given  $H_0$  and  $H_1$ , with  $\alpha=0.05$ , the rule of thumb according to (David, 2012) is that reject  $H_0$  if p-value is less than  $\alpha$  or else fail to reject

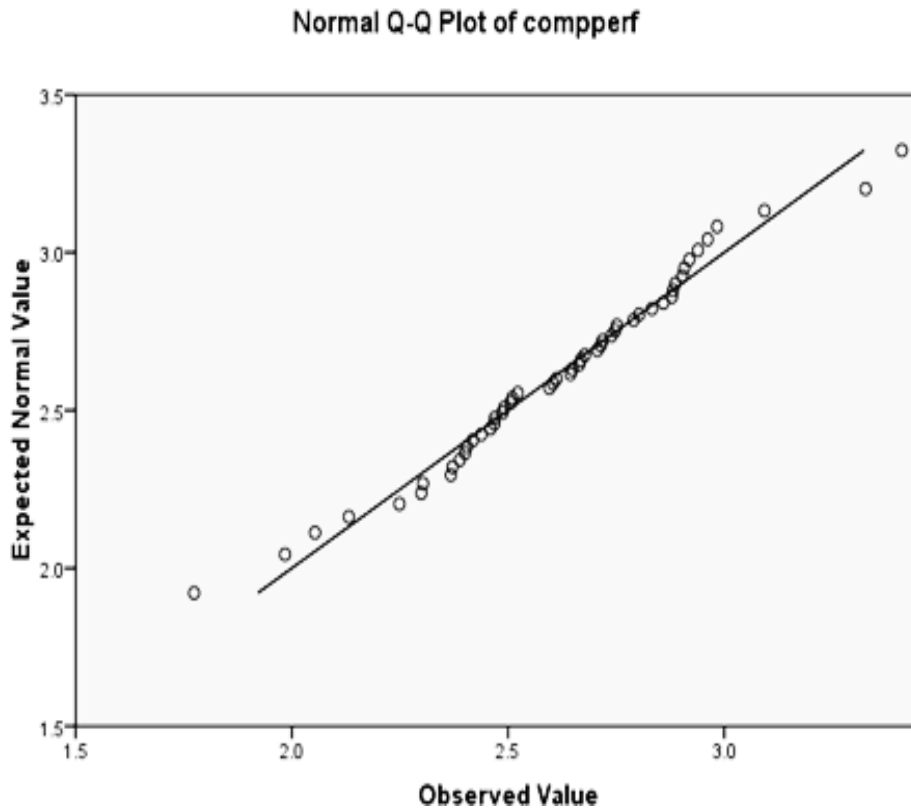
$H_0$ : where,

$H_0$ : The data is normal

$H_1$ : The data is not normal

The results of the tests of normality on the variables showed that all the p-values were greater than the alpha level of (0.05). Thus the data was normally distributed. Normality

for employee commitment construct was done by plotting a Q-Q plot. A Q-Q plot presents values that split data into equal portions (Quantiles) (Field, 2009). Therefore the scatter plot shows the relationship between the actual observed values and what those values would be expected when the data is normally distributed. The plot is presented in Figure 4.1.



**Figure 4.1: Normal Q-Q plot of Employee Commitment**

In Figure 4.1 the normal Q-Q plots indicate that commitment was normally distributed within Kenyan state corporations. In multiple regression analysis the dependent variable (employee commitment) should be normally distributed. Normal distribution was an important precondition for subsequent tests of multivariate and hierarchical regressions.

## **4.6 Descriptive Analysis**

According to Frankfort-Nachmias and Leon-Guerrero (2009), descriptive analysis involves use of statistical procedures that are used to describe the population one is studying. This section has the responses to each of the items of the variables, means and standard deviation of the items. Fritz (2013) reiterated the importance of descriptive statistics which rests in the utility as tools for interpreting and analyzing data. Data is presented in form of graphs, tables and percentages.

### **4.6.1 Descriptive Analysis for Variable Downsizing**

To investigate the influence of downsizing on employee commitment, the study analyzed the descriptive statistics for the variable. The respondents' level of agreement was tested using a five point Likert scale of 1-5 where 1 - strongly disagree, 2 - disagree, 3 - neutral, 4 - agree and 5 - strongly agree. To establish the index of downsizing, the means of individual ranking on the items were calculated. The mean obtained were therefore used as an index for downsizing.

The overall response for the items indicates the mean is 3.8 and Standard Deviation is 0.32. This study employed descriptive analysis after reliability test. Table 4.10 shows the mean of responses for downsizing is 3.8 which was above average, this meant that the respondents were satisfied with the downsizing activities in their respective organization. The higher the mean score, the more that respondent agreed with the statement and vice versa. The figures for standard deviation also indicate the degree to which responses varied from each other; the higher the figure for SD, the more variation in the responses. This finding disagrees with Robinson and Rousseau, (2014) who found that extensive organizational change such as that incurred with restructuring and downsizing affects the steady state of employment still expected by many staff today.

The loss of job stability and the subsequent need to renegotiate career expectations can be regarded as a major violation of the psychological contract. Once organizations no longer reward hard work and dedication with lifetime employment, the old

psychological contract no longer holds (Mathys & Burack, 2010). Over time, surviving staff are likely to feel less confident in their ability to manage their own careers and feel great insecurity about their future thus reducing their levels of engagement in the organization. This study infers that the immediate need of surviving staff therefore knows the extent to which they should worry about the possibility of future layoffs.

The continuation of open communication channels, opportunities to debrief and the provision of comprehensive support networks are as important now as they were in the lead up to the restructure if the organization is to ensure the ongoing support of its staff.

**Table 4.10: Summary of Responses on Downsizing**

	SA	A	N	D	SD	M	Std Dev
The tasks were reorganized after my colleagues left	2	41	27	14	17	3	1.10
I perform roles for more than one person	26	45	17	6	6	4.3	0.16
My superior involves me in decision making	32	3	19	46	1	3.3	0.12
I feel more dedicated to perform my job	57	43	0	0	0	4.7	0.05
Work pressure is getting out of hand	29	48	5	5	9	3.7	0.18
Average						3.8	0.32

#### 4.6.2 Descriptive Analysis for Reviewed Policies and Practices

The study sought to investigate the influence of reviewed policies and practices and employee commitment in state corporations in Kenya. The respondents' level of agreement was tested using a five point Likert scale of 1-5 where 1 - strongly disagree, 2 - disagree, 3 - undecided, 4 - agree and 5 - strongly agree. Table 4.11 shows the mean of responses for reviewed policies and practices is 3.4 meaning that the respondents fairly

agreed with the statements on the assertion that policies and practices influence their commitment to their organizations. The policies are mainly those concerned with direct welfare and roles for instance compensation policies and recruitment and selection. Lack of review to align the employees current roles after restructuring causes the employee attachment with the organizations to diminish. This finding is in line with Vanhala and Ahteela (2011) findings that HRM policies and practices influence institutional trust and that employee commitment in the whole organization is related to their perceptions of the fairness and functioning of such practices after restructuring. However, the findings disagree with Turnley and Feldman (2008) that HR policies and practices led to lower employee commitment. Thus, commitment seems to be affected when organizational changes are implemented.

**Table 4.11: Summary of Responses on Reviewed Policies and Practices**

	SA	A	N	D	S	M	Std Dev
I was involved in development of new policies	17	50	24	10	0	3.8	0.18
The old policies were reviewed after restructuring	11	29	47	12	1	3.4	0.27
The current policies are relevant to the organization	64	34	2	0	0	4.3	0.12
The policies require further review to match my new job description	11	21	21	36	11	2.8	1.2
I am happy with the new policies	10	17	26	25	22	2.7	1.3
Average						3.4	0.61



### 4.6.3 Descriptive Analysis for Variable Restructuring Psychosocial Support

The respondents' level of agreement was tested using a five point Likert scale of 1-5 where 1 – very high, 2 - high, 3 - fair, 4 - low and 5 – very low. Table 4.12 shows the mean of responses for psychosocial support statement that “My supervisor listens to my opinion” had the lowest mean of 1.2 while the statement “As a result of restructuring, I am attending counseling sessions” had a mean of 2.7 implying that the restructuring process was not properly handled in the sense that supervisors do not listen to their employees which causes employees to feel left out. The survivors were not also taken through counseling sessions, a situation which caused them to feel apprehensive since they did not know if they would be next on the restructuring line. This contradicts the recommendation by (Smithson and Lewis , 2010) who recommended that provision of specific training would be advisable for survivors as it provides career self -management and encouragement for survivors in the changing environment.

**Table 4.12: Summary of Responses on Restructuring Psychosocial Support**

Respondents' Opinion	SA	A	N	D	SD	M	SD
My supervisor listens to my opinion	15	16	30	27	13	1.2	0.02
As a result of restructuring there is distinguishing of people from tasks	5	32	23	22	17	3.1	1.20
After restructuring junior employees hold discussions with supervisors	25	20	25	26	4	3.3	1.82
Employee benefits information is regularly communicated	15	33	29	17	6	2.8	1.11
As a result of restructuring I am attending counseling sessions	14	28	33	13	11	2.7	1.17
Restructuring has enhanced team work in my organization	14	30	18	35	3	2.9	1.14
Average						2.7	1.08

#### **4.6.4 Descriptive Analysis for Variable Compensation**

To investigate the influence of compensation on employee commitment, the researcher analyzed the descriptive statistics for the set variables.

The respondents level of agreement was tested using a five point Likert scale of 1-5 where 1 - strongly disagree, 2 - disagree, 3 - undecided, 4 - agree and 5 - strongly agree.

Table 4.13 shows the mean of responses for compensation is 3.8 meaning that majority of the respondents agreed with the statements on the assertion that compensation influence employee commitment. Employees generally felt that there was need to make pay commensurate to their current roles. This is supported by the Equity theory which is based on the ratio of inputs to outcomes. If the employees perceive unfair treatment in compensation would lead to low commitment to the levels. The review of employee of policies also would act as motivator that the management was concerned about the employees. This findings concur with Zaman et al.(2011) who in their study affirmed that reward and compensation system is the centre piece of the employment contract after all it is the main reason why people work.

The objective of any good compensation system is to attract, motivate and retain high caliber employees for the attainment of organizational goals. But when the compensation system is perceived as unfair, or not equitable and competitive, it becomes the source of dissatisfaction thereby lowering employee's attachment with the organization. The equity theory which focus on determining whether the distribution of resources is fair to relational partners, clearly discussed this where the theory deals with comparing costs versus benefits in relation to the input of the employee and the benefit obtained from the organization. It calls for a fair balance to be struck between employees input (effort, skill level, enthusiasm etc) and employees out puts (salary, benefits, recognition etc)

**Table 4.13: Summary of Responses on Compensation**

	SA	A	N	D	SD	M	Stdev
Salaries were reviewed after restructuring	39	48	11	1	2	4.2	0.22
My pay is commensurate to my grade	22	58	7	1	1	3.7	0.24
The review has improved commitment to my work	29	48	5	5	14	3.5	0.18
Restructuring caused compensation to improve	32	56	3	6	3	3.7	0.24
Restructuring helps in staff attraction/retention	39	48	8	4	1	4	0.22
Average						3.8	0.22

#### **4.6.5 Descriptive Analysis for Variable Job Redesign**

The study sought to investigate the influence of job redesign on employee commitment in state corporations in Kenya. The respondents level of agreement was tested using a five point Likert scale of 1-5 where 1 – very Dissatisfied, 2 - dissatisfied, 3 - neutral, 4 - satisfied and 5 – very dissatisfied. Table 4.13 shows the mean of responses for job redesign is 3.6 meaning that the majority of the employees in the study organizations were satisfied with job redesigning. Job redesign addresses the issues of enriching and enlarging the jobs.

The roles of employees were increased and their authority enhanced, this boosts the morale of employees where they feel that they were in charge of their respective work stations. This finding disagree with Amstrong-Stassen’s (2009) who found that a poorly designed job package is a source of dissatisfaction and employee turnover, furthermore a well-designed package fails to secure employee commitment when it is viewed as not being fair, inequitable and inconsistent.

The theory of equity alluded to the fact that where inequity is perceived by employees that their outcome is not commensurate to the inputs then commitments plummet. They felt that the frequency's of staff rotations was inconsistent and required improvement. Employees expect that their expanded roles where jobs are enlarged and enriched are commensurate with the authority required to discharge the jobs in order to accomplish the tasks assigned.

**Table 4.14: Summary of Responses on Job Redesign**

	VD	D	N	S	VD	Mean	Std dev
Expanded more duties	37	57	3	1	2	4.3	0.26
More duties and increased salary	22	46	21	10	1	4	0.17
Higher span of control	32	56	9	0	3	4.4	0.24
Amount of paid vacation time/sick leave offered	39	48	12	1	0	4.1	0.22
Rotation to another unit	39	48	8	4	1	4	0.22
Level of job security	21	51	16	1	11	3.5	0.19
Quantity of work expected from you	30	49	16	2	3	3.7	0.2
Adequate opportunity for periodic changes in duties	16	12	54	6	12	2	0.19
Average						3.6	0.21

#### **4.6.6 Descriptive Analysis for Variable Employee Commitment**

The study sought to establish the respondents' level of agreement with statements on employee commitment. The respondents' level of agreement was tested using a five point Likert scale of 1-5 where 1 - strongly disagree, 2 - disagree, 3 - neutral, 4 - agree and 5 - strongly agree. The responses to employee commitment items are as shown in Table 4.15. On whether the respondents felt a strong sense of belonging to their

organization, 29% agreed, 15% strongly agreed while 18% were neutral. Regarding the statement “feel personally attached to this organization”, 21% agreed to feeling personally attached.

However, 22% and 19% of the respondents disagreed to the sentiment. On whether the respondents felt proud to tell the others that they worked for their respective organizations only 18% agreed while 14% strongly agreed. Regarding the statement “I would feel guilty if I left my organization right now”, 29% of the respondents strongly agreed, 28% disagreed while 20% were neutral over the same statement. The mean score of 3.0 indicate that majority of the respondents were neutral about their commitment to their organization after the restructuring process. Blomqvist (2002) argue that as a result of restructuring, employees might be suspicious about the future direction of the organization and their role in it. Lee and Teo (2005) report that both trust and job satisfactions are negatively affected by the extent of change required from employees following an organizational restructuring. If this were to continue, it could seriously endanger the productivity of the organization.

**Table 4.15: Summary of Responses on Employee Commitment**

	SA	A	N	D	SD	Mean	Std dev
I feel a strong sense of belonging to the organization	15	29	18	24	15	3.1	2.2
I feel personally attached to this organization	16	21	22	22	19	3.1	1.4
I feel proud to tell the others that I work for this organization	14	18	21	31	16	3.1	2.2
I believe in remaining loyal to one employer	13	25	31	21	10	2.9	1.2
I would feel guilty if I left my organization right now	29	16	20	28	7	2.7	1.3
One of the reasons I cannot leave my job is scarcity of available alternatives	23	14	26	28	9	2.9	1.3
Average						3.0	1.6

## **4.7 Correlation Analysis**

The researcher used correlation technique to analyze the degree of relationship between two variables with the Pearson correlation coefficient ( $r$ ), which yields a statistic that ranges from -1 to 1. Correlations show the strength of the association between the variables involved. Inter-correlations coefficients ( $r$ ) were calculated by using the Pearson's Product Moment.

According to Warokka and Gallato (2012), the correlation coefficient ( $r$ ) ranging from 0.10 to 0.29 may be regarded as indicating a low degree of correlation,  $r$  ranging from 0.30 to 0.49 may be considered as a moderate degree of correlation, and  $r$  ranging from 0.50 to 1.00 may be regarded as a high degree of correlation.

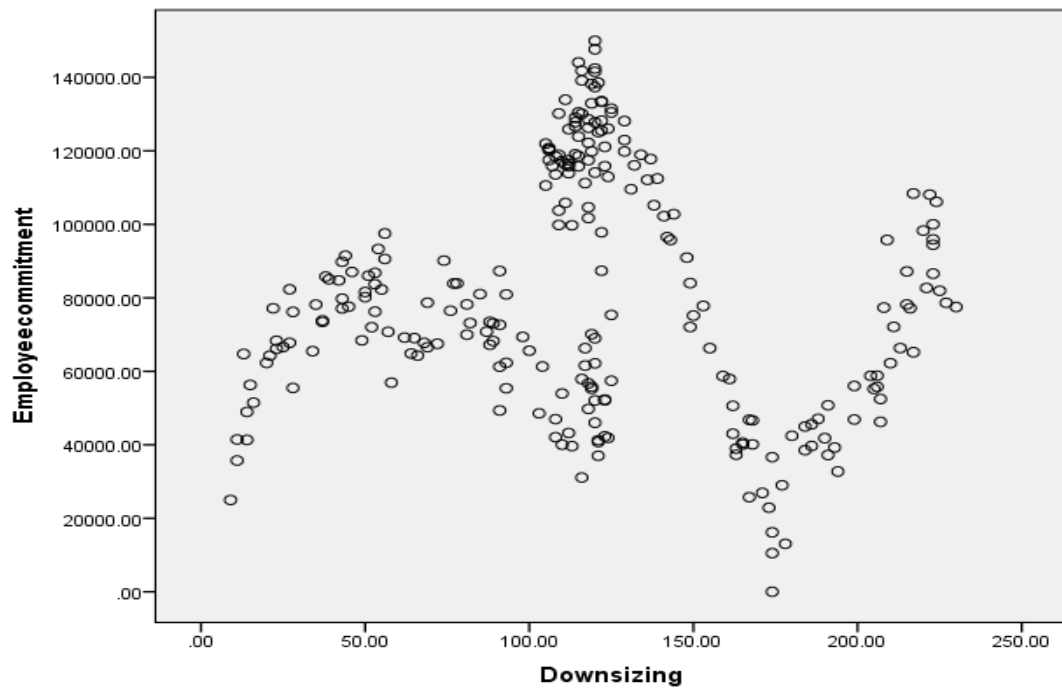
The Correlation Coefficient was used to test whether there existed interdependency between the variables used in this study. It also helps in determining the strength and direction of the association between two variables in a linear relationship, thus forming the basis for selecting variables for further statistical analysis such as regression analysis. This was done by use of scatter plots, computation of Pearson Correlation Coefficient and coefficients. A scatter plot gives a good visual picture of the relationship between two variables and aids the interpretation of the Correlation Coefficient or Regression Model.

### **4.7.1 Correlation Analysis for variable Downsizing**

Pearson Correlation Coefficient informs a researcher the magnitude and direction of the relationship between two variables and the bigger the coefficient the stronger the association between the two variables. Mugenda and Mugenda (2003) have accentuated that the computation of a Correlation Coefficient yields a statistic that ranges from -1 to 1. They highlighted that if the correlation coefficient is positive (+), it means that there is a positive relationship between the two variables and vice versa. Pearson correlation coefficient was used to gauge the relationship between downsizing and employee commitment.

The results indicated that downsizing have a significant positive relationship with employee commitment. This was indicated by Table 4.15, which show that the p-value was at  $p = 0.000$  and this met the threshold since  $p < 0.05$ . The positive relationship was represented by correlation coefficient of 0.666, and the number of respondents considered was 310. The results corroborates with the findings of Kraar (2009) which indicated that downsizing influence employee commitment. According to Cameron et al. (2003) downsizing has major attributes that help define and separate it from related, but non synonymous concepts such as decline and layoffs which have a great effect of overall staff commitment.

The scatter diagram (Figure 4.2) shows that there is a positive relationship between downsizing and employee commitment.



**Figure 4.2: Downsizing Correlation Results**

**Table 4.16: Downsizing Correlation Result**

		Downsizing	Employee Commitment
Downsizing	Pearson Correlation	1	.666(**)
	Sig. (2-tailed)	.	.000
	N	310	310
Employee Commitment	Pearson Correlation	.666(**)	1
	Sig. (2-tailed)	.000	.
	N	310	310

\*\* Correlation is significant at the 0.01 level (2-tailed).

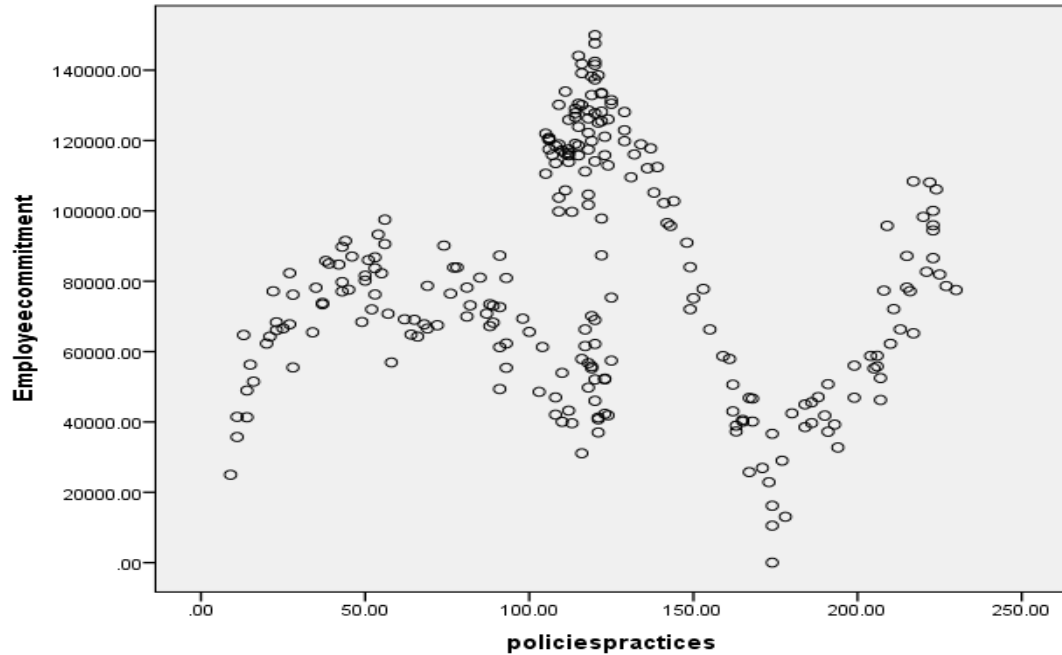
#### **4.7.2 Correlation Analysis for variable Reviewed Policies and Practices**

Pearson correlation coefficient was used to gauge the relationship between reviewed policies and practices and employee commitment. The results indicated that reviewed policies and practices have a significant positive relationship with employee commitment. This was indicated by Table 4.16, which show that the p-value was at  $p = 0.000$  and this meets the threshold since  $p < 0.05$ . The positive relationship was represented by correlation coefficient of 0.481.

The findings of Vanhala and Ahteela (2011) reiterate that Human Resource policies and practices influence institutional true that employee commitment in the whole organization is related to their perceptions of the fairness and function of such practices after restructuring.



The scatter diagram (Figure 4.3) shows that there is a positive relationship between reviewed policies and practices and employee commitment.



**Figure 4.3: Reviewed policies and Practices Correlation Results**

**Table 4.17: Reviewed Policies and Practices Correlation Result**

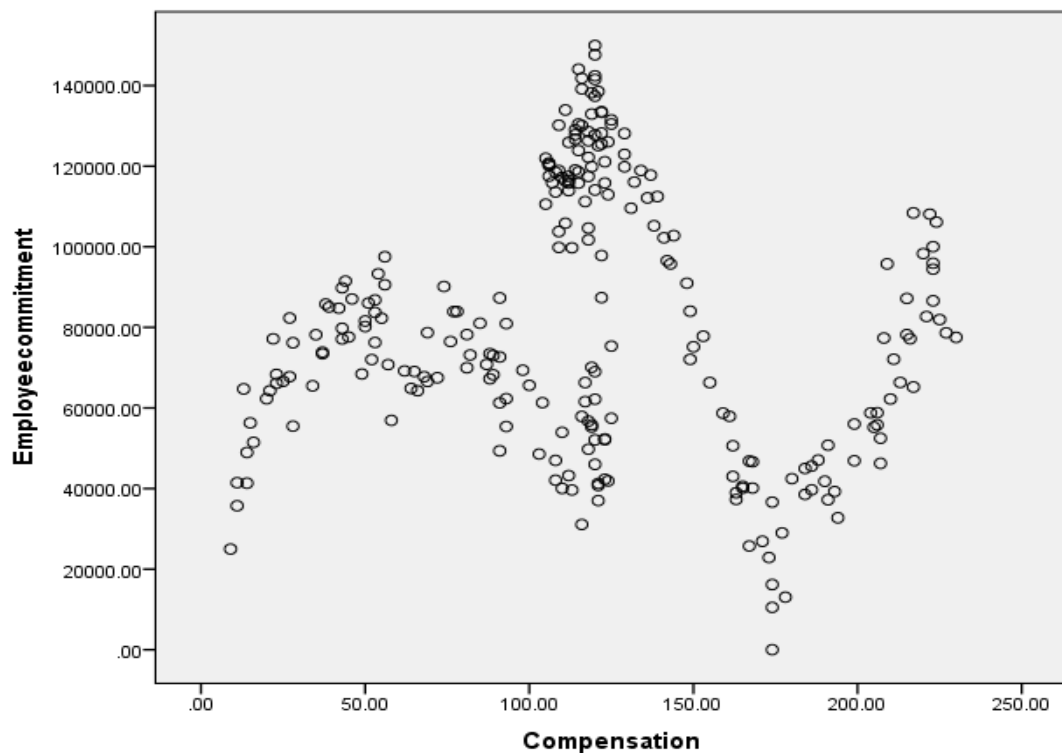
		Reviewed policies and practices	Employee Commitment
Reviewed policies and practices	Pearson Correlation	1	.481(**)
	Sig. (2-tailed)	.	.000
	N	310	310
Employee Commitment	Pearson Correlation	.481(**)	1
	Sig. (2-tailed)	.000	.
	N	310	310

\*\* Correlation is significant at the 0.01 level (2-tailed).

### 4.7.3 Correlation Analysis for Variable Compensation

Pearson correlation coefficient was used to gauge the relationship between compensation and employee commitment. The results indicated that compensation has a significant positive relationship with employee commitment. This was indicated by Table 4.18, which show that the p-value was at  $p = 0.000$  and this meets the threshold since  $p < 0.05$ . The positive relationship was represented by correlation coefficient of 0.623, and the number of respondents considered was 310. The finding concurs with the work of Armstrong and Murlins (2009) who noted that compensation influences employee commitment.

The scatter diagram (Figure 4.4) shows that there is a positive relationship between compensation and employee commitment.



**Figure 4.4: Compensation correlation Results**

**Table 4.18: Compensation Correlation Result**

		Compensation	Employee Commitment
Compensation	Pearson Correlation	1	.623(**)
	Sig. (2-tailed)	.	.000
	N	310	310
Employee Commitment	Pearson Correlation	.623(**)	1
	Sig. (2-tailed)	.000	.
	N	310	310

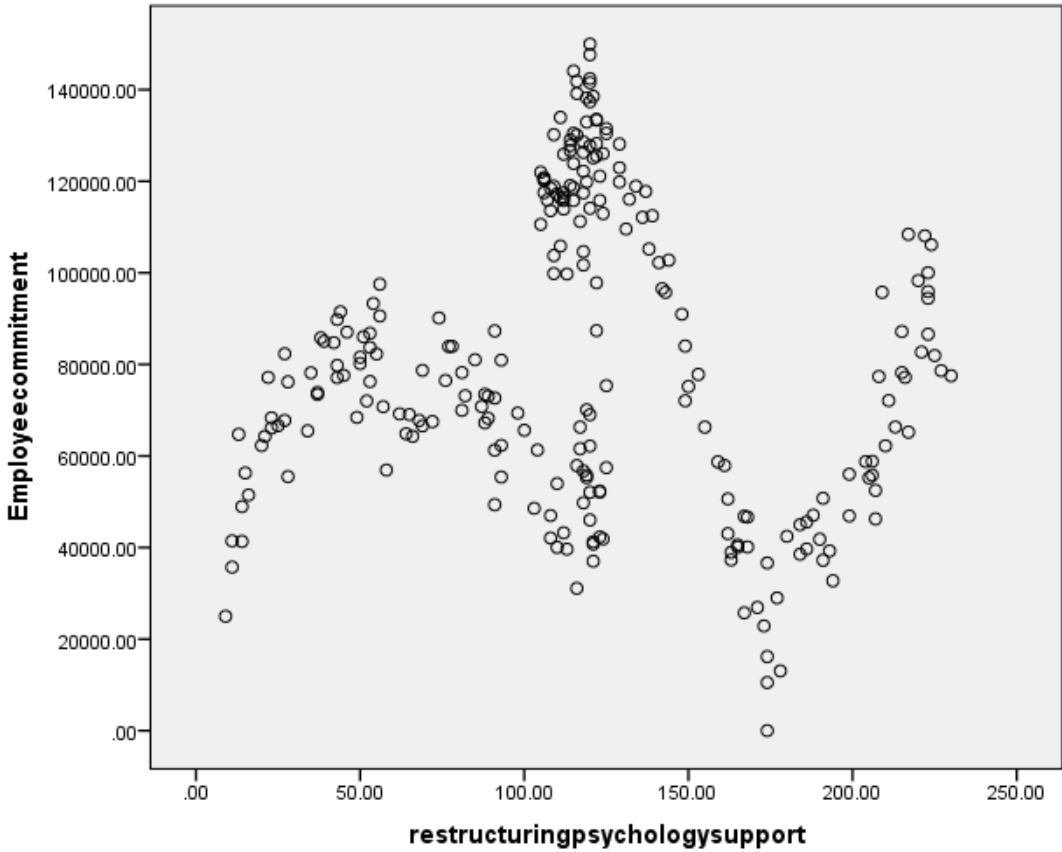
\*\* Correlation is significant at the 0.01 level (2-tailed).

#### **4.7.4 Correlation Analysis for variable Restructuring Psychosocial Support**

Pearson correlation coefficient was used to gauge the relationship between restructuring psychosocial support and employee commitment. The results indicated that restructuring psychosocial support have a significant positive relationship with employee commitment. This was indicated by Table 4.19, which show that the p-value was at  $p = 0.000$  and this meets the threshold since  $p < 0.05$ . The positive relationship was represented by correlation coefficient of 0.525, and the number of respondents considered was 310. The results corroborates with the findings of Kieselbach, et. al, (2009) which indicated that restructuring psychosocial support influence employee commitment. Employees who are not counseled during and after restructuring portray behavior which eventually results to them having a detachment feeling from the organization.

Equipping victims with life skills to enable them cope with life after restructuring is core to the success of a restructuring process. It also leads to confidence by the survivors of the organization thus causing them to feel affectively committed to the organization.

The scatter diagram (Figure 4.5) shows that there is a positive relationship between restructuring psychosocial support and employee commitment.



**Figure 4.5: Restructuring Psychosocial Support Correlation Results**

**Table 4.19: Restructuring psychosocial support Correlation Result**

		Restructuring psychosocial support		
			Employee commitment	
Restructuring support	Pearson Correlation	1	.525(**)	
	Sig. (2-tailed)	.	.000	
	N	310	310	
Employee commitment	Pearson Correlation	.525(**)	1	
	Sig. (2-tailed)	.000	.	
	N	310	310	

\*\* Correlation is significant at the 0.01 level (2-tailed).

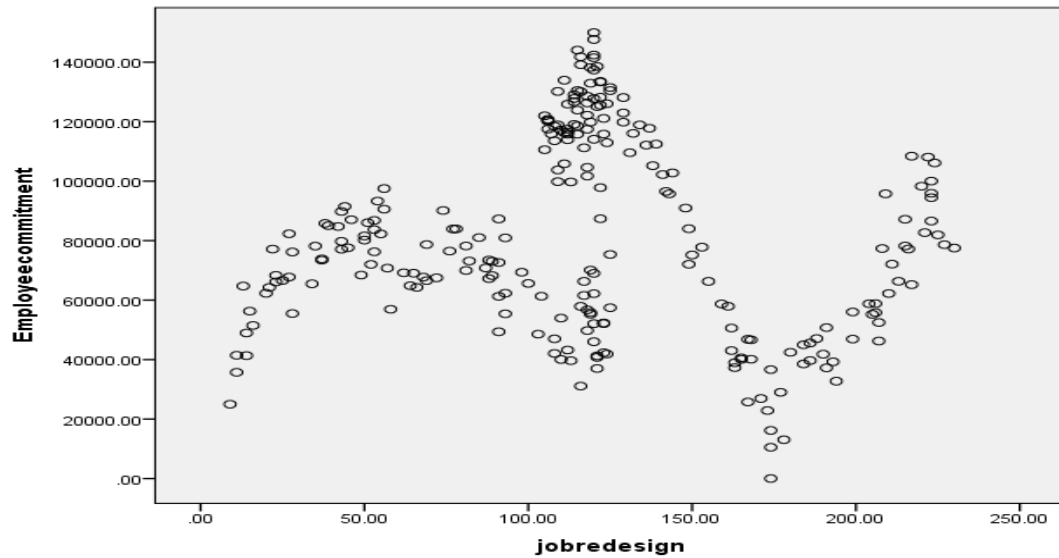
#### 4.7.5 Correlation Analysis for Variable Job Redesign

Pearson correlation coefficient was used to gauge the relationship between job redesign and employee commitment. The results indicated that job redesign had a significant positive relationship with employee commitment. This was indicated by Table 4.20, which show that the p-value was at  $p = 0.000$  and this meets the threshold since  $p < 0.05$ . The positive relationship was represented by correlation coefficient of 0.545. Restructuring causes changes in an organization where jobs are redesigned.

Roles either increase or decrease, this agrees with Redman (2012) that although restructuring may be beneficial for an organization, it often comes with layoffs, job changes and increased responsibilities for the employees left in the organization and can strike fear and terror in the hearts and minds of employees. There are a number of implications of restructuring, both positive and negative, that may have long-term effects on an organization especially in terms of employee commitment. The results

corroborates with the findings of Amstron-Stassen's (2009) which indicated that job redesign influence employee commitment.

The scatter diagram (Figure 4.6) shows that there is a positive relationship between job redesign and employee commitment.



**Figure 4.6: Job Redesign Correlation Results**

**Table 4. 20: Job Redesign Correlation Result**

		Job Redesign	Employee commitment
Job Redesign	Pearson Correlation	1	.545(**)
	Sig. (2-tailed)	.	.000
	N	310	310
Employee Commitment	Pearson Correlation	.545(**)	1
	Sig. (2-tailed)	.000	.
	N	310	310

\*\* Correlation is significant at the 0.01 level (2-tailed).

## 4.8 Regression Analysis

Mugenda and Mugenda (2003) underscored that regression analysis is a type of analysis used when a researcher is interested in finding out whether an independent variable predicts a given dependent variable. In testing the hypothesis, regression analysis was used to establish the statistical significance relationship between the independent variables notably, downsizing, policies and practices, compensation, job redesign and restructuring psychosocial support and the dependent variable which was employee commitment. This helps establish the contribution of each of the independent variables to the dependent variable.

According to Campbell (2008) regression analysis is a statistical technique to determine the linear relationship between two or more variables. Regression is primarily used for prediction and causal inference.

Regression thus shows us how variation in one variable co-occurs with variation in another. The magnitude and direction of that relation are given by the slope parameter ( $\beta_1$ ), and the status of the dependent variable when the independent variable is absent is given by the intercept parameter ( $\beta_0$ ). An error term ( $u$ ) captures the amount of variation not predicted by the slope and intercept terms. The regression coefficient ( $r^2$ ) shows how well the values fit the data. Hypothesis testing using p value was done because it gave the strength of the decision. According to (Mugenda & Mugenda, 2003) a significance level of 0.05 is recommended as it represents that results are at 95% confidence level.

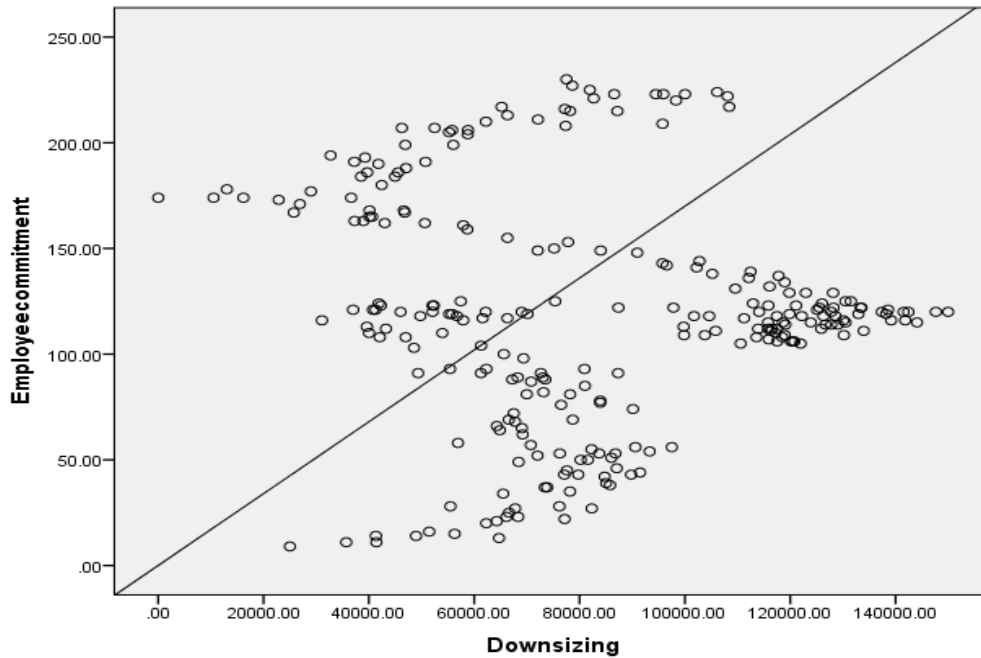
Regression analysis helps in generating equation that describes the statistics relationship between one or more predictor variables and the response variable. The regression analysis results were presented using a scatter plot diagram, regression model summary tables, Analysis of Variance (ANOVA) table and beta coefficients tables.

#### **4.8.1 Regression Analysis for Variable Downsizing versus Employee Commitment**

$H_0$ : There is no significant association between downsizing and employee commitment. Regression analysis was conducted to determine the significance relationship of downsizing against employee commitment. The Figure 4.7 presents that all the plots appear in the first quadrante and the line of best of fit indicates an estimate line that is increasingly positively upwards.

This implies that there is a positive linear relationship between downsizing and employee commitment. Employees felt that when job cuts by their colleagues happens they are forced to perform roles of more than one person which contributes to excess work pressure. Some employees felt the need to work harder to meet the demanding roles thus attaching them to the organization more. They associated leaving the organization with costs that the organization when a staff gap is created. Even though downsizing appears to create an illusion that some positive actions are being taken to turn around an organization, one prime casualty of the process seems to be the way in which people affected by the process are dealt with, this was reaffirmed by Kets de Vries and Balazs (2007) who urged that survivors developed fear and sat waiting to see who is next on the line of retrenchment. Figure 4.7 illustrates scatter plot diagram of regression analysis results of significance of downsizing versus employee commitment.





**Figure 4.7: Regression Analysis for variable Downsizing versus Employee Commitment**

Table 4.21 presents the regression model on downsizing versus employee commitment. As presented in the table, the coefficient of determination R square is 0.2321 and R is 0.4818 at 0.05 significance level. The coefficient of determination indicates that 23.2% of the variation on employee commitment is influenced by downsizing activities. This implies that there exists a positive significant relationship between downsizing activities and employee commitment. The employee felt that their supervisors do not involve them in decision making thus causing their attachment to the organization to decrease. A good number of employees were for the opinion that they are in the job because they need them.

**Table 4.21: Model Summary for Variable Downsizing**

R	R Square	Adjusted R Square	Std. Error of the Estimate
.4818a	0.2321	0.2127	0.17498

The Analysis of variance (ANOVA) results as shown in Table 4.21 further confirms that the model fit is appropriate for this data since p -value of 0.000 which is less than 0.05. This implies that there is a significant positive relationship between downsizing activities and employee commitment.

**Table 4.22: Analysis of variance (ANOVA) for Variable Downsizing**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	63.1413	1	63.1413	2062.21	.000 <sup>b</sup>
	Residual	1.0104	308	0.03062		
	Total	64.1517	309			

The results further indicate that downsizing activities have positive and significant effects on employee commitment (Table 4.22). The fitted model  $Y = 0.3745 + 0.9942 * X_1$ . This implies that a unit change in downsizing activities will increase employee commitment by the rate of 0.9942. Even when downsizing activities are non-existence, employee commitment is still positive at 0.3745 indicating that there are other drivers of employee commitment in the work place including policies and practices, compensation, job redesign and restructuring psychosocial support.

**Table 4.23: Downsizing Coefficients**

	Coefficients	Std. Error	t	Sig
Constant	0.3745	0.09879	3.7914	0.00061
Downsizing	0.9942	0.02189	45.4115	2.5E-31

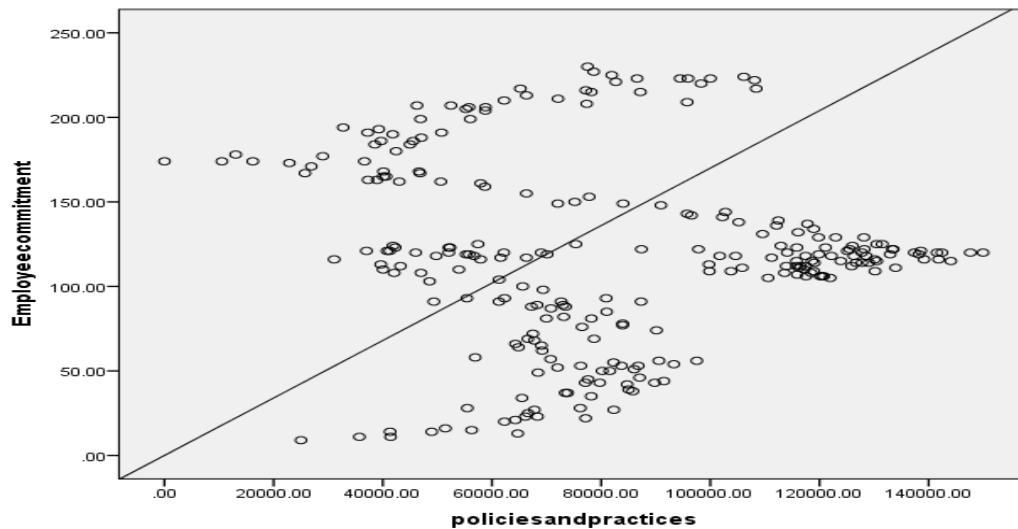
In terms of significant associations found between downsizing and employee commitment with regard to the entire tested sample it concluded that: alternative hypothesis, “there is significant relationship between downsizing and employee commitment” is accepted. This upholds findings by Kraar (2009) who found that downsizing affected employee commitment where job cuts were a major cause of decreasing commitment by the survivors. Rationalization of roles in the organisations created unnecessary anxiety among the survivors. Hartzell, Ofek and Yermack (2004) reiterate that downsizing was one of the most popular strategies being used by state corporations in an effort to survive and compete in the current business scenario thus the positive relationship.

#### **4.8.2 Regression Analysis for Variable Reviewed Policies and Practices Versus Employee Commitment**

H<sub>1</sub>: There is no significant association between reviewed Policies and Practices and employee commitment

Regression analysis was conducted to determine the significance relationship of policies and practices against employee commitment. Figure 4.8 illustrates scatter plot diagram of regression analysis results of significance of policies and practices versus employee commitment. This implies that there is a positive linear relationship between reviewed policies and practices and employee commitment. Involvement of employees when developing and reviewing polices is key to the success of a restructuring process.

Turnley and Feldman (2008), state that polices such as compensation and career advancement particularly led to lower employee commitment. Thus, commitment was affected when organizational changes are implemented and the mentioned polices are not reviewed in tandem with the employees roles. The Figure 4.8 presents that all the plots appear in the first quadrate and the line of best of fit indicates an estimate line that is increasingly positively upwards.



**Figure 4.8: Regression Analysis for variable Reviewed Policies and Practices Versus Employee Commitment**

As presented in the table, the coefficient of determination R square is 0.1713 and R is 0.4139 at 0.05 significance level. The coefficient of determination indicates that 17.13% of the variation on employee commitment is influenced by policies and practices. This implies that there exists a positive significant relationship between policies and practices activities and employee commitment. Restructuring caused a change in the existing polices which the employees felt were not in their favor. The organizations therefore were required to ensure that the implications of new policies were adequately explained to the surviving employees for buy-in. Table 4.24 presents the regression model on policies and practices versus employee commitment.

**Table 4.24: Model Summary for Variable Policies and Practice**

R	R Square	Adjusted R Square	Std. Error of the Estimate
.4139a	0.1713	0.1612	1.39293

The Analysis of variance (ANOVA) results as shown in Table 4.25 further confirms that the model fit is appropriate for this data since p -value of 0.000 which is less than 0.05. This implies that there is a significant positive relationship between policies and practices activities and employee commitment. Employees hold the policies and practices very close to their heart since they understand that the polices provide a fundamental base for decisions to be made which affect the existence of employees in the organization.

Management is therefore required to ensure participatory review of relevant polices to ensure commitment is maintained.

**Table 4.25: Analysis of Variance (ANOVA) for Variable Policies and Practice**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	0.123	1	.123	2042.21	.000 <sup>b</sup>
	Residual	64.028	308	.2079		
	Total	64.152	309			

The results further indicate that policies and practices have positive and significant effects on employee commitment (Table 4.26). The fitted model  $Y = 3.672 + 0.472 * X1$ . This implies that a unit change in policies and practices will increase employee commitment by the rate of 0.472. Even when policies and practices are non-existence, employee commitment is still positive at 3.672 indicating that there are other drivers of

employee commitment in the work place including downsizing, compensation, job redesign and restructuring psychosocial support.

**Table 4.26: Policies and Practices Coefficients**

	Coefficients	Std. Error	t	Sig
Constant	3.672	0.957	3.836	0.001
Policies and Practices	0.472	0.21	2.252	0.030

In terms of significant associations found between policies and practices and employee commitment with regard to the entire tested sample it concluded that: null hypothesis I, “Alternative hypothesis, “there is significant relationship between policies and practices and employee commitment” is accepted. This corroborates findings by Appelbaum et al, (2007) who found that policies and practices affected employee commitment in state corporations in Nigeria. Human Resource policies and practices are designed to maximize organizational integration, employee commitment, flexibility in their work as buttressed by results of previous studies carried out by (Guest, 2009).

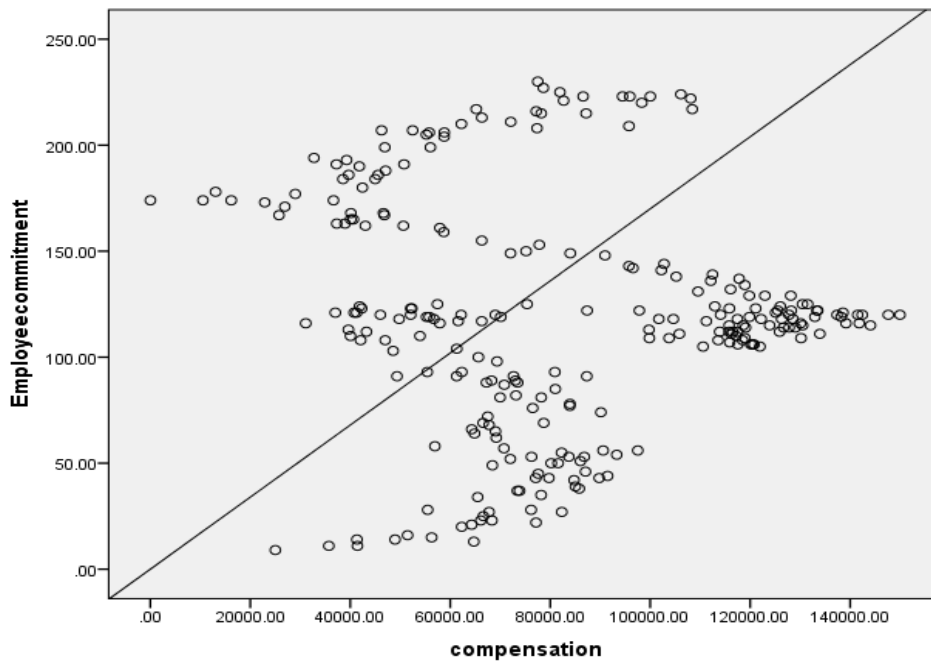
It is important to note that effective organizational policies and practices have a direct impact on commitment to the job and organization. This therefore implies that its important to ensure relevant policies are in place to support organizational functions. Policies and procedures which are at the center of employees values require totally involvement while reviewing otherwise they should not be reviewed otherwise they cause continuance commitment where employees feel they need to stay with the organization because they need to. Employee count the costs associate with leaving the organization and choose to stay. This is as reiterated by Thessin (2004) and therefore organizations should strike a balance to ensure commitment is maintained at reasonable levels.

### **4.8.3 Regression Analysis for Variable Compensation Changes Versus Employee Commitment**

H<sub>1</sub>: There is no significant association between compensation changes and employee commitment

Regression analysis was conducted to determine the significance relationship of compensation against employee commitment, this implies that there is a positive linear relationship between compensation and employee commitment. Compensation changes during restructuring especially in relation to the grades affect staff since some employees. The scenario is common in cases where mainly grades are collapsed into one grade thus causing some to lose control of their roles thus leading to low commitment.

Gehart, Minkoff and Olsen (2005) concurred that the grading system plays a key role in compensation since it is the heart of employment relationship and is important to both employee and employer. It's also the basis upon which compensation is managed. The equity theory augments this by highlighting that anger and resentment in employees is induced by underpayment inequity and guilt is induced by overpayment equity (Spector, 2008). In most cases employees want to feel that their contribution and work performance are being rewarded with pay or commensurate grades in their job ranking. . Figure 4.9 illustrates scatter plot diagram of regression analysis results of significance of compensation versus employee commitment. The Figure 4.9 presents that all the plots appear in the first quadrante and the line of best of fit indicates an estimate line that is increasingly positively upwards.



**Figure 4.9: Regression Analysis for Variable Compensation Versus Employee Commitment**

Table 4.27 presents the regression model on compensation versus employee commitment. As presented in the table, the coefficient of determination R square is 0.25 and R is 0.504 at 0.05 significance level. The coefficient of determination indicates that 25% of the variation on employee commitment is influenced by compensation. This implies that there exists a positive significant relationship between compensation activities and employee commitment. When employees perceive unfairness in their pay they result to feeling hostile and bitterness towards the organization. They also develop a feeling that the organization does not care about them and tend to reciprocate in equal measure. The Resource Based View theory avers that for an organization to remain competitive they require should ensure inimitable resources which are rare to find. This can be achieved by ensuring that the employees are paid competitively.



**Table 4.27: Model Summary for Variable Compensation**

R	R Square	Adjusted R Square	Std. Error of the Estimate
.504 <sup>a</sup>	0.25	0.2119	1.20385

The Analysis of variance (ANOVA) results as shown in Table 4.28 further confirms that the model fit is appropriate for this data since p -value of 0.000 which is less than 0.05. This implies that there is a significant positive relationship between compensation and employee commitment.

**Table 4.28: Analysis of Variance (ANOVA) for Variable Compensation**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	16.326	1	16.326	11.265	.002 <sup>b</sup>
	Residual	47.8257	308	1.44926		
	Total	64.1517	309			

The results further indicate that compensation have positive and significant effects on employee commitment (Table 4.28). The fitted model  $Y = 2.6811 + 1.33117 * X_1$ . This implies that a unit change in compensation will increase employee commitment by the rate of 1.33117. Even when compensation are non-existence, employee commitment is still positive at 2.6811 indicating that there are other drivers of employee commitment in the work place including downsizing, policies and practices, job redesign and restructuring psychosocial support.

**Table 4.29: Compensation Coefficients**

	Coefficients	Std. Error	t	Sig
Constant	2.6811	1.97306	1.3589	0.0183
Compensation	1.33117	0.39661	3.35634	0.002

In terms of significant associations found between compensation and employee commitment with regard to the entire tested sample it concluded that: null hypothesis I, “There is no significant association between compensation and employee commitment” is rejected and alternative hypothesis, “there is significant relationship between compensation and employee commitment” is accepted. In times of major changes such as restructuring in an organization in case employees psychological state or desire to remain in the organization differs. Continuance commitment is normally experienced when compensation is altered.

Employees count the costs associated with leaving the organization is decide to remain in order to earn a leaving. They associate salary and grades with the need to remain in an organization. This is in line with the findings by Armstrong & Brown (2008) who linked compensation to employees desire to be remain in an organization.

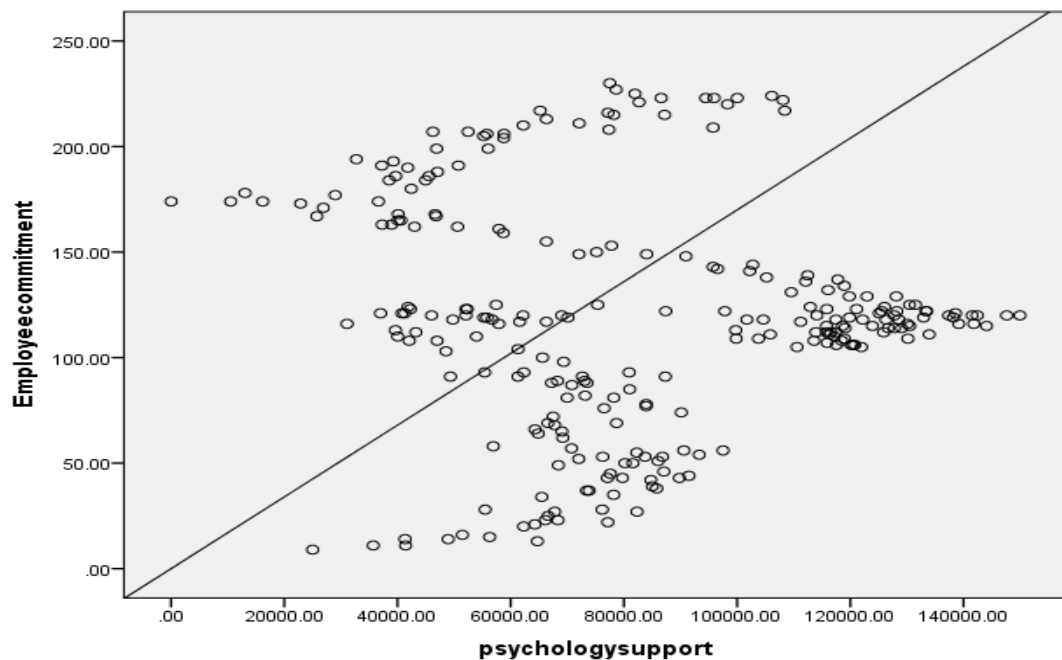
#### **4.8.4 Regression Analysis for Variable Restructuring Psychosocial Support Versus Employee Commitment**

H<sub>1</sub>: There is no significant association between restructuring psychosocial support and employee commitment.

Regression analysis was conducted to determine the significance relationship of restructuring psychosocial support against employee commitment This implies that there is a positive linear relationship between restructuring psychosocial support and

employee commitment. When work place life skills are impacted on employees, organizations realize unprecedented change and acceptance by restructuring victims and survivors.

This was reinforced by the Resource based theory which relates organizational resources being key to organizational competitiveness, a key resource and product in a restructuring process (Grant,2012). Figure 4.10 illustrates scatter plot diagram of regression analysis results of significance of restructuring psychology support versus employee commitment. The Figure 4.10 presents that all the plots appear in the first quadrante and the line of best of fit indicates an estimate line that is increasingly positively upwards.



**Figure 4.10: Regression Analysis for Variable Restructuring Psychosocial Support Versus Employee Commitment**

Table 4.30 presents the regression model on restructuring psychology support versus employee commitment. As presented in the table, the coefficient of determination R square is 0.364 and R is 0.603 at 0.05 level of significance. The coefficient of

determination indicates that 36.4% of the variation on employee commitment is influenced by psychosocial support. This implies that there exists a positive significant relationship between restructuring psychosocial support activities and employee commitment.

**Table 4.30: Model Summary for Variable Restructuring Psychosocial Support**

R	R Square	Adjusted R Square	Std. Error of the Estimate
.603 <sup>a</sup>	.364	.360	1.01725

The Analysis of variance (ANOVA) results as shown in Table 4.31 further confirms that the model fit is appropriate for this data since p -value of 0.000 which is less than 0.05. This implies that there is a significant positive relationship between restructuring psychosocial support and employee commitment.

**Table 4.31: Analysis of Variance (ANOVA) for Variable Restructuring Psychosocial Support**

	Sum of Squares	df	Mean Square	F	Sig.
Regression	100.690	1	100.690	97.304	.000 <sup>b</sup>
Residual	175.915	308	0.5712		
Total	276.605	309			

a. Dependent Variable: Employee Commitment

b. Predictors: (Constant), Psychosocial support

The results further indicate that restructuring psychosocial support have positive and significant effects on employee commitment (Table 4.32). The fitted model  $Y = 1.635 + 0.570 * X_1$ . This implies that a unit change in restructuring psychosocial support will increase employee commitment by the rate of 0.570. Even when restructuring psychology support are non-existence, employee commitment is still positive at 1.635 indicating that there are other drivers of employee commitment in the work place including downsizing, compensation, job redesign and policies and practices.

**Table 4.32: Restructuring Psychosocial Support Coefficients**

Model		Unstandardized		Standardized		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	1.635	.184		8.891	.000
	Restructuring Psychosocial Support	.570	.058	.603	9.864	.000

a. Dependent Variable: Employee Commitment

In terms of significant associations found between restructuring psychosocial support and employee commitment with regard to the entire tested sample it concluded that: null hypothesis I, “Alternative hypothesis, “there is significant relationship between restructuring psychosocial support and employee commitment” is accepted. Employees tend to become anxious regarding restructuring and counseling is normally an activity which definitely offers employees help to learn to manage themselves pre and post restructuring. Counseling is also required to assist employees deal with the work pressure in cases where employees may be required to perform additional roles.

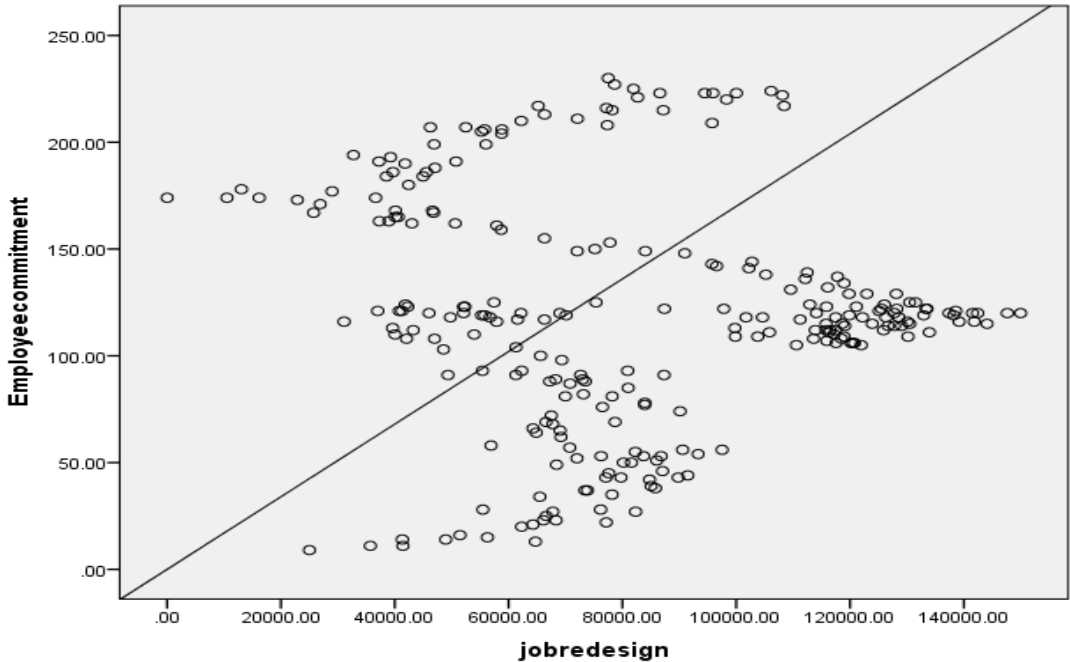
#### **4.8.5 Regression Analysis for Variable Job Redesign Versus Employee Commitment**

H<sub>1</sub>: There is no significant association between job redesign and employee commitment

Regression analysis was conducted to determine the significance relationship of job redesign against employee commitment. This implies that there is a positive linear relationship between job redesign and employee commitment. Job redesign can be a good organizational mitigation against the intention of employees to quit. This is premised on the fact that survivors show constructive manifestations especially when

jobs are enlarged and enriched when they are assigned more challenging roles to reduce boredom and power and autonomy in decision making.

Employees also may show the likelihood to remain in the attached and work to achieve the goals of the organization. Redesign a job redesign emphasizes the employees sense of task significance, skill variety and autonomy. This is consistent with the findings of Connell (2005) who found a positive relationship between redesigning jobs and employee commitment. The figure below illustrates scatter plot diagram of regression analysis results of significance of job redesign versus employee commitment. The Figure 4.11 presents that all the plots appear in the first quadrante and the line of best of fit indicates an estimate line that is increasingly positively upwards.



**Figure 4.11: Regression Analysis for Variable Job Redesign Versus Employee Commitment**

As presented in the table, the coefficient of determination R square is 0.26678 and R is 0.544 at 0.05 significance level. The coefficient of determination indicates that 24.57% of the variation on employee commitment is influenced by job redesign. This implies

that there exists a positive significant relationship between job redesign and employee commitment. This corroborates the discussion by Mishra and Spreitzer (2008) that empowerment and job redesign provide survivors with the confidence in their individual capacity to cope with the threat of restructuring and hence would result in their exhibiting more active and progressive responses. Survivors would therefore exhibit more attachment to the organization. Table 4.33 presents the regression model on job redesign versus employee commitment.

**Table 4.33: Model Summary for Variable Job Redesign**

R	R Square	Adjusted R Square	Std. Error of the Estimate
.545 <sup>a</sup>	0.29	0.24547	1.16921

The Analysis of variance (ANOVA) results as shown in Table 4.34 further confirms that the model fit is appropriate for this data since p -value of 0.000 which is less than 0.05. This implies that there is a significant positive relationship between job redesign and employee commitment. Since the goal of redesigning jobs is to give the individual exposure to tasks normally reserved for differently focused or higher positions, merely adding more of the same responsibilities related to an employee's current position is not considered job enrichment (Kotila, 2010). An important determinant of employee's behavior at work is job enlargement. Where the employees roles are increased to ensure monotony is minimized and to challenge the employee more. The employee thus responds by feeling more attached to serve the organization thus uplifting their commitment levels.

**Table 4.34: Analysis of Variance (ANOVA) for Variable Job Redesign**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	19.0388	1	19.0388	13.9268	.001 <sup>b</sup>
	Residual	45.1129	308	1.36706		
	Total	64.1517	309			

The results further indicate that job redesign have positive and significant effects on employee commitment (Table 4.35). The fitted model  $Y = 0.6649 + 0.93855 * X_1$ . This implies that a unit change in job redesign will increase employee commitment by the rate of 0.93855. Even when job redesign are non-existence, employee commitment is still positive at 0.6649 indicating that there are other drivers of employee commitment in the work place including downsizing, policies and practices, compensation and restructuring psychosocial support.

**Table 4.35: Job Redesign Coefficients**

	Coefficients	Std. Error	t	Sig
Constant	0.6649	1.24062	0.5359	0.0362
Job redesign	0.93855	0.2515	3.73187	0.00072

In terms of significant associations found between job redesign and employee commitment with regard to the entire tested sample it concluded that: null hypothesis I, “There is no significant association between job redesign and employee commitment” is rejected and alternative hypothesis, “there is significant relationship between job redesign and employee commitment” is accepted. This was consistent with previous studies by Dessler (2005) who found out that empowerment and job redesign provide



survivors with the confidence in their individual capacity to cope with the threat of restructuring and hence would result in their exhibiting more active and progressive responses.

#### 4.9 Combined Effect Model

The study aimed at finding out the overall effect of the independent variables that is downsizing, policies and practices, restructuring psychosocial support, compensation and job redesign on employees' commitment. The model  $Y_i = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \varepsilon$  explained 66.5% of the variations in employee commitment as shown in Table 4.36. This showed that downsizing, policies and practices, restructuring psychosocial support, compensation and job redesign explained 94.3% of the variation in employee commitment.

**Table 4.36: Model Summary**

Model	R	R Square	Adjusted Square	R Std. Error of the Estimate
1	.8157	0.6654	0.6432	0.124438

a. predictors: downsizing, policies and practices, restructuring psychosocial support, compensation and job redesign

The analysis of variance results Table 4.37 indicates that the model fit is significant at  $p=0.000$ ,  $F=3.778$  with 308 degrees of freedom. This implies that downsizing, policies and practices, restructuring psychosocial support, compensation and job redesign has a significant and positive combined effect on employee commitment.

**Table 4.37: Analysis of Variance (ANOVA)**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	63.702651	5	12.7405	3.778	.000 <sup>a</sup>
	Residual	0.4490584	304	78.568		
	Total	64.151709	309			

Predictors: downsizing, policies and practices, restructuring psychosocial support, compensation and job redesign

This total sum of squares is not corrected for the constant because the constant is zero for regression through the origin.

Dependent Variable: Employee commitment

The overall model as shown on Table 4.38 indicated that compensation, restructuring psychosocial support and policies and practices were highly significant at  $p=0.002484$ ,  $p=0.00193$ ,  $p=0.01926$  respectively. The fitted model was

$$Y = 2.4255 + 0.57074X_1 + 0.37788X_2 + 0.37263X_3 + 0.10069X_4 + 0.04879X_5.$$

**Table 4.38: Relationship between Restructuring and Employee Commitment**

	Coefficients	Std. Error	t	Sig
Constant	2.4255	1.3928	1.7414	0.09221
Restructuring Psychosocial Support	0.57074	0.10666	5.35103	0.002484
Compensation	0.37788	0.11082	3.40981	0.00193
Downsizing	0.37263	0.11422	3.26251	0.00283
Job Redesign	0.10069	0.0444	2.26778	0.03002
Policies and Practices	0.04879	0.01996	2.4444	0.01926

a. Dependent Variable: Employee Commitment

b. Linear Regression through the Origin

**Table 4.39: Correlation Matrix**

	D	PP	RPS	C	JR	EC
D	1					
PP	.599(**)	1				
RPS	.579(**)	.799(**)	1			
C	.111(*)	.211(**)	.211(**)	1		
JR	.711(**)	.531(**)	.611(**)	.535(**)	1	
EC	.713(**)	.522(**)	.551(**)	.435(**)	0.211	1

Key: D = Downsizing; PP = Policies and practices; EC = Employee Commitment; C = Compensation; JR = Job redesign and RPS =Restructuring psychosocial support

The results are in line with the discussion of Peterson (2006) that the price paid by laid-off workers has been high, the costs to employees who survive organizational downsizing have been substantial. The workforce attribution of downsizing usually involves reductions in employees (Angwin, 2005). When other employees observe downsizing activities taking place, the tendency is to live in fear since they are not sure

if they are next on line. This significantly affects their commitment to work at the organization at large.

Further, Guest (2009) suggested that HRM policies are designed to maximize organizational integration, employee commitment and flexibility in their work. Restructuring activities in an organization affect the current policies and lead to new ones being developed. This affects the commitment of current workforce depending on the impact of the policy; this means that if the policy favors employees then they will feel more committed to the organization and vice versa.

Ugboro (2005) notes that survivor's responses to restructuring activities range from constructive to destructive and therefore the employer is required to manage the restructuring process such that the activities do not affect most employees commitment. Based on the discussion of the study we can conclude that compensation changes ranks very high among restructuring activities and their influence on employee commitment. This must however be supported by psychosocial support where employees are required to receive some life skills to assist them on the life after restructuring, the jobs must be effectively be redesigned to ensure staff morale is maintained and all these must be supported by well thought out practices and practices.

## CHAPTER FIVE

### SUMMARY, CONCLUSION AND RECOMMENDATIONS

#### 5.1 Introduction

This study sought to examine the influence of restructuring activities on employee commitment in state corporations in Kenya. The study specifically addressed: downsizing, compensation changes, restructuring psychosocial support, reviewed policies and practices and job redesign as variables which influence employee commitment during restructuring. This chapter presents the summary of the study guided by the specific objectives and hypotheses, presents the conclusions reached based on the findings and the recommendations. The chapter finally provides direction on areas of further research.

#### 5.2 Summary of the Major Findings

The general objective of this study was to examine the influence of restructuring activities on employee commitments in state corporations in Kenya. In particular, the study was guided by the following objectives: To examine the influence of downsizing, reviewed policies and practices, psychosocial support, job redesign and compensation changes on employee commitment in state corporations in Kenya. The study relied on theoretical and empirical studies on restructuring activities and consequently developed a conceptual framework on the relationship between the predictors and the dependent variable. The hypothesized relationships were then tested empirically. The target population was the 33,407 employees in 20 state corporations that had completed restructuring.

A sample of 381 respondents was arrived as using the Krejcie Morgan (1970) table for determining sample size for a finite population. Multiple regression models were used to test whether the independent variable had had any influence on the dependent variable. The results revealed that restructuring activities had a noteworthy relationship with employee commitment at  $r^2$  0.665.

It is however notable that downsizing, compensation changes and job redesign had the greatest influence on employee commitment with correlation of 0.666, 0.623 and 0.545 respectively.

### **5.2.1 Influence of Downsizing on Employee Commitment**

The findings indicate that factor analysis was done in order to reduce downsizing items to practicable and meaningful size, where all the 5 items met the threshold of 0.4 and above. Descriptive statistics was used to analyze this research objective and other subsequent analysis was done. The results showed the average mean was above 3.3 this meant that most of the respondents strongly agreed that downsizing activities in their respective organizations affected employee commitment. Majority of the respondents felt more dedicated to perform their jobs due to the fear of unknown where a mean of 4.7 was recorded while a minority felt their supervisors did not involve them in decision making.

After carrying out regression analysis, the research indicated that 21.27% was the goodness of fit for downsizing. This meant that 21.7% explained the variation in employee commitment in state corporations in Kenya.

The findings therefore infer that there exists a positive relationship between downsizing activities and employee commitment in state corporations in Kenya. This is in line with the findings by Appelbaum et al (2005) who found that downsizing influenced employee commitment in state corporations.

### **5.2.2 The Influence of Reviewed Policies and Practices on Employee Commitment**

Cronbach Alpha was used to test for reliability in the study. The Cronbach coefficient obtained was 0.891 showing that the variable had internal reliability. Factor analysis was done in order to reduce reviewed policies and practices items to manageable and meaningful size, where 9 items met the threshold of 0.4 and above. Descriptive statistics were used to analyze this research objective and other subsequent analysis was done. The results showed that the statement “The current policies are relevant to the

organization” and the statement “I am happy with the new policies” had means of 3.8 and 3.4 respectively meaning that reviewed policies and practices influence employee commitment. This finding is in line with Vanhala and Ahteela (2011) findings that HRM policies and practices influence institutional trust and that employee commitment in the whole organization is related to their perceptions of the fairness and functioning of such practices after restructuring.

The correlation analysis also indicated that there is a positive significant relationship between reviewed policies and practices and employee commitment. The positive relationship was represented by 0.481, and the number of respondents was 310. The results corroborated with the findings of Vanhala and Ahteela (2011) which indicated that reviewed policies and practices influence employee commitment to a great extent.

Regression analysis was done where the results indicated that reviewed policies and practices had a goodness of fit of 16.12% indicating that reviewed policies and practices explained 16.12% of the variation in employee commitment in state corporations in Kenya. The results and findings therefore conclude that there exists a positive significant relationship between reviewed policies and practices and employee commitment. This corroborates with the findings by Appelbaum et al, (2005) who found that reviewed policies and practices affected employee commitment in state corporations in Nigeria.

### **5.2.3 The Influence of Restructuring Psychosocial Support during Restructuring on Employee Commitment**

Cronbach Alpha was used to test for reliability in the study. The Cronbach coefficient obtained was 0.789 showing that the variable had internal reliability. Factor analysis was done in order to reduce psychosocial support items to manageable and meaningful size, where 7 items met the threshold of 0.4 and above. Descriptive statistics were used to analyze this research objective and other subsequent analysis was done. The results showed that the statement that “My supervisor listens to my opinion” had the lowest

mean of 1.2 while the statement “Employee benefits information is regularly communicated” had a mean of 2.7 implying that the restructuring process was not properly communicated to all employees and a majority of the survivors were negatively affected as a result. This finding is in line with Vanhala and Ahteela (2011) findings that psychosocial support influence institutional trust and that employee commitment in the whole organization is related to their perceptions of the fairness and functioning of such practices after restructuring. The correlation analysis also indicated that there is a positive significant relationship between restructuring psychosocial support and employee commitment. The positive relationship was represented by 0.525, and the number of respondents was 310.

Regression analysis was done where the results indicated that psychosocial support had a goodness of fit of 36.4% indicating that psychosocial support explained 36.4% of the variation in employee commitment in state corporations in Kenya. The results and findings therefore conclude that there exists a positive significant relationship between restructuring psychosocial support and employee commitment. The results corroborated with the findings of Vanhala and Ahteela (2011) which indicated that psychosocial support influence employee commitment especially in relation to counseling. When employees do not receive prior counseling regarding restructuring activities their level of commitment is plummets.

#### **5.2.4 The Influence of Compensation Changes on Employee Commitment**

Cronbach Alpha was used to test for reliability in the study. The Cronbach coefficient obtained was 0.761 showing that the variable had internal reliability.

Factor analysis was done in order to reduce compensation changes items to manageable and meaningful size, where 6 items met the threshold of 0.4 and above. Descriptive statistics were used to analyze this research objective and other subsequent analysis was done. The results showed that the statement “Salaries were reviewed after restructuring” and the statement “My pay is commensurate to my grade” had means of 4.2 and 3.7 respectively meaning that the respondents agreed with statements on compensation



change. However the statement “The review has improved commitment to my work” had a mean of 3.5 indicating that there is need for the authority in charge to consider revisions to enhance employee commitment.

The correlation analysis also indicated that there is a strong positive significant relationship between compensation change and employee commitment. The positive relationship was represented by 0.623, and the number of respondents was 310. This finding concurred with Zaman et al. (2011) who in their study affirmed that pay structures and the grading system is the centre piece of the employment contract after all it is the main reason why people work.

Regression analysis was done where the results indicated that compensation system had a goodness of fit of 24.21% indicating that compensation system explained 24.21% of the variation in employee commitment in state corporations in Kenya. The results and findings therefore conclude that there exists a positive significant relationship between compensation system and employee commitment. This corroborates findings by Milkovich and Newman (2005) that pay structures and grades had an influence on commitment levels of employees.

When the grades change and are given difference titles some employees experienced greater need to remain with the organization.

### **5.2.5 The Influence of Job Redesign on Employee Commitment**

Cronbach Alpha was used to test for reliability in the study. The Cronbach coefficient obtained was 0.766 showing that the variable had internal reliability. Factor analysis was done in order to reduce job redesign items to manageable and meaningful size, where 7 items met the threshold of 0.4 and above. Descriptive statistics were used to analyze this research objective and other subsequent analysis was done. The results showed that the statements “I remain unclear about role expectations” “Expanded more duties” “increased opportunities for promotion” “more duties and increased salary and Variety of job responsibilities had higher means above 4.0 an indication that job redesign led to

more duties and responsibilities and increased opportunities for individual career growth.

The correlation analysis also indicated that there is a strong positive significant relationship between job redesign and employee commitment. The positive relationship was represented by 0.545, and the number of respondents was 310. This finding are in line with Amstrong and Stassen’s (2009) who found that a poorly designed job package is a source of dissatisfaction, employee turnover and lack of commitment, furthermore a well-designed package fails to secure employee commitment when it is viewed as not being fair, inequitable and inconsistent.

Regression analysis was done where the results indicated that compensation system had a goodness of fit of 28.32% indicating that job redesign explained 28.32% of the variation in employee commitment in state corporations in Kenya. The results and findings therefore conclude that there existed a positive significant relationship between job redesign and employee commitment. This is supported by the findings of Morton and Orman (2010) that job redesign affects employee commitment. Where when a staff rotation exercise takes place majority of the employees feel rejuvenated to perform their roles thus leading to higher levels of commitment.

The following table shows a summary of the hypothesis tested in the study.

**Table 5.1: Summary of Hypotheses**

	<b>Hypothesis</b>	<b>Status</b>
1.	Downsizing significantly influence employee commitment	Accepted
2.	Reviewed policies and practices significantly influences employee commitment	Accepted
3.	Psychosocial support during restructuring significantly influences employee commitment	Accepted
4.	Compensation changes significantly influences employee	Accepted

commitment

5. Job redesign significantly influence employee commitment Accepted
- 

### **5.3 Conclusion of the study**

Emanating from the analysis the following conclusion was made. First, the study established that employees in the state corporations that underwent restructuring in Kenya did not feel dedicated to perform their jobs and their superiors did not involve them in decision making. There was a positive significant relationship between downsizing and employee commitment.

Organizational downsizing can potentially threaten an organization's performance and employee commitment; as a result of competent employees who often leave an organization and take years of knowledge with them. The study concluded that job cuts and roles reorganization have a great influence on the restructuring survivors. They are uncertain on their fate regarding the roles in the organization. Also the reviewed policies and practices increase employee loyalty to the organization. There was a positive significant relationship between reviewed policies and practices and employee commitment. Pertaining to psychosocial support, the study concludes there was a positive significant relationship between psychosocial support and employee commitment. Counseling and offering of life skills to both victims and survivors is paramount during the restructuring process. Further, the study concluded that salaries were reviewed after restructuring and employees pay commensurate to their respective job grade this had an influence on the level of commitment thus causing employees to feel as part of the organization.

The study established a strong positive significant relationship between compensation change and employee commitment. Reviewed compensation where grades of staff are affected interferes with the commitment level of staff. And lastly, the study concludes that majority of the staff remain unclear about role expectations.

The study established that there was a strong positive significant relationship between job redesign and employee commitment. Job rotation was at the core of this where employees felt more attached to the organization when moved to new areas.

Coetzee (2005) as cited by Okpu and Obiora (2015) confirms that committed employees do better than non-committed ones and organizations with committed employees do better financially than those with non-committed ones. In the same vein Boxall and Purcell (2011) asserts that the perception by employees that management is concerned about them is associated with higher levels of commitment after a restructuring process.

This study also fills the gap identified where it was revealed that only one study has been carried out in a state corporation in Kenya. The study extends to additional 20 state corporations who have fully restructured. Moreover, restructuring studies had also not been carried out in Kenya as majority has been carried out in the developed world. The study added great value to the existing literature by providing relevant theories and empirical restructuring activities measures that state corporation in Kenya can adopt in order to improve employee commitment.

#### **5.4 Recommendations of the Study**

A committed workforce is necessary for the realization of organizations' strategic objectives. Employees who perceive unfairness and inequity in the workplace may exhibit varying degrees of negative behavior. There is therefore, need to involve staff in decision making during a restructuring process for ownership. Majority of the employees felt that involvement in decision making was lacking and which lead to low commitment.

Involvement of staff in decision- making process could be enhanced by ensuring more comprehensive feedback on staff matters and by providing opportunities further decisions and debate, even when ideas are not considered feasible by the senior management team. The opportunity for wider debate on staff matters would help demonstrate to staff that they are viewed as an integral part of the change process and

that their ideas are considered to improve the processes. Employees also need to feel that the contributions they are making to the organization is valued if the organization is to maintain their commitment.

Job enlargement is one of the core activities which should be embraced once a restructuring process takes place, coupled with a reviewed salary which acts as major morale boosters for the survivors. Any reviews in grades and structures being carried out should be discussed with the staff to diminish chances of negative effects on staff commitment.

Regarding reviewed policies and practices, majority of the employees indicated lack of clarity over organizational direction and do not have confidence in the senior management team to make practical decisions for the future. Survivors need to be convinced that the changes imposed on the organizational have direct benefits to them. They should be able to see how their individual role fits with the objectives of the organization and how they can contribute to ensuring its future successes. Because the impact of major organizational change is ongoing, it is essential that senior management maintains its visibility and accessibility to staff post restructuring.

Senior staff need to demonstrate commitment to the activities and be available to ensure employees queries and concerns are addressed and provide ongoing support and encouragement to survivors. Activities should be championed by the top management who are the vision carriers for the organizations. The study highlighted that regarding redesign, employees in restructured and non- restructured positions remain unclear about the role expectations.

Clarification of roles and responsibilities for staff in both new and existing positions is essential to ensure the high level of employee commitment. There should be a difference in treatment of employees during and after restructuring. This might lead to the strengthening of commitment towards the new organizational direction. In many cases, restructuring activities should be combined with work process re -engineering to eliminate those aspects of employee workloads that are no longer necessary or that add

minimal value. The establishments and/or refinement of job descriptions and the introduction of performance objectives will help to provide role clarity and define expectations. Staff are more likely to have confidence in management if they can see that the change work requirements have been carefully considered.

The managerial challenge, then, is to ensure sensitization is done carefully through the restructuring process to prepare employees those who leave (victims) and those who remain (survivors) of their status to ensure commitment for the survivors, positive economic outcomes for the organization as well as equipping the victims with life skills to cope with life post restructuring.. The study showed that some employees felt insecure and loss of loyalty and trust in the organization. The study recommends that ongoing guidance and support from line managers who have responsibility for articulating organizational objectives and implementing change strategies is also necessary. Although it may be difficult to get staff committed to the goals of the organization for the sake of the organization, it may be possible to get employees to work towards those same goals if they can be shown to be relevant to the staff member's own personal career or to their profession.

In summary, attention needs to be paid to educating staff regarding new roles and life skills to ensure enable them cope with new changes and to give them the confidence to do what is expected of them. Finally, regular engagement on restructuring activities should be an essential part of this process.

### **5.5 Implications of the study**

The findings of this study will give the HR practitioners, General managers in both the public sector and the general government ministries an in-depth understanding of best practices when restructuring. The key objective of most government organizations is to provide effective service at the lowest cost. Best organizational restructuring activities will enable organizational effectiveness, efficiency and commitment in emerging economies. So the attainment of the study's objectives should make significant

contributions to the school of thought of downsizing activities, policies and practices, restructuring psychosocial support, compensation and job redesign.

Secondly the results of this study have policy implications at the macro and micro level categories of the Kenyan economy. At the macro level, these results give impetus to the Kenya government's policy of encouraging companies and government institutions to embrace the concept of organizational restructuring activities by appreciating the fact that the way of doing business has changed and therefore needs to be carefully implemented to enable the workforce to be focused and involved in order to display tangible commitment levels in post restructuring in the state corporations.

Also this study has extended previous research on organizational restructuring activities and lays down the groundwork for other similar explicative studies with extensions in other developing countries. This study has made significant contribution to the understanding of theory and practice of organizational restructuring activities and the relationship between these organizational restructuring activities and employee commitment. This study applied descriptive design. It also used multivariate regression analysis methods to test the hypotheses. This has a great impact on statistical relationships and results found in the study.

## **5.6 Areas for Further Research**

The study of restructuring activities concentrated on only five sub-variables. It was not possible to study all factors that influence employee commitment during restructuring. Nevertheless, the study has not only offered a good insight into understanding how commitment is affected by restructuring activities, but also provided an integrative framework for future empirical research in this area of study. In this connection, the theme of the study can still be replicated either using the same interpretative method or using more quantitative orientated approach.

It would however be useful to carry out a similar study across heterogeneous industries. Alternatively, other researchers can carry out a study where employees are stratified across the three levels of management. The study could be extended to a different context, for instance across a variety of other organizations. Secondly, this study was only confined to five organizational restructuring activities namely: downsizing activities, policies and practices, restructuring psychosocial support, compensation and job redesign. It would be of interest to consider other intervening variables, moderating variables or replicate the same study to see if the results obtained would be similar.

Future research should consider other factors which affect restructuring in state corporations.

Furthermore, an inclusion of moderating characteristics such as organizational structure and culture should also be incorporated in such studies. Lastly, the findings presented in this study are based on evidence gathered from 20 state corporations which had so far completed the restructuring process. The research could be extended to other state corporations which will have added to the list of restructuring. A similar study could also be carried out in the private sector to see if similar results would be obtained.



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## APPENDICES

### Appendix 1: Letter of Introduction

Emmah Omwenga

P.O Box 44172,00100

Nairobi

7<sup>th</sup> November, 2015

Dear Respondent,

#### **RESEARCH PROJECT**

I am a post graduate student at the Jomo Kenyatta University of Agriculture and Technology pursuing a PhD in Human Resources management. As part of my requirement of the course I am carrying out a research on ‘Influence of restructuring on employee Commitment in State Corporations in Kenya’.

I have considered your institution to be a participant in this study. I am therefore requesting you to provide me with the information required through the attached questionnaire.

I wish to assure you that the information will be treated with confidentiality and will be used for academic purpose only.

Thanking you in advance.

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Emmah Omwenga

## Appendix 2: Questionnaire for State Corporation Employees

The purpose of the questionnaire is to determine the influence of restructuring activities on employee commitment for service state corporations in Kenya. Please answer the questions by ticking or explaining briefly in the blank spaces provided.

### SECTION A: BACKGROUND INFORMATION

1. Gender

(a) Male

Female

2. Age category

(a) Below 30 years

(b) 31 – 39 years

(c) 40 – 49 years

(d) 50 years & above

3. Organization Name \_\_\_\_\_

4. Department name: \_\_\_\_\_

5. Cadre of management (Please tick)

(a) Senior

(b) Middle level

Lower level



6. What is the level of responsibility accorded to your designation? \_\_\_\_\_
7. Experience in the organization in years \_\_\_\_\_
8. Highest level of education attained (Please tick one)
- (a) Primary Level
  - (b) Secondary Level
  - (c) Tertiary College (Diploma)
  - (d) University (Graduate)
  - (e) University (Postgraduate) .

**SECTION B: INFORMATION DOWNSIZING ACITIVITIES**

9. Your organization recently underwent restructuring. How did restructuring affect your work?

10. Using tick (✓) in the box indicate the extent to which you agree with the following statements

1 -Strongly Agree; 2- Agree; 3- Neutral; 4 -Disagree; 5 -Strongly disagree

Statements	1	2	3	4	5
I am aware that my colleagues lost their jobs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The tasks were reorganized after my colleagues left	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I perform roles for more than one person	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
My superior involves me in decision making	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I feel more dedicated to perform my job	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Work pressure is getting out of hand	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I feel empowered in my job	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I work hard when my supervisor is near my work station	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I work harder after my colleagues lost their jobs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I often work after normal working hours	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**SECTION C: INFORMATION ON POLICIES AND PRACTICES**

11. Do you think the policies and practices in your organization facilitate you to work better? Explain your answer.

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12. Using the scale shown below, rate your level of agreement (or disagreement) with respect to the following aspects of policy development. Use a tick (☑) to indicate your choice.

		Strongly agree (5)	Agree (4)	Undecided (3)	Disagree (2)	Strongly Disagree (1)
1	I was involved in development of new policies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	The old policies were reviewed after restructuring	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	The current policies are relevant to the organization	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	The policies require further review to match my new job description	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	I am happy with the new policies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	New polices and practices increase my loyalty to the organizations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

13. How important are the reviewed HR policies and practices for staff to you?

Very important	Important	Slightly important	Least Important
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

14. Senior management in my department value the importance of policy review as ...

Very important (4)	Important(3)	Slightly important(2)	Least Important(1)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

15. In a scale of 1-5, what level of importance would you place to the following policies and practices review and how they impact on your commitment? Use a tick () to indicate your choice.

		Very high (5)	High (4)	Fair (3)	Low (2)	Very low (1)
1	Leave management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Recruitment and Promotion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Training and Development	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Staff welfare	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Transfer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	Compensation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	Medical scheme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**SECTION D: INFORMATION ON RESTRUCTURING PSYCHOSOCIAL SUPPORT**

16. Do you support employee counseling during/after restructuring?.

(a) Yes

(b) No

17. Briefly explain your response

18. In a scale of 1-5, how would you rate senior management’s support of employee counseling/sensitization in your department during restructuring?

Very Strongly(5)	Strong(4)	Weak (3)	Very weak(2)	No opinion (1)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

How frequent were staff trained on life skills during the restructuring process in your organization?(Please tick inside the box)

(5) Continuous	Very often(4)	Often(3)	Rare (2)	Very rare (1)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

19b) Which approach was used to train? (Please tick)

Formal discussions

Informal discussions

20. In a scale of 1-5, what level of importance would you place to the following staff attributes and how they impact on organizational commitment? Use a tick () to indicate your choice.

		Very high (5)	High (4)	Fair (3)	Low (2)	Very low (1)
1	Listening by supervisors skills	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Distinguishing people from task	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Discussions with supervisors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Employee benefits information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Work life balance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	Team work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	Training & development	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8	Feedback from others	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9	Open door policy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10	Exit interview	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**SECTION E: INFORMATION ON COMPENSATION**

Using the scale shown below, rate your level of agreement (or disagreement) with respect to the following aspects of restructuring. Use a tick (☑) to indicate your choice.

		Strongly agree (5)	Agree (4)	Undecided (3)	Disagree (2)	Strongly Disagree (1)
1	Salaries were reviewed after restructuring	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	The review enhanced loyalty to my work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	My pay is commensurate to my grade	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	The review has improved commitment to my work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Benefits (Health insurance, life insurance, etc.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	Restructuring caused compensation to improve	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	Restructuring helps in staff attraction/retention	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8	I am committed to successful completion of goals	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9	Our team is committed to their work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10	Grades merger makes me take pride in my work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

I feel adequately remunerated compared to the prior to restructuring (please tick one)

Agree	Disagree	Not sure	Strongly disagree
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

In my view, restructuring in state corporations is..?

Very important	Important	Slightly important	Least Important
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



SECTION E: INFORMATION ON JOB REDESIGN

Using the scale shown below, please rate the extent to which you are satisfied with the following using 1 – Very Dissatisfied; 2 – Dissatisfied; 3 – Neutral; 4 – Satisfied; 5 – Very Satisfied

	1	2	3	4	5
Expanded duties	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
More duties and increased salary	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Higher span of control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Quantity of work expected from you	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Amount of paid vacation time/sick leave offered	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rotation to another unit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Nature of supervision	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Level of job security	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reduced responsibilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Opportunities for Promotion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Team work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Recognition for work accomplished	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Several tasks were combined to form a complete job	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Minimal work repetition	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Motivation of diverse workforce	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Opportunity to utilize your skills and talents	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Opportunity to learn new skills	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Self - managed teams	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Frequency of staff rotation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Variety of job responsibilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Degree of and independence associated with your work role (autonomy)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Adequate opportunity for periodic changes in duties	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The significance of your job (i.e. the extent to which your job adds value to the entire organization)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ability to identify where your job begins and ends (i.e. how well defined your tasks are)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The challenging and interesting tasks that make up your job	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**SECTION F: INFORMATION ON EMPLOYEE COMMITMENT**

Please tick your feelings on the following statements concerning your emotional attachment to, identification with your respective organizations. 1 – Very Dissatisfied; 2 – Dissatisfied; 3 – Neutral; 4 – Satisfied; 5 – Very Satisfied

	1	2	3	4	5
I feel a strong sense of belonging to the organization	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I feel personally attached to this organization	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I feel proud to tell the others that I work for this organization	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I believe in remaining loyal to one employer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I feel that challenges faced by this organization are also my problems	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I would feel guilty if I left my organization right now	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I would not leave working for my organization right now because I have a sense of obligation to the people in it	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I owe a great deal of loyalty to my organization considering all it has offered me a chance to earn a living	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I believe that this organization deserves my loyalty	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Even if it were to my advantage, I do not feel it would be right to leave working in my organization right now	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
One of the reasons I cannot leave my job is scarcity of available alternatives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

What recommendations would you make in regard to restructuring and employee commitment for your organization?

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Your cooperation is appreciated.

### **Appendix 3: Factor Analysis and Reliability Results**

#### Downsizing Activities

##### Component Matrix of Downsizing Activities

Statement	Component
The tasks were reorganized after my colleagues left	0.4624
I perform roles for more than one person	0.7641
My superior involves me in decision making	0.6286
I feel more dedicated to perform my job	0.8303
Work pressure is getting out of hand	0.6827

##### Reliability Statistics of Downsizing Activities

Cronbach's Alpha	Number of Items
.712	5

#### **Policies and Practices**

##### Component Matrix of Policies and Practices

Statement	Component
I was involved in development of new policies	0.7777
The old policies were reviewed after restructuring	0.8020
The current policies are relevant to the organization	0.7682
The policies require further review to match my new job description	0.7772
I am happy with the new policies	0.5816

### Reliability Statistics of Policies and Practices

Cronbach's Alpha	Number of Items
.891	5

### Restructuring Psychosocial Support

#### Component Matrix of Restructuring Psychosocial Support

Statement	Component
My supervisor listens to my opinion	0.4529
As a result of restructuring there is distinguishing of people from task	0.5673
Since restructuring activities junior employees hold discussions with supervisors	0.4986
Employee benefits information is regularly communicated	0.5886
As a result of restructuring am attending counseling sessions	0.4792
Restructuring has enhanced team work in my organization	0.4475

### Reliability Statistics of Restructuring Psychosocial Support

Cronbach's Alpha	Number of Items
.789	6

### Compensation changes

### Component Matrix of Compensation

Statement	Component
Salaries were reviewed after restructuring	0.5328
The review enhanced loyalty to my work	0.4206
My pay is commensurate to my grade	0.4819
The review has improved commitment to my work	0.5238
Restructuring caused compensation to improve	0.4004

### Reliability Statistics of Compensation

Cronbach's Alpha	Number of Items
.761	5

### Job Redesign

#### Component Matrix of Job Redesign

Statement	Component
More duties and increased salary	0.7017
Higher span of control	0.6303
Quantity of work expected from you	0.7044
Amount of paid vacation time/sick leave offered	0.4858
Rotation to another unit	0.4679
Level of job security	0.6453
Adequate opportunity for periodic changes in duties	0.5560

### Reliability Statistics of Job redesign

Cronbach's Alpha	Number of Items
.766	7

### Employee Commitment

#### Component Matrix of Employment Commitment

Statement	Component
I feel a strong sense of belonging to the organization	0.4547
I feel personally attached to this organization	0.5691
I feel proud to tell the others that I work for this organization	0.8582
I believe in remaining loyal to one employer	0.5005
I would feel guilty if I left my organization right now	0.5586
One of the reasons I cannot leave my job is scarcity of available alternatives	0.4307

#### Reliability Statistics of Employee Commitment

Cronebach's Alpha	Number of Items
	6