

**ASSESSMENT OF THE IMPACT OF ORGANISATIONAL  
STRUCTURE CHANGE ON STAFF WORKING MORALE: THE  
CASE OF BANK OF AFRICA: HEADQUARTERS**

**DAR ES SALAAM**

**ASSESSMENT OF THE IMPACT OF ORGANISATIONAL STRUCTURE  
CHANGE ON STAFF WORKING MORALE: THE CASE OF BANK OF  
AFRICA: HEADQUARTERS DAR ES SALAAM**

**By**

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**A Dissertation submitted to the School of Business in Partial fulfillment of the  
Requirement for the Award of the Degree of Master of Business Administration  
(MBA-Corporate Management) of Mzumbe University**

**2013**

**CERTIFICATION**

We, the undersigned, certify that we have read and hereby recommend for acceptance by the Mzumbe University, a dissertation entitled **Assessment of the Impact of Organisational Structure Change on Staff Working Morale: The Case of Bank of Africa: Headquarters Dar es Salaam**, in partial fulfillment of the requirements for award of the degree of Master of Business Administration (MBA-CM) of Mzumbe University.

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Finally I would like to stress that, while acknowledging the assistance of the above mentioned, they are in no way associated with the errors that may be found in this work. All shortcomings and errors in this study are entirely mine and should not be associated with anybody else.

## **DEDICATION**

This dissertation is dedicated to my parents Prof. and Mrs. Semoka whose encouragement, through their prayers contributed a lot to my academic development, my husband Raphael Pesa for his moral and material support and to my baby Absalom for his lovely inspiration.

## **LIST OF ABBREVIATIONS AND ACRONYMS**

|      |   |
|------|---|
| BOA  | Bank of Africa                          |
| FGDs | Focus group discussions                 |
| GPTW | Great Place to Work                     |
| MU   | Mzumbe University                       |
| SME  | Small and Medium Enterprise             |
| SPSS | Statistical Package for Social Sciences |

## **ABSTRACT**

The study was about the assessment of the impact of organizational structure change on staff working morale. It was conducted at Bank of Africa (BOA) in Tanzania – Dar es Salaam. The study used cross-sectional design. It involved 60 bank employees as study population. The units ranged from directors to lower cadre employees.

Stratified sampling technique was used. The sampling process involved clustering of employees according to their departments and areas of specialization. The reason for using stratified sampling was to obtain different kinds of information from different groups of employees for the purpose of generating comprehensive answers to the researcher questions. The study utilized as sample of 35 units out of 60 which were generated from the clusters. Data collection involved an array of tools which included interviews; administration of questionnaires and observation. Data were processed and analysed descriptively using statistical package for social science research (SPSS).

The findings show that; 80% of the respondents agree that organizational structure change results into better (information) flow of communication among employees, 83% of respondents support that structural change enhance well strategic decision making which in turn enhance job satisfaction among employees. However, 77% of the respondents pointed out the insecurity of employees and labour turnover 80% as among the impact of organizational structure change. Yet, 85% of the respondents argued for the scarcity of labour, lack of adequate training due to changes introduced which result into loss of employee competence as reported by 87% of the respondents. Furthermore, 90% of the respondents reported the presence of overworking/work overload due to changes made as among the challenges.

The study recommends the enhancement of participation in decision making, intensification of information channels and reduction of delays and time wastages when serving customers in order to increase performance and productivity. The researcher argues for the review of organizational structure change in hand by ensuring both employees and management collaboration for the thorough implementation of the changes needed.

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## **CHAPTER ONE**

### **BACKGROUND INFORMATION**

#### **1.1 Introduction**

This chapter assessed the impact of organizational structure change on staff working morale, the case of Bank of Africa (BOA); Dar es Salaam headquarters. It describes the background of the problem and BOA profile; states the problem; research objectives and questions; the significance, justification, scope of the study, definitions of key terms and organisation of the study.

#### **1.2 Background of the problem**

The rising of global competition in banking industry, has influenced the use of advances in information technology which in turn has necessitated re-engineering of business processes which are some of the imperatives that force organisations to restructure their businesses as well as organisational structures (Bhengu, 2007). The rationale behind this is to appropriately align the business processes with the needs of the customers. This must, accordingly, result in the improvement in the areas of focus and service to the customers (Zweni, 2004). These changes, however, do affect organisations and employees. Employees become insecure, confused about their jobs, and therefore less productive. This has created a lot of uncertainty amongst many employees (Bhengu, 2007). Organizational structure change is usually provoked by some outside driving forces such as substantial cuts in funding, major new markets, a need for dramatic increases in productivity and/or services, or a strong new competitor in the market. Typically, organizations must undertake organization-wide change to evolve to a different level in their life cycle (Connors, 2011).

Organizations often find it necessary to redesign the structure of the company due to influences from the external environment (Hayes, 2002) as stated earlier.

Structural changes involve the hierarchy of authority, goals, structural characteristics, administrative procedures, and management systems (Bhengru, 2007). A structural change may be as simple as implementing a no-smoking policy or as involved as restructuring the company to meet the customer needs more effectively. Bargrain *et al.*, (2003) stated that organizational structure change is the formal design of managerial hierarchies within a company, setting forth both reporting relationships and information flows. A company's organizational structure change forms the bases upon which operational policies are formed. Structural change plays a large role in shaping organizational culture as well and companies may find it necessary to change organizational structure to remain competitive or adapt to changes in the company, industry or market place (Casio, 2002). In the profit sector, global market share growth and political shifts have opened more new markets for products and services than ever before. To respond to the pace of change, organizations are adopting flatter and more responsive and agile structures and more empowering, team-oriented cultures. As a result, employees are coming to expect involvement in decisions about organizational change and the perception amongst employees is that management will be on a 'mission' to restructure in order to fulfill cost per unit demands (Zweni, 2004).

The concept of organizational structure change has become more common among profit and non-profit organizations in recent years (Campbell, 2009). Organizational structure change can lead to numerous benefits for profit and non-profit organizations, but it can also lead to various hidden costs (Hayes, 2002). Resistance to organizational structure change can create numerous consequences such as decreased job satisfaction, organizational change failure, increased stress, turnover and decreased organizational commitment (Tavakoli, 2010). An understanding of the factors that contribute to resistance to structural change will help organizational leaders facilitate successful change efforts (Atkinson, 2005; Furst and Cable, 2008). On the other hand the implementation of organisational structure change always poses a great challenge. This derives from the fact that, in most cases, structural change is received with intense negative emotions such as resistance, frustration, anger and fear amongst employees. This in turn tends to have both direct and indirect

effects on the performance of the company (Liu and Perrewe, 2005). When strategic decisions are made based on organisational structure change requirements, managers need to consider the complexity and magnitude of the change and give due consideration to all available information, rationales, mechanisms and consequences (Connors, 2011).

Altman (2009) argues that maintaining good staff morale is important for any organization. An organization experiencing high staff morale also benefits from less work hours lost to unscheduled days off and higher productivity from staff/employees satisfied with their company. Low staff morale can cause additional expenses, such as staff/employee turnover and a drop in production (Tavakoli, 2010). Morale is very influential in the success of an organization. It indirectly provides direction and guides employees' feelings towards how they may feel towards their organization. Altman (2009) provides in addition to staff morale that the decision making process is also influential in the positive effect of business performance of an organization in which results in staff/employee and customer satisfaction. Forret and Love (2008) defined morale in two different states of directions as either being high or low. Depending on what direction morale was in an organization often times determined the overall attitude one felt towards their work environment. High morale was characterized by workers feeling satisfied and positive with co-workers and their work environment, in contrast low morale was characterized as being negative, bitter, frustrated, and hate towards the overall work environment.

### **1.3 Bank of Africa Profile**

In recent years (2011-2013), a lot of emphasis has been directed towards the SME and retail sectors to which a series of products have been designed to provide quick solutions for SMEs development and profitability (URT, 2012). BOA customer base ranges from multinational companies, government institutions, non-governmental organizations, small businesses and individuals. It offers a complete range of corporate and retail banking products and services, including: Current accounts, Savings accounts, Deposit accounts, Foreign exchange, International trade, Loans and overdrafts. It started its operations in Tanzania in June 2007 after acquiring

Eurafrican Bank which had been operating in Tanzania since September 1995. Currently the Bank has a network of eighteen (18) branches covering seven (7) regions in Tanzania: Dar es Salaam, Mwanza, Arusha, Kilimanjaro, Morogoro, and Mbeya including Tunduma branch. The bank has further plans of expanding her services to other areas of Tanzania. Therefore, this study examined the impact of organisational structure change on staff working morale focusing BOA at the headquarters in order to come out with adequate measures to rectify the situation.

#### **1.4 Statement of the problem**

Organisational structure change is a necessary, but mostly unwanted activity in a company or organisation (Altman, 2009). Today, in human resources management, employees are considered as the main actors and valuable capitals of organizations without which companies or organisations can not survive. In collaboration with other organizational aspects, they give meaning and sense to companies or organizations (Tavakoli, 2010). On the other hand, this collaboration leads employees to positive and negative emotions which affect all one's activities and especially one's job performance. The mental statuses encountered by employees in their jobs are interpreted as morale (Altman, 2009). However, morale is one of the outstanding dimensions of healthy organization. High morale compensates the weakness in other required resources for increasing the productivity. Yet, low morale brings about increase in costs and other related effects. But, most employers and business people believe that happy employees mean happy customers (Reed, 2009).

Bank of Africa through its one of improvement strategies; implemented a structural change which was expected to have positive results to its employees and the organisation in particular. However, despite that BOA had a positive perception regarding its organizational structure change, employees working morale has been diminishing with regard to that change. This diminishing morale could be associated with little willingness to accommodate changes along with little participation envisaged. Therefore, this study assessed the impact of BOA organizational structure change on staff working morale for the purpose of unveiling what is unknown.

## **1.5 Research Objectives**

The objectives of this study were divided into two main categories, that is; general objective and specific objectives as itemized here below.

### **1.5.1 General objective**

The general objective of the study was to assess the impact of BOA organisational structural change on staff working morale

### **1.5.2 Specific Objectives**

- i) To determine the benefits accruing from organisational structure change for an organisation such as BOA
- ii) To explore the impact of staff working morale upon organisational structure change implemented by BOA
- iii) To examine the challenges facing BOA employees in accommodating the organisational structure change in hand.

## **1.6 Research Questions**

- i) What are the benefits accruing from organisational structure change for an organisation such as BOA?
- ii) What is the impact of staff working morale upon organisational structure change implemented by BOA?
- iii) What are the challenges facing BOA employees in accommodating the organisational structure change in hand?

## **1.7 Significance of the study**

- a) This study examined the impact of BOA organisational structure change upon staff working morale and alerted all stakeholders to take urgent steps to solve the challenges.
- b) This study created awareness among stakeholders regarding the impact of organisational structure change for the purpose of conducting further studies as to overcome the challenges associated with them.

- c) The data obtained in this study could be used by various commercial banks for planning, implementing and evaluating structure changes they undertake.
- d) This study was important for the researcher for the fulfillment of Masters of Business Administration (Corporate Management) as the requirement of Mzumbe University.
- e) The study introduced and evaluated the facts regarding the impact of organisational structure change and developed possible solutions which gave directions towards the development of effective measures for BOA better service provision to customers.

### **1.8 Scope of the study**

The study focused the BOA employees at headquarters (management, senior and functional staff). The study assessed the impact of organisational structure change on staff working morale at the bank.

### **1.9 Limitations of the study**

Time factors: The time allocated for data collection was very short compared to the importance and tedious work of collecting data. However, good corporation shown among respondents, enabled the researcher to complete the task.

Response rate: Response rate was low due to respondents being in a hurry, very busy with their daily activities and others were not at their working place sometimes. However, continuous and face to face follow-up made the matter to be settled.

### **1.10 Organisation of the study**

The study consisted of five chapters. The first chapter presented the background information. The second chapter presented the literature review, the third chapter discussed the research methodology, the fourth chapter presented and analysed the research findings and the fifth chapter presented the summary of findings, conclusions and recommendations.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

A literature review is a body of text written by someone to consider the critical points of current knowledge including substantive findings as well as theoretical and methodological contributions to a particular topic. Literature reviews are secondary sources, and as such, do not report any new or original experimental work. Its main goals are to situate the current study within the body of literature and to provide context for the particular reader (Kothari, 2004)

This chapter reviewed literatures from other studies in order to provide a theoretical framework which guided the development of the study. It is based on theoretical literatures, empirical review and the conceptual framework.

#### **2.2 Theoretical literature review**

This provided an account of what has been published on a topic by accredited scholars and researchers with the purpose of conveying knowledge and ideas established and what their strengths and weaknesses are.

##### **2.2.1 Definitions of key terms**

- a) Organisational structure means; hierarchical arrangement of lines of authority, communications, rights and duties of an organization. Organizational structure determines how the roles, power and responsibilities are assigned, controlled, and coordinated, and how information flows between the different levels of management. Organizational structure allows the expressed allocation of responsibilities for different functions and processes to different entities such as the branch, department, workgroup and individual (Altman, 2009)
- b) Employee/staff working morale means; the relationship that a particular employee or a group of employees have with their work and the organization they work for. High employee working morale means that employees are happy, and this is reflective in the kind of work they produce. On the other hand, low employee

working morale results in less productivity and pessimism among employees. It is important for every organization to continually keep employee morale high (Reed, 2009).

c) Structural change means; redesign of the structure of the company or organisation due to influences from the internal or external environment. Structural change must be initiated by change agents who are in power or wish to replace or constrain the power. A structural change may be as simple as implementing a no-smoking policy, or as involved as restructuring the company to meet the customer needs more effectively. However, the word “structural change” is often used to refer both to a shift that occurs in the organization’s external environment as well as the changes that occur inside of the organization in response to shifts in its external environment such as downsizing and privatization, mergers and acquisitions (Bhengu, 2007). This means that change implies a difference in the status quo whether radically different or slightly different (Hayes, 2002).

### **2.2.2 Organisational Structure Change and Management**

Organizational structure change and management refers to the way that an organization arranges people and jobs so that its work can be performed and its goals can be met when changes are implemented (Wood *et al*, 2010). When a work group is very small and face-to-face communication is frequent, formal structure may be unnecessary, but in a larger organization decisions have to be made about the delegation of various tasks. Thus, procedures are established that assign responsibilities for various functions. It is these decisions that determine the organizational structure. In an organization of any size or complexity, employees' responsibilities typically are defined by what they do, who they report to, and for managers, who reports to them (Armstrong-Stassen, 2005). Over time these definitions are assigned to positions in the organization rather than to specific individuals. The best organizational structure for any organization depends on many factors including the work it does; its size in terms of employees, revenue, and the geographic dispersion of its facilities; and the range of its businesses (the degree to which it is diversified across markets).

However, there are multiple structural variations that organizations can take on, but there are a few basic principles that apply and a small number of common patterns (Oakland and Tanner, 2007).

Organizational structure change occurs when a company or organisation makes a transition from its current state to some desired future state (Brews *et al*, 2004). Managing organizational structure change is the process of planning and implementing change in organizations or companies in such a way as to minimize employee resistance and cost to the organization, while maximizing the effectiveness of the change effort (Wood *et al*, 2010). Organisational structure change is something that occurs throughout an organisation's life cycle and effects the entire organisation rather than one part of it. Employing a new person is one example (Brews *et al*, 2004). An organizational structure change is the hierarchy by which a company outlines its management and communications (Ahmad, 2000). The disadvantages of organizational structure include lopsided management lines, increased bureaucracy, slowed communications and increased inflexibility. These disadvantages may not always persist in an organization. The type of organizational structure — product, function, or matrix — may also have only one of these potential disadvantages. Knowing the potential disadvantages helps a company or organisation overcome these problems to improve its operations (Nelson *et al*, 1995).

Most large companies have several different managers who oversee the many operations needed to produce goods and services. Lopsided management lines occur when one manager oversees many more direct reports than others. A company may discover this when it first outlines its organizational structure. The disadvantages of organizational structure here include a manager who may not be effective directing his or her division. In some cases, more than one manager or position may have a lopsided portion in its organizational structure (Armstrong-Stassen, 2005). Two broad types of organizational structures typically exist: tall and flat. Tall structures have more managers in their organizational structure when compared to flat structures. The disadvantages here include more bureaucracy. More management positions typically lead to longer wait times for major decisions.

Micromanagement may also be present here as managers have fewer people to oversee and direct (Armstrong-Stassen, 1998).

### **2.2.3 Change Factors**

Changes in organisations are increasing due to a number of forces including globalization led by rapidly advancing technologies, cultural diversity, environmental resources and the economy (Armstrong-Stassen, 2005). Therefore, the ability to recognize the need for change as well as implement change strategies effectively in a proactive response to internal and external pressures is essential to organisational performance. Internal changes can include organisational structure, process and HR requirements and external changes involve legislation, competitor movements and customer demand (Wood *et al*, 2010). Change does not need to be a painful process, as it may seem when observing the amount of failed change management initiatives with reports as low as 10% of researched success rates (Oakland and Tanner, 2007).

However, there are other different factors that should be considered before making the change, Issues such as time, scope and so on. It is critical for company or organisation managers to understand and feel these factors. This is essential in order to know the need of change in the organization effectively (Silvester *et al*, 1999). *Time*: understanding the right time for change, or more important, understand the time that the company or organisation needs a change. In critical time (the time of crises) the organizations have to act faster than the time of longer strategic developments that may occur from time to time (Haugh and Laschinger, 1996). *Scope*: In this section managers have to consider the degree of change that they want to apply within their company. It's also important to clarify that it is the organizational change or it only considers a small part in the company. *Capability*: this mostly considers three sections of individuals, managerial and organizational capabilities and *Capacity*: resources available for the changes which consist of cash, time and number of people involved. These are the facts that should be considered before changes to be made. After that managers have to go to the next phase, which is designing the solution for their problem (Oakland and Tanner, 2007).

Furthermore, change path is considered to be the kind of change which is necessary for the organization while the extent and speed of change are two important factors that should be kept in mind (Kanter *et al*, 1992). Change style is the style of implementation chosen by manager. There is no fix formula for that. It could be top down approach or the opposite. Technical, political and cultural interventions are the mechanism to be deployed (Armstrong-Stassen, 1997). During the time of conducting a change the spreading of responsibilities in a way to achieve the goal in most effective possible should be considered as a very important fact. The team, the leader and even consulting should be clear before the change (Luthan and Summer, 1999).

#### **2.2.4 Change Leadership**

Today's business world is highly competitive. The way for an organization to survive is by reshaping to meet the needs of a rapidly changing world. Resistance to change is a dead-end street for employees and for the organization. Leaders need to emphasize action to make the change as quickly and smoothly as possible (Wood *et al*, 2010). Organizations go through a four-stage life cycle (i.e. introduction, growth, maturity and decline). For some organizations, the four periods of growth come and go very rapidly; for others, that process may take decades. Failure to follow through with the needed changes in any of the four growth periods could mean the end for an organization (Brews *et al*, 2004). Throughout these periods of change, which is just about all the time for a good organization, leaders must concentrate on having their people go from change avoidance to change acceptance. The five steps that accompany change—for individuals facing life-altering circumstances and for organizations facing fundamental shifts—are denial, anger, bargaining, depression, and finally, acceptance (Ahmad, 2000).

Often a worker's first reaction to change is to resist it. An employee becomes comfortable performing tasks and processes a certain way. These comfort levels provide employees with the security of knowing that they are the masters of their work environment. Employees fearing that change could disrupt their lives by making their jobs harder or causing them to lose their sense of control (Silvester *et*

*al*, 1999). Leaders can help the change process by changing their employees' attitudes from avoidance into acceptance. One of the ways organisations could manage this change is by using the Freeze/Unfreeze concept. Wood *et al* (2010) explains Kurt Lewin, a famous organisational Psychologist's three-force phase, which is needed for any organisation to be motivated to bring about the change of which are; 1)Unfreezing which focuses on preparing people for change. This is a critical part of the change phase prior to implementation by analysing and influencing resistance and need to change. A common tool that is used at this stage is called Force Field Analysis, this measures these forces. 2) Changing of people; tasks; structure; technology. Ideally the organisation will be completely unfrozen, ready for change and it's goals made clear. It is recommended that staff are not perceived to have a sense of high or low security at this stage in order to avoid resistance and 3) Refreezing is the evaluation and reinforcement of the changes that took place.

However, a number of studies have identified issues that concern staff/employees during organizational change (Lewis, 2000). Leader's behavior is crucial during organizational change, as leaders provide a vision of the change; give direct support to employees and model appropriate behavior. These actions help to build stability during change and enhance employees' commitment to it (Silvester *et al*, 1999). Uncertainty about careers and roles, fear or anxiety, communication and new roles, relationships and skills are also important issues for employees (Armstrong-Stassen, 1998). During organisational structure change some employees may also have trouble disengaging from the old organization, as they feel a sense of loss with having to 'let go' of the old and highly-valued structures, methods and rules (Brews *et al*, 2004). This is especially so if people have been socialized to appreciate the values, norms and organizational history and if beliefs and values are shared throughout the organization. Inevitably, there are positive aspects of the organizational culture that are lost with any change. There may be a loss of organizational history through relocation from an old building or a change in service values. Employees may perceive these changes as a loss to the organization's status or prestige.

To date, little research has examined employees' concerns about retaining positive aspects of an organization's culture during change (Armstrong-Stassen, 2005).

Change poses special challenges at different levels of the organizational hierarchy, as different aspects of the change process may be salient to employees and may be evaluated quite differently. Kanter *et al* (1992), reviewing various case studies, concluded that there are at least three key groups within organizations during change: change strategists at the top of the hierarchy, change managers in middle management (supervisors), and change recipients at lower levels (non-supervisors). They argue that change managers and recipients experience a greater sense of threat about the consequences of organizational change than do change strategists, and are most likely to lose status and jobs during major change. Other research focusing on the effects of organizational change has shown that non-supervisors, as change recipients, report higher levels of role ambiguity and overload, lower levels of satisfaction with and support from their supervisory relationships, lower job satisfaction and commitment, lower perceptions of job security and lower acceptance of organizational change (Ahmad, 2000).

Moreover Nelson *et al* (1995) found that over time job satisfaction and mental and physical health declined more among manual workers than white-collar and managerial staff. In contrast, managers and supervisors, whose roles are more like those of change strategists and change managers, perceive higher levels of organizational (both supervisor and informational) support, and more opportunity and access to information during change (Haugh and Laschinger, 1996; Luthan and Sommer, 1999). Luthan and Sommer (1999) argue that different attitudes between managers and staff arise because managers are more involved in the change process. Moreover, Armstrong-Stassen (1998) found that managers reported more control over decisions concerning the future of their jobs than did non-supervisory employees. Armstrong-Stassen (1997, 1998) also found that supervisors were more likely to engage in control-oriented coping compared to non-supervisors, who typically employed avoidance coping. As a consequence, the latter were less likely to make use of available informational and organizational support.

Not all change implementation efforts are experienced more negatively by non-supervisors. Employees may feel more positive about changes that do not involve staff reductions, but rather offer skill development or opportunities to develop innovative work methods (King et al., 1991; Silvester et al., 1999). Furthermore, executives and middle managers may also differ in their responses to change. In a study of downsizing, Armstrong-Stassen (2005) found that compared to executives, middle managers reported more escape coping, felt that they had less job security, reported lower job performance and experienced more health symptoms.

### **2.2.5 Kotler's 8 Step Change Model**

"Change is the only constant."— Heraclitus, Greek philosopher. What was true more than 2,000 years ago is just as true today. We live in a world where "business as usual" is change. New initiatives, project-based working, technology improvements, staying ahead of the competition – these things come together to drive ongoing changes to the way we work. Whether you are considering a small change to one or two processes or a system wide change to an organization, it is common to feel uneasy and intimidated by the scale of the challenge (Kotler, 1995). There are many theories about how to "do" change. Many originate with leadership and change management. Kotler introduced his eight-step change process in his 1995 book, "Leading Change." as follows (Kotler, 1995).

#### **Step 1: Create Urgency**

For change to happen, it helps if the whole company really wants it. Develop a sense of urgency around the need for change. This may help you spark the initial motivation to get things moving. This is not simply a matter of showing people poor sales statistics or talking about increased competition. Open an honest and convincing dialogue about what's happening in the marketplace and with your competition. If many people start talking about the change you propose, the urgency can build and feed on itself.

What you can do according to Kotler (1995) are:

- Identify potential threats and develop scenarios showing what could happen in the future.
- Examine opportunities that should be or could be exploited.
- Start honest discussions and give dynamic and convincing reasons to get people talking and thinking.
- Request support from customers, outside stakeholders and industry people to strengthen your argument.

Kotler (1995) suggests that for change to be successful, 75 percent of a company's management needs to "buy into" the change. In other words, you have to work really hard on Step 1 and spend significant time and energy building urgency, before moving onto the next steps. Don't panic and jump in too fast because you don't want to risk further short-term losses – if you act without proper preparation, you could be in for a very bumpy ride.

### **Step 2: Form a Powerful Coalition**

Convince people that change is necessary. This often takes strong leadership and visible support from key people within your organization. Managing change isn't enough – you have to lead it. You can find effective change leaders throughout your organization – they don't necessarily follow the traditional company hierarchy. To lead change, you need to bring together a coalition, or team, of influential people whose power comes from a variety of sources, including job title, status, expertise, and political importance.

Once formed, your "change coalition" needs to work as a team, continuing to build urgency and momentum around the need for change.

What you can do according to Kotler (1995) are:

- Identify the true leaders in your organization.
- Ask for an emotional commitment from these key people.
- Work on team building within your change coalition.

- Check your team for weak areas, and ensure that you have a good mix of people from different departments and different levels within your company.

### **Step 3: Create a Vision for Change**

When you first start thinking about change, there will probably be many great ideas and solutions floating around. Link these concepts to an overall vision that people can grasp easily and remember. A clear vision can help everyone understand why you're asking them to do something. When people see for themselves what you're trying to achieve, then the directives they're given tend to make more sense.

What you can do according to Kotler (1995) are:

- Determine the values that are central to the change.
- Develop a short summary (one or two sentences) that captures what you "see" as the future of your organization.
- Create a strategy to execute that vision.
- Ensure that your change coalition can describe the vision in five minutes or less.
- Practice your "vision speech" often.

### **Step 4: Communicate the Vision**

What you do with your vision after you create it will determine your success. Your message will probably have strong competition from other day-to-day communications within the company, so you need to communicate it frequently and powerfully, and embed it within everything that you do. Don't just call special meetings to communicate your vision. Instead, talk about it every chance you get. Use the vision daily to make decisions and solve problems. When you keep it fresh on everyone's minds, they'll remember it and respond to it.

It's also important to "walk the talk." What you do is far more important – and believable – than what you say. Demonstrate the kind of behavior that you want from others.

What you can do according to Kotler (1995) are:

- Talk often about your change vision.
- Openly and honestly address peoples' concerns and anxieties.
- Apply your vision to all aspects of operations – from training to performance reviews. Tie everything back to the vision.
- Lead by example.

### **Step 5: Remove Obstacles**

If you follow these steps and reach this point in the change process, you've been talking about your vision and building buy-in from all levels of the organization. Hopefully, your staff wants to get busy and achieve the benefits that you've been promoting. But is anyone resisting the change? And are there processes or structures that are getting in its way?

Put in place the structure for change, and continually check for barriers to it. Removing obstacles can empower the people you need to execute your vision, and it can help the change move forward.

What you can do according to Kotler (1995) are:

- Identify, or hire, change leaders whose main roles are to deliver the change.
- Look at your organizational structure, job descriptions, and performance and compensation systems to ensure they're in line with your vision.
- Recognize and reward people for making change happen.
- Identify people who are resisting the change, and help them see what's needed.
- Take action to quickly remove barriers (human or otherwise).

### **Step 6: Create Short-term Wins**

Nothing motivates more than success. Give your company a taste of victory early in the change process. Within a short time frame (this could be a month or a year, depending on the type of change), you'll want to have results that your staff can see.

Without this, critics and negative thinkers might hurt your progress. Create short-term targets – not just one long-term goal. You want each smaller target to be achievable, with little room for failure. Your change team may have to work very hard to come up with these targets, but each "win" that you produce can further motivate the entire staff.

What you can do according to Kotler (1995) are:

- Look for sure-fire projects that you can implement without help from any strong critics of the change.
- Don't choose early targets that are expensive. You want to be able to justify the investment in each project.
- Thoroughly analyze the potential pros and cons of your targets. If you don't succeed with an early goal, it can hurt your entire change initiative.
- Reward the people who help you meet the targets.

### **Step 7: Build on the Change**

Kotler (1995) argues that many change projects fail because victory is declared too early. Real change runs deep. Quick wins are only the beginning of what needs to be done to achieve long-term change. Launching one new product using a new system is great. But if you can launch 10 products, that means the new system is working. To reach that 10th success, you need to keep looking for improvements.

Each success provides an opportunity to build on what went right and identify what you can improve.

What you can do according to Kotler (1995) are:

- After every win, analyze what went right and what needs improving.
- Set goals to continue building on the momentum you've achieved.
- Learn about kaizen, the idea of continuous improvement.
- Keep ideas fresh by bringing in new change agents and leaders for your change coalition.

### **Step 8: Anchor the Changes in Corporate Culture**

Finally, to make any change stick, it should become part of the core of your organization. Your corporate culture often determines what gets done, so the values behind your vision must show in day-to-day work. Make continuous efforts to ensure that the change is seen in every aspect of your organization. This will help give that change a solid place in your organization's culture.

It's also important that your company's leaders continue to support the change. This includes existing staff and new leaders who are brought in. If you lose the support of these people, you might end up back where you started.

What you can do according to Kotler (1995) are:

- Talk about progress every chance you get. Tell success stories about the change process, and repeat other stories that you hear.
- Include the change ideals and values when hiring and training new staff.
- Publicly recognize key members of your original change coalition, and make sure the rest of the staff – new and old – remembers their contributions.
- Create plans to replace key leaders of change as they move on. This will help ensure that their legacy is not lost or forgotten.

#### **2.2.6 Benefits accruing from organizational structure change**

The concept of organizational structure change has become more common among profit and non-profit organizations in recent years (Campbell, 2009). Organizational structure change can lead to numerous benefits for profit and non-profit organizations, but it can also lead to various hidden costs (Hayes, 2002). Benefits from organisational structure change include; job satisfaction, creativeness and innovation, job honorability, commitment to organization, eagerness to satisfy group objective instead of individual objectives and finally improving the organizational performance (Altman, 2009). However, structural change plays a large role in shaping organizational culture as well and companies may find it necessary to change organizational structure to remain competitive or adapt to changes in the company, industry or market place (Casio, 2002).

According to Greenberg and Baron (1995) organizational structuring refers to the “altering of size and basic configuration of the organizational chart”. It may involve downsizing that entails reducing the number of employees needed for the organisation to function effectively, or rightsizing that includes adjusting the number of employees needed to work in newly designed organisations. It can also include outsourcing, wherein a company hires the services of an outside firm to carry out its non-core business functions (Greenberg and Baron, 1995). Byars (1992) contends that the organisational structuring or reorganising of the organisation involves making strategic changes when the organisation faces environmental challenges. These organisational structure changes may take place during both good and bad times when the firm/company re-engineers its business processes or during economic recession being forces for change. Bad time organisational structuring may involve retrenchment of workers, disposing of assets, divestment of business units and major capital borrowings. Good times organisational structuring may involve changing the way in which the organisation is structured due to company expansion or diversification of products and customer profile. It may also involve major acquisitions in order to widen the production lines or strategic alliances in order to broaden the business horizons (Tavakoli, 2010).

Campbell (2009) states that organisational structure change as a change that has significant effects on the way work is. Organisational structure change may be apparent when there is a gap between how the work area is operating and how it should be operating to ensure successful future growth (Tavakoli, 2010). Described simply, a structural change is a shift in some condition or situation from its present state to a new and different state whereby different forces can make it happen such as changes in government regulations and socio-cultural issues. A structural change can range from minor shifts in structures, procedures or technology to a revolutionary shift in roles within a company or society. In 513 B.C., Heraclitus of Greece observed that: “There is nothing permanent except change.” Change is inevitable. This fact cannot be denied, but to understand the impact of change on employees, the phenomenon of change needs to be further dissected. Van Tonder (2004) suggests that it has become popular for scientists and change practitioners to refer to the

inevitability of change in everything in life, suggesting that change is the only constant in the world we live in. He argues that the world in which we live is in fact continuously changing, interspersed with moments of virtual stability and not the other way around. This would imply that change is constant and stability intermittent.

Gordon (1991) in his study found that morale is the “predisposition in organisation members to put forth extra effort in achieving organisational goals and objectives. This includes feelings of commitment, goals communality and feelings of belonging”. A certain amount of morale is found within working groups whilst a certain amount of motivation is found within individuals. Morale and motivation are some of the good measures of organisational effectiveness (Hayes, 2002). The most common characteristics of employees with positive morale are; a) a sense of belonging (influencing such factors as absenteeism, unity, teamwork, trust, politics and faith in leadership); b) enthusiasm; c) devotion and loyalty; d) a sense of security and confidence in the future; e) creativity and initiative; f) recognition based on purpose and usefulness; g) participation; h) freedom of expression and communication. For positive morale to be maintained, workers need to feel a sense of equity, achievement and camaraderie and connection, contribution and credibility (Sirota, Mischkind and Meltzer, 2006). When morale is negatively affected, the employee lacks the motivation to express his/her creativity and initiative in the workplace, the enthusiasm to go to work and a sense of belonging. Low morale also negatively affects the employees’ sense of security and trust in the organisation and/or team (Feldheim and Liou, 1999).

### **2.2.7 Impact of staff/employee morale upon organisational structure change**

The impact of staff/employee morale upon organisational structure change is not a new subject and has been extensively explored by various authors and scholars in the past (Bargrain *et al.*, 2003). A well-quoted theory relating to staff/employee reaction to structural change is the change curve which reflects the impact of change introduction on individuals/staff productivity and related elements (Casio, 2002). Bourne and Bourne (2002) illustrate the impact of change on self-esteem of

employees in a graph they have adapted from Carnall (2001) which they call the “change roller-coaster”. However, morale can be described as a state of mind, mood, or mental condition (Bennett, 1998). Many things – external and internal to the workplace affect or impact employee morale such as; communication {methods (email/intranet, newsletters, memos), regularity (staff meetings, agency wide forums and/or information sessions), content (big picture, too much, too little), and types (performance evaluations, vent sessions, opportunities for staff to give feedback)}, downsizing, retirements, reorganizations, office environment i.e. décor (office space (size, light, furniture, utilization), diversity (ethnic/cultural, structural, business, behavioral), organizational culture, social interactions, opportunities for advancement and politics, and rewards/recognition practices (types (verbal, written, ceremony, formal, informal) (Zweni, 2004).

Many studies have been undertaken on the effects of organisational restructuring on both individuals and organisations as well as how best to manage this change (Tavakoli, 2010). The research shows that individuals, groups and organisations tend to perceive change as a threat to their wellbeing and existence. Individuals associate change with loss of jobs, whilst organisations see change as carrying costs and risk to them. They subsequently respond to change in ways that are not suitable that eventually lead to counter productivity. Gowing *et al.*, (1997) describe three interrelated sources or forces of organisational structuring, namely, mergers and acquisitions, downsizing and privatisation. These sources or forces have common attributes in that they are all induced by economic recession and by the endeavours to organisations to continue to exist, and also to enhance productivity. Moreover, they all have a serious impact on both individuals/staff/employees such as labour turnover, confusion regarding the job done, increased stress and with regards to organisations such impact include; decreased organisational commitment and organisational structural change failure that may require psychological practice and intervention. According to Gowing *et al.*, (1997) stressors and attendant symptoms of strain are some of the many consequences of organisational structuring on individuals. The following were found by Byars (1992) as reasons for organisational structuring by most organisations; a) To enhance productivity, profitability, growth

rates and balance sheet ratios of the organisation, b) To refocus strategically, and c) To effectively encounter the competition.

Organisations adapt to change by restructuring (Hayes, 2002). This includes transforming their structures, re-engineering business processes, and changing their cultures. In working environments, this means that individuals must either unlearn the old ways of doing things and develop new competencies or move out of their jobs. The idea is to make the organisation more flexible and competitive, but this unfortunately, tends to happen at the expense of employee security and career prospects. Workers begin to feel high levels of stress, confusion regarding the job done, decreased job satisfaction and changing perception of a job (Campbell, 2009). These developments in turn do adversely impact on employee performance, commitment to work and their physical and psychological wellbeing. This also creates a huge burden for managers since their workload increases whilst they have to manage angry employees.

Leaders are major contributors in an organization's morale. Zemke (2000) points out that morale has a huge impact on production and should come to no surprise for people working in an organization environment. When people love their jobs, careers or co-workers, it may determine their comfort zones and result to high productivity. McFadzean and McFadzean (2008) reinforces that one of the important variables of an organizations success is dependent on the morale of the people who are part of the organization. In the education system students should come first and that their well being should be the number one priority goal. For any military organization to win battles and accomplish missions with minimal loss of personnel and equipment, requires hard work, dedication, and support to providing a quality of life. On the basketball court or playing field, every player is valuable to their team whether or not they are on the first string, second string or third string teams, they provide structure and support (Fisher and White, 2000). Generally, increased employee morale means a happier, more productive, and higher performing employee. There is a difference between what people do and how they do it. The difference between either not meeting or just meeting, productivity goals – and exceeding goals- for productivity

may be attributed to high morale. Poor morale is contagious. Poor morale can manifest in the use (abuse) of leave accruals, accidents, illnesses, litigation, worker's compensation claims (Bhengu, 2007).

### **2.2.8 Challenges facing employees in accommodating organisational structure change**

There is consensus among scholars that individual differences influence resistance to change, but other scholars have noted that the manner in which the change is implemented is also an important factor to consider (Oreg and Berson, 2009; Ford, Ford and D'Amelio, 2008). In particular, several studies suggested that communication and information exchange minimizes resistance to organizational change. Communication throughout the change process helps to reduce employee anxiety and uncertainty (Liu and Perrewe, 2005), although scholars have found conflicting results in terms of the ideal amount of information that should be exchanged; for example, providing detailed information about an organizational change has been shown to both reduce resistance (Wanberg and Banas, 2000), as well as increase resistance (Oreg, 2006). In addition to communication several scholars such as (McLagan, 2003; Oreg, 2006; Kotter, 1995) found a relationship between trust in management and employee resistance to organizational change. For example, scholars noted that managers who are able to instill a sense of trust in their employees are more effective in circumventing resistance to organizational change and vice versa.

Scholars also identify the social environment within an organization as influencing resistance to change (Gibbons, 2004). As an example, an organizational change study conducted by Oreg and Berson (2009) showed that leaders' characteristics and behaviors influenced employees' reactions to change. In particular, employees were more likely to resist change when their leaders exhibited resistance to change, but were less likely to resist change when leaders expressed an openness to change. This study also found a cross-level interaction, where transformational leadership was found to interact with individual level factors in determining an individual's resistance to change. More specifically, transformational leadership encompasses

four components: charisma, inspirational leadership, intellectual stimulation, and individualized consideration (Bass and Steidlmeier, 1999). Based on these components, transformational leaders are able to “provide a motivational anchor that becomes shared among employees and which muffles the effects” of an individual’s predisposition to change (Oreg and Berson, 2009).

Bhengu (2007) contends that rising global competition, the influence of information technology, re-engineering of business processes, and the changing perception of a job as a constant collection of activities, are some of the challenges that impact on work, staff/employees and organisations. These challenges require leaner and meaner organisations that focus more on core abilities, thus inducing them to outsource all the non-core activities of their businesses (Campbell, 2009). These changes invariably lead to some serious consequences for both employees and organisations (Gowing *et al.*, 1997). Every industry is undergoing a consistent wave of evolution. Organisations go through periods of intermittent change with some degree of regularity that differs across industries. The last, probably most important finding for the managers was that industrial change is taking place at an increasing rate whilst the time between periods of discontinuous change, that involves what Hayes (2002) refers to as ‘novelty’, is declining. This implies that organisations will ever be faced with the challenge of managing unfamiliar situations.

According to Anderson and Anderson (2001) organisational structure change is set in motion by certain signals of change that take place in the organisation’s environment or marketplace. Such warnings entail invention of new technology, changes in government regulations, substantial cuts in funding, searching for new markets and adventurous actions by competitors. The need for organisational change may also be triggered by the failures in the leader’s own organisation. The organisations need to craft strategies to deal effectively with these events irrespective of what triggered them. The challenge is for management to be aware of and fully understand these signals such as loss of productivity, loss of employee participation in decision making, loss of sense of control and take action to respond appropriately (Campbell,

2009). It is therefore crucial for management to be fully aware of drivers of change in their organisations.

Hayes (2002) explains the origins of organisational restructuring in his concept of “future shock”. He postulates that the change is a consequence of the existence of three related trends, namely, transience, novelty and diversity. Modern life is increasingly characterised by “impermanence and transience” due to the expanding scope and accelerated pace of change. This results in shorter duration of people’s relationship with things, places, other people, organisations and ideas. This change in turn requires new levels of adaptation for individuals and organisations in order to continue to exist. The individuals and organisations that are more adaptable are more likely to cope and vice versa. Novelty is the second trend where the accelerated pace of change leads to more unfamiliar situations that individuals and organisations must face. In the diversity trend people are faced with a wide variety of choices, particularly at work. This in turn makes decision making more complex. Campbell (2009) argues that when these trends come together at the same time, the society is propelled towards what he calls “historical crisis of adaptation”. The end result of this becomes surroundings that are so short-lived, unfamiliar and complex, which threatens many people with adaptive collapse. This breakdown is in essence a future shock concept.

Gowing *et al.*, (1997) argue that organisational restructuring is a process that requires a great deal of change management. It is for that reason that communication becomes one of the cornerstones of a successful organisational restructuring. Effective communication with employees plays a vital role during the restructuring period of any organisation as it helps to properly inform the employees about the changes. This helps to remove the uncertainty and allay fears amongst employees and therefore may overcome any resistance that may result thereof. Casio (2002) believes that “open and ongoing communication is critical to a successful restructuring effort”. Paton and James (2000) believe that “effective communication that is designed to inform, consult and promote action will help in overcoming both resistance and ignorance amongst employees”.

They argue that for the communication to be effective in communicating change events, the following guidelines have to be followed; a) the message has to be modified according to the skills and knowledge of the employees. This will help in ensuring that the message is well understood by the employees and therefore remove any ambiguities; b) the content and the tone of the message should also be suitable for the audience. There should be congruency between verbal and non-verbal communication; c) communication must always be a two-way process that makes allowance for feedback from employees. This will help management in not only ensuring that the message is well received and understood by the employees, but also help them to understand how employees feel about the change; d) management should set the example in communicating in a consistent manner and ensure that they practice what they preach; and e) management should also ensure that the medium of communication chosen does indeed attain the required penetration within the organisation. This will ensure that the message does reach target audiences (Paton and McCalman, 2000).

### **2.3 Empirical literature review**

This empirical literature review critically pointed out current knowledge and studies regarding the topic including substantive findings with the view of their strengths and weakness in order to fill the gap envisaged.

Bargrain *et al* (2003) in their study found that organisational restructuring makes the workers feel powerless. But, any change in the organisation is likely to cause uncertainty among workers as it challenges their sense of control and competence as argued by Paton and McCalman (2000). This is so because most employees do not have strong self-esteem and inner resources and therefore do not see themselves as architects of their own destiny. However, Casio (2002) argues that the process of organisational change should therefore be implemented in a more structured and professional way. It should not only focus on change management but also should ensure that individuals are empowered. Fox (2006) in his study found that changes within an organisation demand a catalyst.

The persons who assume the responsibility of managing the change process within an organisation and who act as catalysts are called 'change agents'.

Therefore, structural change must be initiated by change agents who are in power or wish to replace or constrain the power. While internal change agents are typically senior executives, managers, internal staff developers or powerful lower level employees. External change agents can be consultants brought in from outside the company. Any manager may act as a change agent, although a change agent may also be a non-manager, a staff specialist or outside specialist whose area of expertise is in the implementation of change. However, the study by Gibson, Ivancevich and Donnelly (1991) found that the change agent brings a different perspective to the situation and serves as a challenge to the status quo. External employees are temporary employees of the company as they are only engaged for the duration of the change process. The internal change agent works for the company and knows something about its problems. The usual internal agent is the manager who is appointed in a position in the knowledge that major change is necessary.

Fox (2006) in his study stated that, often in the event of any major organisational change internal managers are inclined to hire the services of an outside specialist as consultants to provide advice and assistance. These outside experts are said to be able to present an objective perspective, as opposed to insiders. On the other hand, outsider specialists may be at a disadvantage because they do not have an adequate understanding of the culture, history, operating procedures and personnel of the organisation which benefit it. However, their studies could not determine the benefits accruing from organisational structure change for organisations.

McPherson (2008) in his study gave reasons that it does matter if morale is low by using examples like teachers complaining of low salaries, health services staff feeling undervalued and unsafe, or when social workers feel budget cuts and pressure. But, any of these variables may have a major negative impact on the quality of rendered services. McFadzean and McFadzean (2005) came out with definitions of morale which appear to provide oversight and examples as a matter of teamwork,

employees feeling good about their work environment, and in military terms as a condition with respect, discipline, and confidence. The military uses morale in a form of unit cohesion, camaraderie, teamwork, honor, courage, and commitment.

An office employee may judge it by lack of communication within their department. Yet, Zemke (2000) points out in his study that morale isn't that difficult to analyze or interpret and that it is simply the state of relationship an individual may have with an organization. Because of that relationship, Zemke (2000) cautions that organizations should be observed on a larger scale than just looking at a group of people and on an expanded view as a country, company, sports team, or even a family. Employee morale is a critical factor in any organization as it renders employees decreased job satisfaction and employees trying to shrink their duties as attested by (McFadzean and McFadzean, 2005). Opperman (2009) reveals that employees reported that their business manager displayed unacceptable behavior by violating company policies and exercising their authority with abusive actions by coming and going as they pleased during the business hours, favoring specific employees, failing to communicate effectively with subordinates and setting a poor example of leadership traits. Hunter (2008) describes in his research that everyday management decisions affect individuals, families, and even nations. For people in leadership positions, they know one of their major responsibilities is making decisions. Their decisions may have an impact on others or on oneself. Either way, the reactions and results have a certain degree of influence and impact. However, their studies could not explore the impact of staff morale upon organisational structural change.

McFadzean and McFadzean (2005) states in their studies that managers who do not involve or value their employees can also have an effect on morale. Behm (2009) mentions that according to the Great Place to Work (GPTW) Institute, a great place to work is one in which people trust who they work with, have a sense of pride for what they do, and enjoy the people they work with. Gini (2004) was convinced that ethical leadership is the life blood of an organization's operation and establishing ethical standards were crucial in setting up the structure and culture for a life long success. Block (1993) pointed out that resistance to organisational structural change

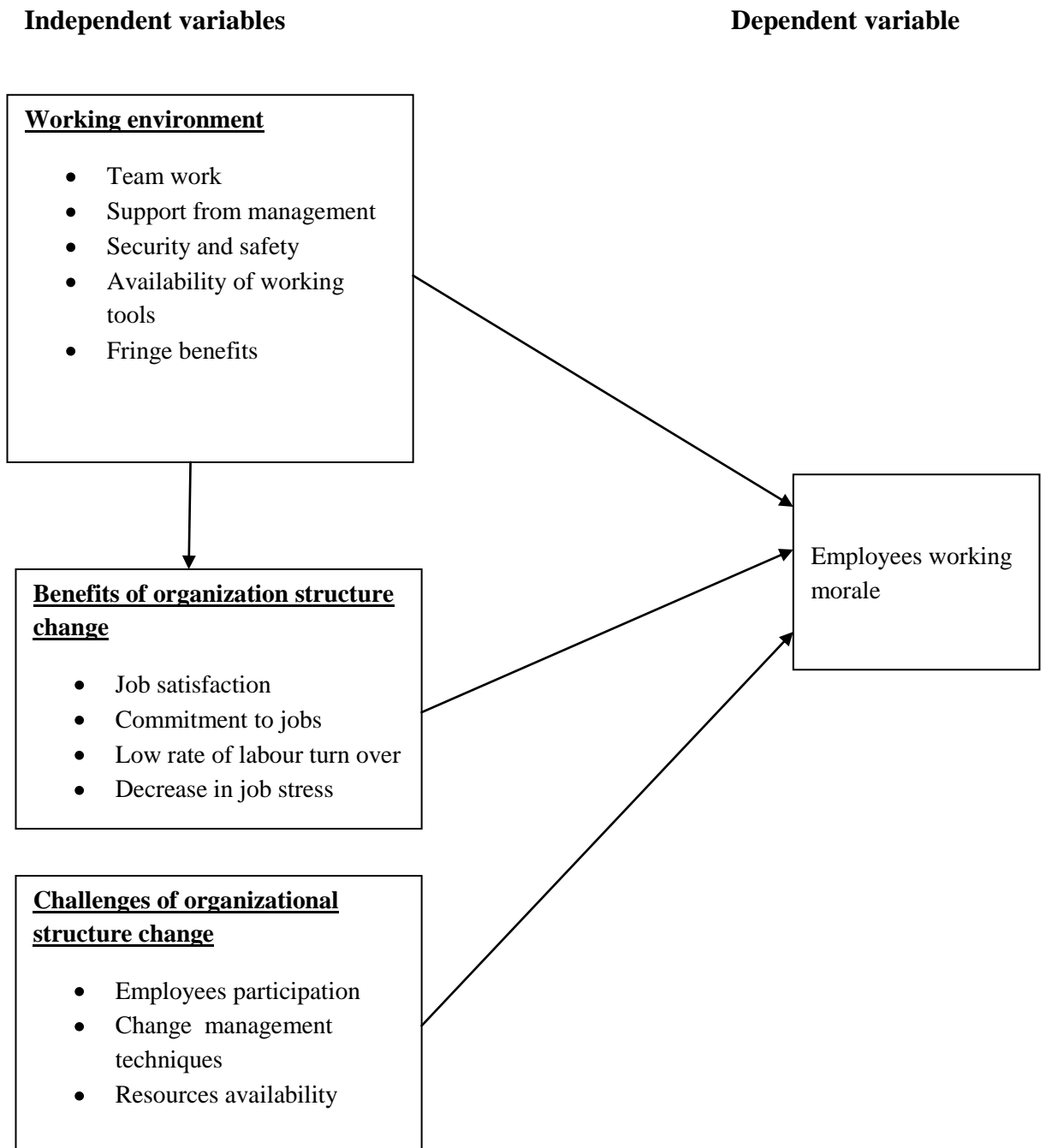
may occur when people distrust or have past resentments toward those leading the change and when they have different understandings or assessments of the situation.

On the other hand, Bryant (2006) found that organisational structure change threatens personal security and confidence in an ability to perform. Moreover, change may also be resisted because it threatens the way people make sense of the world, calling into question their values and rationality and prompting some form of self-justification or defensive reasoning. Graham (1986) noted that some employee resistance to organizational actions is motivated by more than mere selfishness such as lack for future vision, short of capability, fear of relocation. Ashford, Rothbard, Piderit and Dutton (1998) indicated that one reason is that employees accept change in order to get top management to pay attention to issues that employees believe must be addressed in order for the organization to maintain high performance while employers focusing on profit maximization, something which result into conflicts. Thus, employees may accept or welcome change when they see a clear benefit to doing so. Therefore, a person's attitude towards change comes from his or her perception of the outcomes of a change, compared with the individual's goals and values. However, their researches could not provide the challenges facing employees in accommodating organisational structure change.

#### **2.4 Conceptual Framework**

Figure 2.1 provides the conceptual framework. This is defined as an abstract idea or a theory used to develop new concepts or to reinterpret existing ones (Kothari, 2004). It gives the relationship between the independent and dependent variables. From the figure the dependent variable is the employee working morale while the independent variables include; working environment, benefits and challenges of organisational structure change

**Figure 2.1: Conceptual framework**



## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

Research methodology is a way to find out the result of a given problem on a specific matter or problem. The importance of research methodology is that different research methods are compatible with different situations, and therefore it is important to know which method is best suitable for use with a particular hypothesis or question. In fact, if an unsuitable research method is used, it could render the research useless. Research methods are a mix of concepts and ideas utilized to determine through neutral observation and analysis the truth of a situation (Yin, 2003)

This chapter provided a blue print of investigation which were adopted in the study namely; study area; research design; sampling techniques; Population/Sampling frame and sample size; data collection methods; data analysis techniques

#### **3.2 Study area**

The study was conducted at the Bank of Africa at the headquarters in Dar es Salaam Tanzania which is a private commercial bank operating in Tanzania serving corporate and retail customers. Bank of Africa Tanzania has grown in her status to be one of the key players contributing to the corporate, small and medium enterprise (SME) sectors in the country with emerging customers who have been accessing the services without delay. This has been so due to its customer care services strategy invested to its employees. However, the organization was selected by the researcher because it underwent organisational structure changes recently in order to meet the challenges in banking industry while promising greener pastures to its employees. Since its reorganization, employees have not accessed them which pose a question to ponder in the process to retain good staff working morale.

The study units ranged from directors to lower cadre employees. The reason for choosing them is that, they are the ones who are responsible for implementing the organisational change in hand.

### **3.3 Research design**

Cross-sectional research design was used. Cross sectional research design is a survey research design in which data are collected to indicate characteristics of a sample or population at a particular moment in time. With cross sectional research design questionnaires and interviews were utilized to obtain data from the field. The reason for using cross-sectional research design is that, it allows the collection of data at one point in time (in a short time as it is feasible) (Yin, 2003)

With cross-sectional research design the quantitative and qualitative methods were also employed. However, informations were collected from a number of cases or units of inquiry under investigation and only a sample of cases were examined (Bryman, 2004).

### **3.4 Sampling techniques**

The study used three sampling techniques namely; simple random, purposive and stratification sampling.

#### **3.4.1 Simple random sampling**

Simple random sampling method is the one in which, individuals are randomly selected from a list of the population and every single individual has an equal chance of selection.

This method was utilized for the selection of respondents. The reason for utilizing this method was that each employee/respondent had the same and independent chance of being selected. It was used to select all the respondents {from the management, senior (heads) and functional levels}

### **3.4.2 Purposive sampling**

Purposive sampling is the one of sampling techniques in which the person who is selecting the sample is the one who tries to make the sample representative, depending on his opinion or purpose, thus being the representation subjective.

This method was used for the selection of respondents. The reason for using it was that it is a non-random sampling procedure in which personal experience (regarding the impact of organisational structure change on staff working morale) was considered and derived from the key position one held or the roles s/he played in relation to that particular activity. Thus respondents were selected purposively in order to attain the above objectives.

### **3.4.3 Stratification sampling**

Stratified sampling is a variant on simple random and systematic methods and is used when there are a number of distinct subgroups, within each of which it is required that there is full representation. A stratified sample is constructed by classifying the population in sub-populations (or strata), based on some well-known characteristics of the population, such as age, gender or socio-economic status.

This method was used to focus gender (male and female representations) and age distribution (number of years one has been working in Bank of Africa Tanzania from those who have worked for many years and those who are new comers) as to obtain views from both focused gender and age. The sampling process involved clustering of employees according to their departments and areas of specialization. The reason for using stratified sampling was to obtain different kinds of information from different groups of employees for the purpose of generating comprehensive answers to the researcher's questions.

However, the reason according to Yin (2003) is that, stratification serves the distribution among heterogeneous population (regarding their gender and age

distributions) which need to be incorporated for the purpose of gaining insights from it. This method ensures no members of the population are under or over-represented.

### 3.5 Population/Sampling frame and sample size

The sampling frame for the study comprised of all 60 employees found at Dar es Salaam headquarters.

#### 3.5.1 Sample size

A sample size of 35 employees was purposively selected from all department employees for the purpose of generating comprehensive answers to the researcher's questions.

The sample size selected was in line with Cooper and Schindler (2008) who argued that, for any valid and reliable study to be carried; its sample size shouldn't be less than 30% of its population. As it stands, the sample size was 58.3% of the population; hence fulfilling their argumentations. Table 3.1 shows the distribution of respondents

**Table 3.1: Sample size of the study population**

| S/N | Category                                   | Unit of inquiry | Sample size |
|-----|--|-----------------|-------------|
| 1   | Managing/Deputy director                   | 2               | 1           |
| 2   | Heads of department                        | 12              | 4           |
| 3   | Departmental employees                     |                 |             |
|     | • Risk management                          | 3               | 2           |
|     | • Commercial banking                       | 4               | 3           |
|     | • Trade finance                            | 4               | 3           |
|     | • Compliance and recovery                  | 4               | 3           |
|     | • Information and communication technology | 3               | 2           |
|     | • Audit and investigation                  | 4               | 2           |
|     | • Human resources and administration       | 4               | 2           |
|     | • Operations                               | 5               | 3           |
|     | • Credit management                        | 4               | 3           |
|     | • Treasury                                 | 4               | 2           |
|     | • Wholesale liability management           | 4               | 3           |
|     | • Corporate                                | 3               | 2           |
|     | <b>Total</b>                               | <b>60</b>       | <b>35</b>   |

Source: BOA headquarters employees, 2012

### **3.6 Data collection methods**

Primary and secondary data collection methods were utilized to get informations from respondents and other sources.

#### **3.6.1 Primary data collection methods**

Primary data collection method was utilized by the researcher to collect data from the field whereby interviews, questionnaires and observations were employed.

##### **a) Interviews**

The interviews was carried out to the managing/deputy director and heads of department in order to solicit information regarding the staff working morale in the respective Bank of Africa Tanzania at Dar es Salaam headquarters. The higher cadre or management employees were interviewed because of the role entrusted to them in implementing and managing the objectives put by the bank. The interview tool unveiled from these respondents views/opinions regarding the matter (Appendix 2).

Yin (2003) affirms that the interview tool is very important source of getting informations and it is helpful in handling cross-sectional related matters as the research design indicates.

##### **b) Questionnaires**

Questionnaires were distributed to all lower cadre employees or staff who included; risk management, commercial banking, trade finance, compliance and recovery, information and communication technology, audit and investigation, human resources and administration, operations, credit management, treasury, wholesale liability management and corporate departments employees. Questionnaires were used to obtain informations from all departmental employees. The reason was to obtain consistency of responses to the questions asked in repeated measurements (Carmines and Zeller, 1979). These complemented and supplemented informations obtained under interview and documentary review (Appendix 1).

The information asked included; the benefits accruing from organisational structure change; the impact of staff working morale upon organisational structure change implemented by BOA and the challenges facing BOA employees in accommodating organisational structure change in hand.

### **c) Observation**

The researcher utilized practical observation in data collection in order to complement information which was not obtained from the interview and questionnaires. Bryman (2004) argues that information and awareness about a phenomenon can be obtained through direct personal observation.

The eye witness in real situation assisted the researcher to justify what were revealed from the interview and questionnaires while observing the behaviours of respondents when performing their activities. The reason for using this method was the ability to obtain answers from the respondents exactly when performing their jobs and making sure that what was observed (such as responses and the way customers were attended reflected the extent of employees' morale) was what is reported.

### **3.6.2 Secondary data**

The researcher utilized different documents in order to access accurate and reliable data. The present study utilized the latest available published secondary data and other available data from Bank of Africa Tanzania. However, other documents comprised of personal profiles (for employees), guidelines and directives (circulars known to employees regarding incentives), policies and regulations (regarding motivational packages), books, journals and internet (used as literatures) and Bank of Africa management performance reports.

### **3.7 Data organisation and processing**

Data collected from field were prepared through coding and editing of the data. It involved checking of data collection forms for omission, legibility and consistency as well as discarding the incomplete responses which missed data. Thereafter, identified potential errors in data collection were identified and discussed for their implications.

This method was used for coding both words and phrases depending on respondents' responses. That allowed open ended questions to be analyzed systematically while other data being entered into a user friendly and retrievable database.

Data were then analysed both qualitatively and quantitatively. These were summarized, coded and analyzed descriptively by Statistical Package for Social Science (SPSS). Frequency distribution and percentages were used to describe major variables. Qualitative data from interviews were analyzed using content analysis. Content analysis involved recording the verbal discussions with respondents followed by breaking the recorded information into meaningful smallest units of information, subjects, and tendencies and presented them as a text.

## CHAPTER FOUR

### PRESENTATION AND DISCUSSION OF THE RESEARCH FINDINGS

#### 4.1 Introduction

This chapter presented and discussed results from the data analysis regarding the assessment of the impact of organisational structure change on staff working morale with reference to BOA. The findings were presented and discussed under four main sections; the first section presented and discussed the respondents' characteristics; the second section determined the benefits accruing from organisational structure change; the third section explored the impact of staff working morale upon organisational structure change implemented by BOA; and the last section examined the challenges facing BOA employees in accommodating organisational structure change in hand.

#### 4.2 Respondents' Characteristics

The respondents' characteristics included; age and sex. The examination of respondents' characteristics showed the following as given in Table 4.1 and 4.2

**Table 4.1: Age of Respondents**

| Characteristics       | Frequency | Percentage % | Cumulative % |
|-----------------------|-----------|--------------|--------------|
| <b>Age (in years)</b> |           |              |              |
| 18-24                 | 07        | 20.0         | 20.0         |
| 25-34                 | 18        | 51.4         | 71.4         |
| 35-44                 | 07        | 20.0         | 91.4         |
| >45                   | 03        | 08.6         | 100.0        |

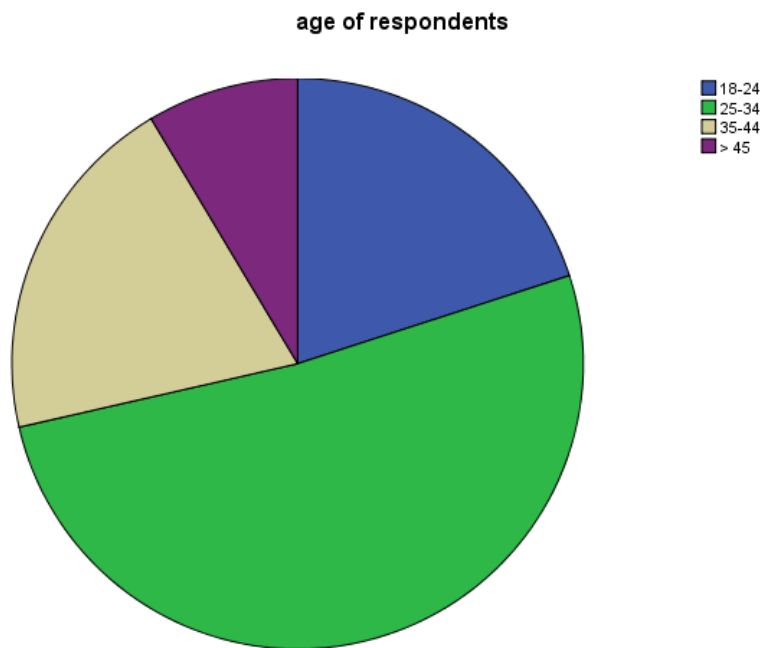
*Source: Researcher (2013)*

##### a) Age

The age distribution of the respondents was between 18 and above 45 years, as given in Table 4.1. The majority (51.4%) were between 25 to 34 years of age. The results generally suggest that the study respondents were youths who performed various jobs at BOA while encountering the diminishing work morale as the results of organisational structure change.

However, the results suggest that the involvement of respondents who were between 18 to 44 years was important and a rich information on the assessment of the impact of organisational structure change on staff working morale as they pointed out the decline of staff innovations, increasing queries and poor team work. Moreover, those who were above 45 years could point out issues such as understaffing, insecurity of employees and organisational structural change failure as among the impact of changes implemented by BOA. Figure 4.1 shows the distribution as shown.

**Figure 4.1 Age Distribution**



**Table 4.2: Sex of Respondents**

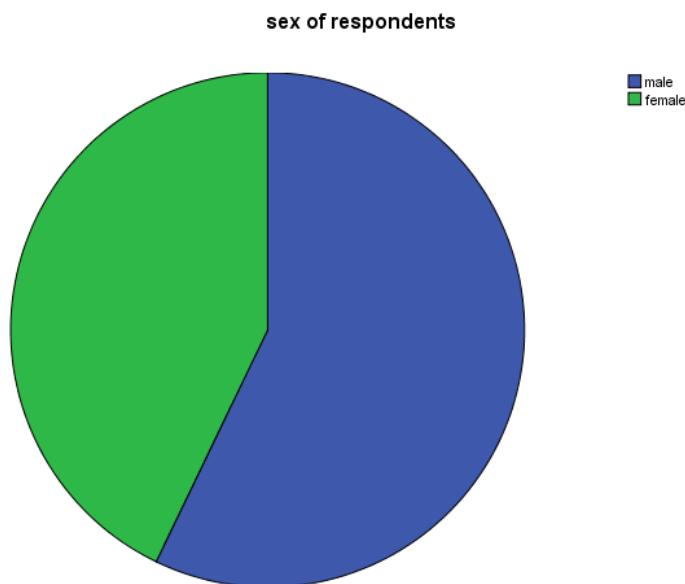
| Characteristics | Frequency | Percentage % | Cumulative % |
|-----------------|-----------|--------------|--------------|
| <b>Sex</b>      |           |              |              |
| Male            | 20        | 57.2         | 57.2         |
| Female          | 15        | 42.8         | 100.0        |

*Source: Researcher (2013)*

### b) Sex

The results in Table 4.2 show that out of 35 respondents, 20 were male (57.2%) and 15 were female (42.8%). The results indicate the male domination in the study while female lagging behind. However both male and female involvement on the assessment of the impact of organisational structural change on staff working morale was important because while men pointed out the changing perception of the job, declining performance and decreased organisational commitments; women were in opinion that employees tried to shrink their duties and increased stress something which needs to be looked upon. Figure 4.2 shows the distribution as shown.

**Figure 4.2 Sex Distribution**



### 4.3 Benefits accruing from organisational structure change

The first objective of the study was to determine the benefits accruing from organisational structure change with reference to BOA. According to the literature these included; job satisfaction, increase of productivity, creativeness and innovation, job honorability, commitment to organisation, eagerness to satisfy group objectives instead of individual objectives, improving organisational performance while minimizing costs, better flow of communication, opportunity for knowledge

acquisition, a desire to win the market through customer focus, improving decision making and technology utilization. For this purpose, the researcher asked the respondents to identify various benefits according to their perception. These were categorised as benefits for the organisation and those for employees. The results are as presented in Tables 4.3 and 4.4 as follows.

**Table 4.3: Benefits for the Organisation**

| Benefits  | Number of respondents |    | Percentage % |    |
|---|-----------------------|----|--------------|----|
|   | Yes                   | No | Yes          | No |
| Increase of productivity                                    | 28                    | 7  | 80           | 20 |
| Improving organisational performance while minimizing costs | 31                    | 4  | 90           | 10 |
| Better flow of communication                                | 28                    | 7  | 80           | 20 |
| A desire to win the market through customer focus           | 32                    | 3  | 92           | 08 |
| Improving decision making                                   | 30                    | 5  | 85           | 15 |

*Source: Researcher, 2013*

**Table 4.4: Benefits to Employees**

| Benefits   | Number of respondents |    | Percentage % |    |
|--|-----------------------|----|--------------|----|
|  | Yes                   | No | Yes          | No |
| Job satisfaction   | 29                    | 6  | 83           | 17 |
| Creativeness and innovation  | 27                    | 8  | 76           | 24 |
| Job honorability   | 26                    | 9  | 75           | 25 |
| Commitment to organisation   | 28                    | 7  | 80           | 20 |
| Eagerness to satisfy group objectives instead of individual objectives | 30                    | 5  | 85           | 15 |
| Opportunity for knowledge acquisition                                  | 29                    | 6  | 83           | 17 |
| Technology utilization   | 30                    | 5  | 86           | 14 |

*Source: Researcher, 2013*

The results in Tables 4.3 and 4.4 show that the majority of respondents supported the benefits given according to their perception; while the minority of respondents could not support some of them as indicated above.

More specifically, the results in Table 4.3 and 4.4 show that 75% of the respondents pointed out the job honorability as among the benefits from the fact that the organisation that honors its employees retains happy and motivated employees who

spread that happiness to customers as supported by Reed (2009) while 76% reported creativeness and innovation as among the benefits accrued from organisational structure change. However, 80% of the respondents reported that, organisational structure change results into better (information) flow of communication among employees while intensifying the commitment to organisation which result into the increase of productivity hence, prosperity of the organisation.

On the other hand, the results in Tables 4.3 and 4.4 show that 83% of the respondents reported the opportunity for knowledge acquisition as among the benefits which would enable employees to align well strategic decision making without failure while enhancing job satisfaction as supported by Connors (2011). Moreover, the eagerness to satisfy group objectives instead of individual objectives and improving decision making were attested by 85% of the respondents. Yet, technology utilization which speeds up the organisational operations reported by 86% of the respondents was among the benefits which would result into decreased job satisfaction and changing the perception of the job as supported by Bhengu (2007).

Furthermore, the results in Tables 4.3 and 4.4 show that improving organisational performance while minimizing costs as reported by 90% of the respondents and supported by Altman (2009) would enhance customer focus by broadening the business horizons and a desire to win the market through customer focus as reported by 92% of the respondents were among the benefits accruing from organisational structure change.

In general the results in this section show various benefits emanating from organisational structure change. This is affirmed by 75% of the respondents who pointed out the job honorability while 76% reported creativeness and innovation as among the benefits accrued from organisational structure change. However, 80% of the respondents reported that, organisational structure change results into better (information) flow of communication among employees while intensifying the commitment to organisation which result into the increase of productivity. Likewise, 83% of the respondents pointed out the opportunity for knowledge acquisition which

enables employees to align well strategic decision making without failure while enhancing job satisfaction. Moreover, the eagerness to satisfy group objectives instead of individual objectives and improving decision making as attested by 85% of the respondents, technology utilization reported by 86% of the respondents were among the benefits which result into decreased job satisfaction and changing the perception of the job. Furthermore, improving organisational performance while minimizing costs as reported by 90% of the respondents would enhance customer focus by broadening the business horizons and a desire to win the market through customer focus as attested by 92% of the respondents were among the benefits accruing from organisational structure change.

#### **4.4 The impact of staff working morale upon organisational structure change implemented by BOA**

The second objective of the study was to explore the impact of staff working morale upon organisational structure change implemented by BOA. According to the literature these included; insecurity of employees, confusion regarding the job done, loss of production/services, decreased job satisfaction, organisational structure change failure, increased stress, labour turnover, decreased organisational commitment, shrinking of employees' duties, having multiple jobs to perform, changing of job perception, poor motivation and innovation among employees, decline of job performance, poor team work spirit, under staffing and increase of queries. To fulfill that exploration, the researcher asked the respondents to highlight and tick various impact of staff working morale which were envisaged when implementing that change. Table 4.5 summarises the impact as follows.

**Table 4.5: Impact of staff working morale upon organisational structure change**

| Impact   | Number of respondents (employees) |    | Percentage % |    |
|--|-----------------------------------|----|--------------|----|
|  | Yes                               | No | Yes          | No |
| Insecurity of employees                        | 27                                | 8  | 77           | 23 |
| Confusion regarding the job done               | 28                                | 7  | 80           | 20 |
| Loss of production/services                    | 28                                | 7  | 80           | 20 |
| Decreased job satisfaction                     | 29                                | 6  | 83           | 17 |
| Organisational structure change failure        | 26                                | 9  | 75           | 25 |
| Increased stress                               | 30                                | 5  | 85           | 15 |
| Labour turnover                                | 28                                | 7  | 80           | 20 |
| Decreased organisational commitment            | 29                                | 6  | 82           | 18 |
| Shrinking of employees' duties                 | 26                                | 9  | 75           | 25 |
| Having multiple jobs to perform                | 31                                | 4  | 87           | 13 |
| Changing of job perception                     | 29                                | 6  | 82           | 18 |
| Poor motivation and innovation among employees | 31                                | 4  | 89           | 11 |
| Decline of job performance                     | 28                                | 7  | 81           | 19 |
| Poor team work spirit                          | 31                                | 4  | 87           | 13 |
| Under staffing                                 | 29                                | 6  | 83           | 17 |
| Increase of queries                            | 32                                | 3  | 90           | 10 |

*Source: Researcher, 2013*

The results in Table 4.5 show that the majority of respondents were in agreement with the impact of staff working morale according to their perception; while the minority of respondents being in disagreement as indicated above.

More specifically, the results in Table 4.5 show that 75% of the respondents reported the shrinking of employees' duties and organisational structure change failure as among the impact of staff working morale upon organisational structure change implemented by BOA. However, 77% of the respondents pointed out the availability of insecurity of employees as perceived from the dilemma they are in and labour turnover as attested by 80% of respondents and supported by Tavakoli *et al* (2010) because employees have begun to quit the job. Moreover, 80% of the respondents pointed out that the insecurity perceived by employees has resulted into confusion regarding the job done and loss of production/services as reported by respondents.

On the other hand, the results in Table 4.5 show that 81% of the respondents were in opinion that there has been a decline of job performance and decreased

organisational commitment reported by 82% as the result of customers' dissatisfaction from the services provided. Moreover, there has been a changing of job perception as reported by 82% of respondents and under staffing which has resulted into decreased job satisfaction as affirmed by 83% of respondents. Likewise, 85% of the respondents reported the presence of increased stress due to job description changes which resulted into having multiple jobs to perform hence, poor team work spirit combined with unfulfilled promises put before the implementation of organisational structure change as reported by 87% of respondents and supported by Casio (2002).

Furthermore, the results in Table 4.5 show that 89% of the respondents reported the presence of poor motivation and innovation among employees as supported by Zweni (2004) emanating from despair and increase of queries which is the result of removing customer care service as among the impact of staff working morale upon organisational structure change causing (for example telegraphic transfers (TTs) which were processed in a fast way at BOA compared to other competitors) complaints from loyal customers as pointed out by 90% of the respondents. However, delays and time wastage from BOA have necessitated customers to shift to other banks.

In general the results in this part show various impact of staff working morale upon organisational structure change implemented by BOA. This was reported by 75% of the respondents who pointed out the shrinking of employees' duties and organisational structure change failure, 77% of the respondents pointed out the availability of insecurity of employees as perceived from the dilemma they are in and labour turnover as attested by 80% of respondents as among the impact of organisational structure change because some employees have begun to quit the job. Moreover, 80% of the respondents pointed out that the insecurity perceived by employees has resulted into confusion regarding the job done and loss of production/services as reported by respondents.

On the other hand, 81% of the respondents were in opinion that there has been a decline of job performance and decreased organisational commitment reported by 82% as the result of customers' dissatisfaction from the services provided. However, there has been a changing of job perception as reported by 82% of respondents and under staffing which has resulted into decreased job satisfaction, 85% of the respondents reported the presence of increased stress due to job description changes which resulted into having multiple jobs to perform hence, poor team work spirit combined with unfulfilled promises put before the implementation of organisational structure change as reported by 87% of respondents. Furthermore, 89% of the respondents reported the presence of poor motivation and innovation among employees emanating from despair and increase of queries which is the result of removing customer care service (for example telegraphic transfers (TTs) which were processed in a fast way at BOA compared to other competitors) causing complaints from loyal customers as pointed out by 90% of the respondents. However, delays and time wastage from BOA have necessitated customers to shift to other banks.

#### **4.5 Challenges facing BOA employees in accommodating organisational structure change in hand**

The third objective of the study was to examine the challenges facing BOA employees in accommodating the organisational structure change in hand. According to the literature these included; poor organisational performance, changing objectives, scarcity of labour, decline in profits, poor employee participation in decision making, loss of employee competence due to changes occurring, loss of sense of control, lack of adequate training, overworking/work overload, staff rigidity to accept changes, changes in working style and techniques, job rotation and changes in communication and reporting channels. For this purpose, the researcher asked the respondents to identify them according to their perception. Table 4.6 summarises the challenges they faced as follows;

**Table 4.6: Challenges facing BOA employees**

| Challenges   | Number of respondents (staff) |    | Percentage % |    |
|--|-------------------------------|----|--------------|----|
|  | Yes                           | No | Yes          | No |
| Poor organisational performance                      | 28                            | 7  | 80           | 20 |
| Changing objectives                                  | 27                            | 8  | 78           | 22 |
| Scarcity of labour                                   | 30                            | 5  | 85           | 15 |
| Decline in profits                                   | 28                            | 7  | 80           | 20 |
| Poor employee participation in decision making       | 26                            | 9  | 75           | 25 |
| Loss of employee competence due to changes occurring | 31                            | 4  | 87           | 13 |
| Loss of sense of control                             | 28                            | 7  | 80           | 20 |
| Lack of adequate training                            | 31                            | 4  | 87           | 13 |
| Overworking/work overload                            | 32                            | 3  | 90           | 10 |
| Staff rigidity to accept changes                     | 26                            | 9  | 75           | 25 |
| Changes in working style and techniques              | 25                            | 10 | 70           | 30 |
| Job rotation   | 28                            | 7  | 81           | 19 |
| Changes in communication and reporting channels      | 28                            | 7  | 81           | 19 |

*Source: Researcher, 2013*

The results in Table 4.6 show that the majority of respondents were in agreement with the challenges that faced BOA employees; while the minority of respondents being in disagreement as indicated above.

More specifically, the results in Table 4.6 show that 70% of the respondents reported the changes in working style and techniques which are perceived as new to employees resulting from structure change as among the challenges employees encounter while fulfilling their duties. However, 75% of the respondents pointed out staff rigidity to accept changes as seen as unpleasant to them because of little participation envisaged and poor employee participation in decision making as supported by Bhengu (2007) as among the challenges.

Likewise, the results in Table 4.6 show that 78% of the respondents pointed out the changing objectives which have little participation from employees which resulted into poor organisational performance, decline in profits and loss of sense of control in various operational activities done by employees as reported by 80% of the respondents and supported by Casio (2002) as among the challenges. Moreover, 81% of the respondents reported the availability of frequent job rotation among employees

and changes in communication and reporting channels which reflect the unpreparedness of the organisation to smoothly implement the changes.

Furthermore, the results in Table 4.6 show that 85% of the respondents argued for the scarcity of labour as employees start to look for other green pastures, lack of adequate training due to changes introduced which result into loss of employee competence emanating from the changes occurring as reported by 87% of the respondents. However, 90% of the respondents reported the presence of overworking/work overload due to changes made which do not go hand in hand with the availability of competent human resources as supported by Campbell (2009) as among the challenges.

In general the results in this part show various challenges facing BOA employees in accommodating organisational structure change in hand. This is affirmed by 70% of the respondents who reported the changes in working style and techniques, 75% of the respondents who pointed out staff rigidity to accept changes because of little participation envisaged and poor employee participation in decision making as among the challenges. Likewise, 78% of the respondents pointed out the changing objectives which have little participation from employees which resulted into poor organisational performance, decline in profits and loss of sense of control in various operational activities done by employees as reported by 80% of the respondents. Moreover, 81% of the respondents reported the availability of frequent job rotation among employees and changes in communication and reporting channels which reflect the unpreparedness of the organisation to smoothly implement the changes. Furthermore, 85% of the respondents argued for the scarcity of labour, lack of adequate training due to changes introduced which result into loss of employee competence emanating from the changes occurring as reported by 87% of the respondents. Finally, 90% of the respondents reported the presence of overworking/work overload due to changes made which do not go hand in hand with the availability of competent human resources as among the challenges.

**CHAPTER FIVE**  
**SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS,**  
**POLICY IMPLICATIONS AND NEED FOR FURTHER RESEARCH**

**5.1 Introduction**

This chapter provides the summary of findings, conclusion and recommendations, policy implications and need for further research. It starts with the summary proceeded by conclusion and recommendations, policy implications and need for further research.

**5.2 Summary of findings**

Organisational structural change plays a large role in shaping organizational culture and companies may find it necessary to change organizational structure to remain competitive or adapt to changes in the company, industry or market place. However, the implementation of organisational structure change always poses a great challenge. This derives from the fact that, in most cases, structural change is received with intense negative emotions such as resistance, frustration, anger and fear amongst employees. Besides these challenges, organizations must undertake organization-wide change to evolve to a different level in their life cycle.

The findings from the study on the assessment of the impact of organisational structure change on staff working morale at BOA revealed that 75% of the respondents who pointed out job honorability while 76% reported creativeness and innovation as among the benefits accrued from organisational structure change. However, 80% of the respondents reported that, organisational structure change results into better (information) flow of communication among employees while intensifying the commitment to the organisation which result into the increase of productivity. Likewise, 83% of the respondents pointed out the opportunity for knowledge acquisition which enables employees to align well strategic decision

making without failure while enhancing job satisfaction. Moreover, the eagerness to satisfy group objectives instead of individual objectives and improving decision making as attested by 85% of the respondents, technology utilization reported by 86% of the respondents were among the benefits which when incorporated would result into decreased job satisfaction and changing the perception of the job. Furthermore, improving organisational performance, minimizing costs as reported by 90% of the respondents would enhance customer focus by broadening the business horizons while a desire to win the market through customer focus as attested by 92% of the respondents being among the benefits accruing from organisational structure change.

On the other hand, 75% of the respondents pointed out the shrinking of employees' duties and organisational structure change failure, 77% of the respondents pointed out the availability of insecurity of employees as perceived from the dilemma they were in and labour turnover as attested by 80% of respondents as among the impact of organisational structure change because some employees began to quit the job. Moreover, 80% of the respondents pointed out that the insecurity perceived by employees resulted into confusion regarding the job done and loss of production/services as reported by respondents. Yet, 81% of the respondents were in opinion having a decline of job performance and decreased organisational commitment which was reported by 82% as the result of customers' dissatisfaction from the services provided. However, there has been a changing of job perception as reported by 82% of respondents and under staffing which resulted into decreased job satisfaction, 85% of the respondents reported the presence of increased stress due to job description changes which resulted into having multiple jobs to perform hence, poor team work spirit combined with unfulfilled promises put before the implementation of organisational structure change as reported by 87% of respondents.

Furthermore, 89% of the respondents reported the presence of poor motivation and innovation among employees emanating from despair and increase of queries which is the result of removing customer care service (for example telegraphic transfers

(TTs) which were processed in a fast way at BOA compared to other competitors) causing complaints from loyal customers as pointed out by 90% of the respondents. However, delays and time wastage from BOA have necessitated customers to shift to other banks.

Finally, 70% of the respondents reported the changes in working style and techniques, 75% of the respondents pointed out staff rigidity to accept changes because of little participation envisaged and poor employee participation in decision making as among the challenges. Likewise, 78% of the respondents pointed out the changing objectives which have little participation from employees which resulted into poor organisational performance, decline in profits and loss of sense of control in various operational activities done by employees as reported by 80% of the respondents. Moreover, 81% of the respondents reported the availability of frequent job rotation among employees and changes in communication and reporting channels which reflect the unpreparedness of the organisation to smoothly implement the changes. Yet, 85% of the respondents argued for the scarcity of labour, lack of adequate training due to changes introduced which result into loss of employee competence emanating from the changes occurring as reported by 87% of the respondents. Furthermore, 90% of the respondents reported the presence of overworking/work overload due to changes made which do not go hand in hand with the availability of competent human resources as among the challenges.

### **5.3 Conclusion**

Based on the empirical findings from the study which have answered the research questions, some major conclusions are drawn with regards to the assessment of organisational structure change with reference to BOA.

Opportunity for knowledge acquisition, eagerness to satisfy group objectives while improving decision making are vital to any organisation's prosperity in order to broaden the business horizon as to win the market. However, the insecurity of employees highlighted by BOA employees which result into labour turnover

results into the decline of job performance and decreased organisational performance need to be eliminated. Therefore, by enhancing participation in decision making would raise the working morale of the employees and smoothen the implementation of changes; hence increasing performance and productivity.

#### **5.4 Recommendation and Policy Implications**

From the above findings, the researcher has proposed the following recommendations;

##### **5.4.1 Recommendation**

- a) Since organisational structure change necessitates better flow of information, it is recommended that the BOA organisation's management has the responsibility to intensify its information channels through proper technology utilization in order to improve the performance of the organisation.
- b) Some loyal customers were reported to quit the bank due to delays and other time wastages, it is recommended that much effort need to be put to eliminate that fault in order to attract and retain more customers for the enhancement of the organisational objectives .
- c) Staff rigidity to accept changes was reported to be a major obstacle emanating from little participation envisaged for the implementation of changes, it is recommended to have frequent employee participation in decision making in order to enhance the performance of the organisation.

##### **5.4.2 Policy Implications**

The research adds to the argument for reviewing the organisational structure change in hand while ensuring both employees and management collaboration for the thorough implementation of the changes needed.

## **5.5 Need for Further Research**

The study assessed the impact of organisational structure change on staff working morale with reference to BOA. It is advised that further studies be done on the following issues;

- i) What is the perception of BOA employees regarding the organisational structure change implemented?
- ii) To what extent have BOA management been able to address organisational structure change challenges envisaged?

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## APPENDICES

### APPENDIX 1:

#### QUESTIONNAIRES

*Topic: Impact of organisational structure change on staff morale. A study of Bank of Africa; Dar es Salaam headquarters*

#### **PART A: Benefits accruing from organisational structure change**

1. Please indicate your agreement or disagreement regarding the benefits accruing from organisational structure change as follows; 1) SA=Strongly Agree 2) A=Agree 3) U=Uncertain 4) D=Disagree 5) SD=Strongly Disagree.

| Force   | Choice         |       |           |          |                   |
|---|----------------|-------|-----------|----------|-------------------|
|   | Strongly agree | Agree | Uncertain | Disagree | Strongly disagree |
| 1. Job satisfaction   |                |       |           |          |                   |
| 2. Increase of productivity   |                |       |           |          |                   |
| 3. Creativeness and innovation  |                |       |           |          |                   |
| 4. Job honorability   |                |       |           |          |                   |
| 5. Commitment to organisation   |                |       |           |          |                   |
| 6. Eagerness to satisfy group objectives instead of individual objectives |                |       |           |          |                   |
| 7. Improving organisational performance                                   |                |       |           |          |                   |

2. Would you please mention other benefits accruing from organisational structure change?

i).....ii).....  
 iii).....iv).....

**PART B: Exploring the impact of staff morale upon organisational structure change implemented by BOA**

3. Do you think that among the mentioned items could be the impact of staff morale?

| <b>Impact of staff morale</b>                         | <b>Yes</b> | <b>No</b> |
|---|------------|-----------|
| Employee being insecure                               |            |           |
| Confusion regarding the job done                      |            |           |
| Loss of production/service                            |            |           |
| Decreased job satisfaction                            |            |           |
| Organisational structural change failure              |            |           |
| Increased stress                                      |            |           |
| Labour turnover                                       |            |           |
| Decreased organisational commitment                   |            |           |
| Employees trying to shrink their duties               |            |           |
| Employees having multiple jobs                        |            |           |
| Changing perception of a job                          |            |           |
| Not being motivated to come up with new ideas at work |            |           |
| Staying away from work more often than before         |            |           |
| Performance on the job has declined                   |            |           |

4. Would you please mention other items which could be the impact of staff morale?

i).....ii).....  
 iii).....iv).....

**PART C; Challenges facing BOA employees in accommodating organisational structure change in hand**

5. Do you think that the following would be the challenges facing BOA employees in accommodating organisational structural change in hand?

| <b>Challenge</b>                                  | <b>Yes</b> | <b>No</b> |
|---|------------|-----------|
| Poor organisation performance                     |            |           |
| Change in objectives                              |            |           |
| Scarcity of labour                                |            |           |
| Decline in profits                                |            |           |
| Loss of employee participation in decision making |            |           |
| Loss of competence due to changes occurring       |            |           |
| Loss of sense of control                          |            |           |

6. What would you think to be the other challenges facing BOA employees in accommodating organisational structural change in hand?

i).....ii).....  
 iii).....iv).....

**PART D: Characteristics of respondents**

7. Age in years (*tick where appropriate*)

(a) 18 – 24 ( )

(b) 25 – 34 ( )

(c) 35 – 44 ( )

(d) 45+ ( )

8. Sex: (a) Male ( )

(b) Female ( )

