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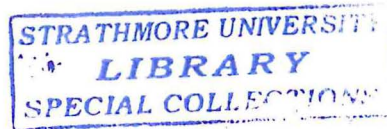
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**EFFECTS OF STRUCTURAL CHANGE ON EMPLOYEE COMMITMENT IN THE
KENYAN BANKING INDUSTRY: A CASE OF MERGERS AND ACQUISITIONS**



KIGERA SUSAN NJERI
MASTER OF COMMERCE

2019

DECLARATION

I declare that this work has not been previously submitted and approved for the award of a degree by this or any other University. To the best of my knowledge and belief, the thesis contains no material previously published or written by another person except where due reference is made in the thesis itself.

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Kigera Susan Njeri

07th June, 2019

APPROVAL

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ACKNOWLEDGMENTS

I am thankful to God this far for the divine enablement to finish the masters course effectively and efficiently despite the many challenges along the way.

My sincere gratitude goes to my lecturers and supervisor who worked tirelessly to ensure I successfully finished the course. Special thanks to my supervisor who worked devotedly, tirelessly and gave unreserved guidance during the entire process.

My gratitude also goes to my family who stood by me throughout the journey.

DEDICATION

I dedicate this work to the Strathmore University research department that it may be used to help in informing policies and procedures that may promote employee commitment in times organizational change. I also dedicate the research to my entire family who have been very supportive.

ABSTRACT

Almost all organizations irrespective of their size or business type undergo some form of change. To muddle through emerging technologies, demographic and competitive forces, sector leaders must continue to find new techniques to help their firms attune to these circumstances and basically change their way of doing business. As a result of operating environment changes, a number of licensed institutions particularly commercial banks have had to change their structures. Since year 1989, the Kenyan banking sector has experienced a wave of mergers and acquisitions which affect different aspects of the business such as employees, finances and technology. Most bank employees view mergers and acquisitions as a threat to their jobs as shareholders often demand a reduction in the number of staff employed and this may affect their commitment. Several studies focus on structural changes but few explicitly seek to close the knowledge gap between organizational structural changes and employee commitment in the Kenyan banking Sector for banks that have undergone mergers and acquisitions. This research therefore sought to address this knowledge gap by examining the effects of structural organizational change on employee commitment in the Kenyan banking sector in the context of Mergers and Acquisitions. The research was based on Systems theory which argues that a business is composed of organizations as systems of multiple internal relationships, as well as participants of the encompassing environments in which they operate. A change in one part of the system, for example the organizational structure, affects another part of the system in this case employee commitment. The research used a descriptive research design. The population of the study is 913 employees from the 12 financial institutions that merged or underwent acquisition between 2008 and 2017. The sample size determined was 269 respondents from all the 12 banks. Data was collected using a structured questionnaire and analyzed using different tools including regression analysis. The findings of the research revealed that structural changes specifically roles and responsibilities, reporting lines, and hierarchy levels have a significant impact on employee commitment. This research therefore recommends that banks should prioritize and concentrate on factors which boost employee commitment levels in order to remain competitive in the Kenyan banking industry. The research also showed that structural changes if not adequately comprehended can lead to loss of morale and increased job dissatisfaction. This in turn leads to some employees looking for an exit strategy. It is therefore imperative that organizations put in place measures that address employees concerns before, during and after restructuring to facilitate minimum comfort and commitment.

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CHAPTER ONE
INTRODUCTION



1.1 Background of the study

Almost all organizations irrespective of their size or business type undergo some form of change. To muddle through emerging technologies, demographic and competitive forces, sector leaders must continue to find new techniques to help their firms attune to these circumstances and basically change their way of doing business (Kotter, 2003). Restructuring, mergers, acquisitions, downsizing and other kinds of extensive changes are growingly common approaches pursued by both the public and private sector organizations while responding to changing environments and coercion to improve organizational effectiveness (Pitts, 2006). The major challenge to change lies in getting employees to commit to change efforts. Soumyaja et al (2011) noted that commitment to organizational change is the adhesive that brings individuals and change objectives together, helping them figure out the basis for change and consequently increase their efforts to accept change and at the same time reduce turnover intentions. As a result of operating environment changes, a number of licensed institutions particularly commercial banks have had to merge or acquire others (Mbae, 2014).

Mergers and acquisitions (M&A), are commonly being used to improve competitiveness of organizations by gaining larger market share, enlarging portfolios to minimize business risk for setting foot in new markets and capitalizing on economies of scope among other reasons (Kangetta & Kirai, 2017). Sharma (2009) noted that most organizations merge because two are better than one since they raise shareholder value over and beyond when they are separate. Additionally, organizations merge with the aim of gaining access to innovative capabilities, maximizing efficiency, sort short term financial difficulties and eventually reshape the organization's competitive scope (Mbae, 2014).

1.1.1 Structural Change

Structural change is reconfiguration of the internal administrative structure in the organization associated with an intentional management change program (McKinley & Scherer, 2000). Structure is the arrangement of people and functions into particular areas and levels of

responsibility, authority of making decisions, relationships and communication to ensure organization's goals, mission and strategy are implemented effectively (Burke & Litwin, 1992).

Organizational structure is the organization of individuals and groups, hierarchy and lines of authority, patterns of communications, duties and responsibility allocation within a particular organization. Organizational Structure determines how power, roles and responsibilities are assigned, coordinated and controlled, and flow of information between the different management levels (Mintzberg, 1983).

Sofat (2015), highlighted that there are different organizational features or characteristics which are important for change to occur known as organizational change factors or levers. Among these levers is organizational structure which encompasses elements such as roles and responsibilities, reporting lines and hierarchy levels. In the following section, the research scans different literature materials that show how changes in each of the three elements of structure affect employee commitment.

Roles are the positions members of a team assume or the parts that the members play in a particular operation or process (Vincent, 2011). Responsibilities are the specific duties or tasks that members of a team are expected to complete as a function of their roles. These are the specific obligations or activities for which members assume and are held accountable when they are assigned to a role on a project or team (Vincent, 2011).

Roles and responsibilities of employees are changed during the process of restructuring. Duplicate roles from organizations are eliminated, new roles created and retrenchment occurs to reduce the number of persons carrying out a given operation in a bid to save on costs. Staff reduction results in increased workloads and objectives that are unobtainable for the employees that survive the process. The employees are under paid and overworked all because the organization had the aim to cut costs in order to increase their profitability. Therefore organizations may have to outsource part of their essential functions and hire additional temporary staff to perform the tasks of permanent staff in order maintain low cost levels (Pfeffer, 1997).

Reporting lines in organization define to whom staff are answerable to (Haimann, 1997). Line officers who have the command and authority over the subordinates and are responsible for the accomplishment of the results. Management of this relationship impacts directly on the

organization's performance in terms of realization of its set goal and objectives. Reporting lines are affected by restructuring process as departments may be integrated, or some may be scrapped entirely and employees absorbed into other roles and departments within the organization. This results in changes in the reporting lines for the affected employees (Allen, Freeman, Russell, Reizenstein & Rentz, 2001; Schlenker & Gutek, 1987).

Hierarchy is defined as the flow of authority down the chain of command in the organization from top management to line officers. A clear chain of command is a consistent characteristic in well-defined organizational structures (Bassey, 2011). The hierarchy level of employees also change in the process of restructuring. Some leaders may transition into a lower level in the organization and some may actually be elevated to a higher level in position within the organization, for example by no longer being in the management level, would mean reduced autonomy and less discretion in coping with reorganization (Mishra & Spreitzer, 1998).

Globally, organizations restructure and reorganize their activities in order to adjust to a constantly changing environment. When markets fluctuate wildly the external environment may change faster than the organizations change (Sverke, Hellgren & Öhrming, 1999). Organizations therefore continuously endeavor to catch up so as to stay competitive and remain effective (Burke, 2010). Change has therefore become necessary both for organizations and for the individuals in them (Wanberg & Banas, 2000). Change in organizations is normally seen as a stressful and negative event for the individual (Nelson, Cooper & Jackson, 1995), but it can also be positive experience for employees, for example in cases when change results in improved working conditions, position or work tasks are improved as a result of organizational change (Neumann, Edwards, & Raju, 1989)

Following restructuring, organizational integration and organizational change is necessary and the question arises regarding the most effective organizational structure that preserves the firm's ability to be innovative (Mudambi & Navarra, 2007). One important change is the structural design, because integration of the structures enables the newly formed firm to take advantage of technological developments through enhanced coordination (Puranam et al., 2006).

A change process should take into consideration the goals for the change process in order to be considered successful (Neuman, 1989). After downsizing, the employees left in the work place usually have to manage more responsibilities with less man power. Mergers, and acquisitions have

their special challenges. Studies on organizational change and downsizing have often looked at job loss and job insecurities or how managers offer leadership to employees during a change process (Nelson, 1995).

After an acquisition and merger has been announced, the initial planning process and formal combination starts and it ends once a new organization has been created. This involves creating a new vision, new goals for the combined organization, and efforts and teams to decide on staffing plans, management changes and new organizational structure (Seo & Hill, 2005). Once the merger is announced officially, anxiety may rise to the highest level, and employees are likely to be worried on what the deal means for their careers, job and livelihood. Identity issues become apparent as the previous organization entities cease to exist and in place a new organization is formed. In inter-organizational teams people may experience intergroup conflicts with development of various intergroup biases. The inter-organizational conflicts may escalate as people clash in cultural differences (Seo & Hill 2005).

Changes in organizational structure often result to a reduction in the commitment of employees due to elements such as increased stress, reduced trust, low morale or job insecurity. Organizational change acceptance rises with commitment. Therefore, employees should be engaged early enough in the change process to increase commitment (Mowday, 1996).

Employees' reaction to change is important to take into consideration as successful organizational change depends on the employees' support for the change and not just the employees' compliance (Piderit, 2000). Openness and positivism of employees to change, depends on the scale of the change (Mossholder, Settoon, Armenakis & Harris, 2000), perceived fairness and favorability of outcomes (Weiss, Suckow, & Cropanzano, 1999). Even organizational change may create perceived winners and losers who feel differently about their support for the change and for the organization (Smollan, 2006)

1.1.2 Employee Commitment

Committed employees are a very important asset to an organization. This study views commitment as dedication to the organization and their occupation in that organization. The study of commitment has advanced and expanded in its application to different fields offering fresh and remarkable insights (Kim & Brymer, 2011). Coetzee (2005) noted that no organization can presently perform at its peak unless its employees are committed to the objectives of the

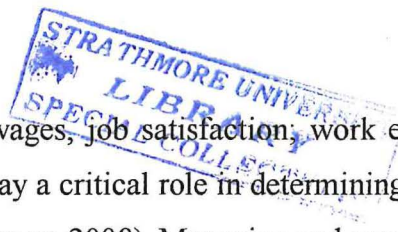
organization as well as team efforts. Employees have to work hard and think like business owners. However, they also desire to be part of successful ventures which gives them opportunities for good proceeds, secure employment and personal development (Meyer & Maltin, 2010). Igella (2014) noted that committed employees stay in an organization longer. Further, commitment goes beyond the concept of human relations and it entails generating more energy and activating the mind. When there is no commitment, implementation of organizational change, new ideas or initiatives is compromised (Meyer & Maltin, 2010).

Research shows that commitment is multi-faceted and Meyer & Maltin (2010) termed it as a binding force which makes individuals stick to an organization. This force may be experienced in numerous ways accompanied by various mindsets such as: an affective connection to the organization; a perceived obligation to the organization; and cognizance of the costs which may arise as a result of discontinuing associations with the organization (Igella, 2014). Conway et al (2010) and Owoyemi (2011), noted that commitment can be conceptualized into three main components: continuance, affective and normative commitment.

Wang (2010) described affective commitment as the employees' identification with, involvement and emotional attachment to the organization. In conventional, continuing employment correspondence, a high degree of this commitment has been associated with low turnover, enhanced job performance and low absenteeism. Therefore, employees with this commitment continue being in the organization because they want to.

Ngo, Loi and Foley (2009) defined continuance commitment as a person's need to remain in an entity due to the costs that may arise from their leaving such as; lost tenure, pay, pensions and benefits or even inability to meet family needs. Employees with this kind of commitment remain in the entity because they need to. According to O'Malley (2000), normative commitment arises where both the employee and the organization feel a sense of responsibility towards each other.

Committed employees can play a significant role in enhancing business profitability and efficiency. Hurter (2009), argued that high employee commitment levels result into numerous organizational benefits such as efficiency and cost improvements, perpetual improvements flow and spirited employee participation. Ho et al (2009) noted that committed employees improve an organization since they feel safe in their employment, are properly trained and enjoy doing their jobs as part of the team.



Various organizational factors such as: salary and wages, job satisfaction, work environment; opportunities for career growth and job description play a critical role in determining the level of employee commitment (Sofat et al, 2015; Bashir & Ramay, 2008). Managing and organizing these organizational elements can help boost employee commitment. When employees commit to change, it helps in implementing change initiatives. It also help them to support or use the change effectively for their advantage (Herscovitch & Meyer, 2002). Any initiatives leading to organizational changes such as mergers and acquisitions affect employees' commitment in various ways (Vakola & Herold, 2005; Sofat et al, 2015; Chen, Hou & Fan, 2009).

Employees may resist change due to uncertainty about the goals that management want to achieve or the reason for the merger. Different perceptions and interpretations of vaguely formulated goals lead to greater resistance to change (Roald, 2001).

Accordingly, with increased clarity by management, the level of risk of employees making their own interpretations reduces. Employee participation, good leadership on the merger process, proper planning prior to the reorganization, a professional approach and a common organizational culture have been identified as key factors for success in mergers (Rosengren, Engström & Axelsson , 1999).

1.1.3 Mergers and Acquisitions in the Kenyan Banking Sector

Mergers and acquisitions became a "trend" during the 1960s and 1980s (Lev, 1993), with the merger waves during this period. Many firms engaged in merging activities during these merger waves, not only in Europe and the United States, but also in Japan and Australia (Larcker, 1993). Mergers and acquisitions have played an important role in the business environment since the 1960s as part of investment strategy as well as financial activity.

Mergers and acquisitions refer to the combination of two or more entities into a single controlling proprietorship (Arthur, 1963). Mergers take place when two or more entities combine into one. In mergers, there is complete amalgamation of liabilities, assets and shareholders' interests as well as merging entities' businesses. An acquisition is a takeover which entails relinquishing control of an entity from one cluster of shareholders to another (Arthur, 1963). Acquisitions often involve absorption of all assets and liabilities by the buyer. Such changes have a profound and direct impact on people, business operations and organizational systems. Failure to comprehend and develop

approaches to deal with the effects of such changes poses a direct threat to an organization and may affect employee commitment (Kivuti, 2013).

Global markets have increasingly experienced mergers and acquisitions over the last two decades as they continue to be a popular form of corporate development (Kangetta & Kirai, 2017). The United States banking sector for instance epitomizes the worldwide surge of mergers and acquisitions. In 1984, USA had 15,084 banking institutions but by 2005, the number had declined to 6,500 which represents a decline of 57% (Janicki & Prescott, 2006). The reduction in the number of banks was attributed to mergers and acquisitions. This same period experienced a disappearance of 8,122 banks and financial organizations through mergers and purchases by holding companies of which the majority were domestic financial entities (Kivuti, 2013).

Western Europe also experienced a similar trend but in a less dramatic measure (Walkner & Raes, 2006). According to Price-Water-house-Coopers (2006), 816 acquisitions of European banks worth €682 billion were done between 1996 and 2005. Most consolidations in the financial sector since 1993 in the US and Western Europe have been through M&A (Walkner & Raes, 2006). Kivuti (2013) noted that low success rates in mergers and acquisitions are associated with uncertainty amongst workers that is allied to the entire process of change. Further, the entire process of change through mergers and acquisitions may lead to some questions in the minds of employees which would affect their commitment and productivity.

The global financial crisis of 2008 mainly affecting the banking sector led to a decline in the number of M&A as many institutions feared the liquidity problems that arose from the crisis in the sector (Lambkin & Muzellec, 2008). The ripple of consolidations that were witnessed before the 2008 worldwide financial crisis were attributed to both macro and micro factors. At the micro level, the factors at play include: competition, regulations and legislation effect on M&A programs. At the macro level, consolidation was mainly influenced by factors such as increased globalization of the financial system, technological advances and capital movement liberalization across borders (Njambi and Kariuki, 2018).

The M&A market in Africa has been on an upward trend but it is smaller compared to the world's M&A market. The growth is mainly attributable to economic increment of mining, utilities and energy sectors. Evidence has it that most mergers across borders occur among firms in developed countries especially those firms with high levels of research and development, innovation or

intangible assets (Sonenshine & Reynolds, 2014). This is mainly due to the fact that most firms seek to spread the high costs of research, development and attainment of knowledge asset over large international markets. A report by Baker McKenzie on cross-border M&A revealed that South Africa was leading in the region in terms of M&A accounting for approximately 29% of the deals amounting to USD 422Million followed by Nigeria and Kenya (Kaol, 2017). An example of M&A that happened in the region is Vodacom's acquisition of Neotel in South Africa.

In the past few decades, the Kenyan banking sector has experienced several mergers and acquisitions totaling to 42 in number between 1989 and 2017 (CBK, 2019; see Appendix III). Most of the mergers in the Kenyan banking sector occurred to meet minimum core capital requirements that was raised from 250 million to 1 billion. Such is the case for the merger between ECB and SCBC as well as CFC/Stanbic Bank, EABS-Akiba Bank and EABS/Ecobank (CBK, 2019) among others. The rate of mergers in the banking sector in Kenya has not been as high as would be expected despite many efforts by CBK to encourage M&A. The firms that undergo acquisitions or merge are deemed to have several advantages such as a pool of financial resources and access to technology.

Due to various organizational changes such as HRM practices, organizational structure and culture that follow M&A, employees in such firms experience challenges which may affect their commitment (Kivuti, 2013). Most bank employees often view M&A as a threat to their jobs as shareholders often demand a reduction in the number of staff employed and this may affect their commitment (Joshi & Goyal, 2012). Thus, there is need to look at the effects of organizational changes in form of mergers and acquisitions on employee commitment in the Kenyan banking sector. This research therefore seeks to investigate the effects of organizational changes on employee commitment in the Kenyan banking sector following mergers and acquisitions with a particular focus on changes in organizational structure.

1.2 Statement of the Problem

Every organization has goals of being successful in the future, by being better than their competitors in delivery of services or goods, profitability or sustainability. In order to get the level of long term success and sustainability the organizations need to take some practical steps such as Mergers and Acquisitions which result in change of the organizational structure to have one ultimate structure that can meet the organizational goals.

Structural changes are multidimensional and may touch on numerous aspects of the organization but in this particular study the focus is on the roles and responsibilities of employees, the reporting lines and the hierarchy levels which are altered in the process of restructuring. Since the steps undertaken in the process of restructuring directly involve employees and their future within the organization it is important to look at how they affect the commitment of the employees to the organization. Steps undertaken in the restructuring process include but are not limited to laying off of employees, which increases responsibilities of the remaining staff, creation of new roles within the structure which leads to new employment opportunities, merging of departments which may alter who the employees report to and changes in the hierarchy level which may affect the seniority of some management roles. These changes leave employees either motivated or demotivated and affects their commitment to the organization.

Several studies have been conducted on mergers and acquisitions and their effect on different aspects of the organization such as financial performance, employee performance and morale but there is little information on effect of structural change on the human resource in the context of mergers and acquisitions on employee commitment in the Kenyan banking sector. This research therefore seeks to address this knowledge gap.

1.3 Research Objectives

The general objective of the research is explore the effects of structural organization changes in mergers and acquisitions on employee commitment in the Kenyan banking sector. The specific objectives are:

- i) To identify the structural changes effected in the banks that have merged or have been acquired.
- ii) To determine the influence of changes in roles and responsibilities on Employee Commitment.
- iii) To determine the influence of changes in reporting lines on Employee Commitment.
- iv) To determine the influence of changes in hierarchy levels on Employee Commitment.
- v) To determine the influence of the joint effect of structural changes(change in roles and responsibilities, changes in reporting lines and changes in hierarchy levels) on Employee Commitment.

1.4 Research Questions

- i) What are the structural changes that affect the employee commitment?
- ii) What is the effect of changes in roles and responsibilities on employee commitment?
- iii) What is the effect of changes in reporting lines on employee commitment?
- iv) What is the effect of changes in hierarchy levels on employee commitment?
- v) What is the joint effect of changes in roles and responsibilities, reporting lines and hierarchy levels on employee commitment?

1.5 Significance of the Research

This research will provide additional information to regulators and policy makers on what needs to be considered during mergers and acquisitions structural reorganization process to ensure cohesive transitions. This may advise formulation of effective sector policies and regulations to guide proper implementation of mergers and acquisitions.

Kenyan banks will be the greatest beneficiaries of this research since the focus of the study is on the banking industry which has seen quite a number of mergers and acquisitions over the past three decades. During the structural reorganization process to consider the decisions that will both empower employees and still achieve the overall goal of the mergers or acquisition. In order to achieve profitability the organization needs a workforce that is motivated to carry out the operations of the newly formed company as well as save on hiring and training costs that result from high staff turnover. Loss of key skills and knowledge resulting from non-committed employees who leave the organization is also detrimental to the success of the mergers and acquisitions and therefore proper communication and employee consideration should be put in place to ensure that the human capital is not disadvantaged by the merger or acquisition. The organization reputation is also important and this may be affected by huge staff turnover or retrenchment as a result of restructuring and reorganization from the merged companies. Management should ensure that the change process takes organizational reputation into account when handling the change process.

Other Corporate Institutions in different industries other than the Banking Industry will also benefit from the research as structural changes are also effected in all industries and the employees stand to gain or lose from the exercise. The results of the research will be replicable in other industries

and will inform management as they plan for their human capital during the restructuring process since human capital has proved over and over again to be an integral part of a successful business.

This research will also inform other academicians and scholars who wish to pursue further research in the area as the study has only limited the focus on the Kenyan Banking Industry. Other sectors that have institutions that are merging or undergoing acquisition can benefit from the information gained.

1.6 Scope of the Research

This context of the research is in the Kenyan banks that have merged or undergone acquisition. As a result of the process of mergers and acquisitions, many structural changes have occurred with the need to align processes and come up with one ideal structure that can bring about synergy and desired outcome of the mergers and acquisitions. The research will use primary data and secondary data and the population target is the employees from the banks that have gone through M&A during this period.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter seeks to review present and past literature regarding structural changes and employee commitment. Also reviewed are factors influencing organizational change leading to employee commitment. Academic journals, books, online journals, case studies and other secondary information sources are reviewed. The review forms the basis on which the research is built. The sections of the chapter include: theoretical framework; empirical review; research gap; conceptual framework; and operationalization.

2.2 Theoretical Overview

This study will adopt the Systems theory to explain the effect of structural organizational change on employee commitment in the Kenyan banking sector.

2.2.1 Systems Theory

System theory is defined as a framework that can be used to analyze or describe any group of subjects which work together to produce certain outcomes (Hammersley, 2006; Kangetta & Kirai, 2017).

Systems theory is a trans disciplinary study of an organization and it holds that communication occurs among interdependent units that work together to adapt to an ever-changing environment (Infante, Rancer & Womack, 1997). The theory suggests that organizations are made up of activities that are interdependent and links this with the continual changing of factors around these activities. Organizations are supported, affected and shaped by external elements as they depend on personnel, flow of resources and information from the external environment. Organizations are made up of participants that contribute and can have multiple loyalties but at the same time contribute to continuous adaptation of structural templates (Scott, 2003; Baum & Rowley, 2005)

This theory is applicable since an organization is a system that can be affected by various factors and this in turn affects employee commitment. The system approach sees organizations as a composition of multiple internal relationships and participants of the encompassing environments in which they operate.

The theory will be applied to understand the relationship between organization systems changes on employee commitment since the systems theory concerns itself with complex systems' structure, with a particular emphasis on how people relate with each other and the entire workplace systems. A change to one section of an organizational systems may have an effect on other parts of the system and ultimately the whole system. The theory will be informative in analyzing changes in subsystems and understanding how they determine over all benefits for organizations, considering organizational change as a method of describing and evaluating these sub-systems, in order to determine how they need to be changed so as to improve the overall functioning of the organization (Burnes, 2004). The theory therefore looks at the effect of the entire organization structure on employees (Kangetta & Kirai, 2017).

Management is tasked with structuring the processes and functions of the organization and defining the lines of coordination and sub-system interdependence. They are involved in restructuring of the organization in the best way possible to ensure organizational goals are met. The restructuring process has to consider the interrelationships in the subsystem that is the norms, values, culture, technology, information and resources available to the organization including human resource and the effect of the change on the components of the system. Management therefore needs to take into consideration effect of restructuring on employees and the relationship between the structure and the employees and how the change may affect their commitment to the organization. Only if this is successful can the organization's objectives be pursued (Burnes, 2004).

The strengths of the theory are that it allows for flexibility and openness as well as broad-based situation-specific generalizations. The weaknesses are it that it may be too broad and has not generated much theoretical or empirical research. In this current research, it amounts to effects of changes in roles and responsibilities, reporting lines and hierarchy changes on employee commitment within the banking sector especially in the face of M&A.

2.3 Empirical Review

This section summarizes available material on what other scholars have established on effects of structural change on employee commitment with a focus on the three levers under study, Changes in Roles and Responsibilities, Reporting Lines and Hierarchy Levels.

2.3.1 Identification of Structural Changes

Organizational Structure determines how responsibilities, roles and power are assigned, controlled, and coordinated, and the flow of information between the different levels of management (Mintzberg, 1983). Organizational structural changes refer to changes in how individuals and groups are organized, hierarchy and lines of authority, changes in the patterns of communications, duties and responsibility allocation within an organization. (Burke & Litwin, 1992).

Nahavandi and Malekzadeh (1999) define restructuring as the changing way in which the human resources of an organization is organized. This means organizations can close some of the existing offices, add new departments and roles, resulting in the reshuffling of people and the tasks they perform. Norley, Swanson and Marshall (2012) define restructuring as the process of reorganizing the operational, legal, ownership or other structures of a company for the purpose of making it better organized for its present needs and more profitable.

Sofat et al (2015), highlighted that there are different organizational features or characteristics which are important for change to occur known as organizational change factors or levers. Among these levers is organizational structure which encompasses elements such as roles and responsibilities, reporting lines and hierarchy levels. This research aims to show how changes in each of the three elements of structure affect employee commitment.

There are situations that necessitate organizational restructuring (Hane, 2012). Sections of the organization may be significantly over or under staffed, organizational communication within the organization may be inconsistent, fragmented, and inefficient, innovation and technology may create changes in workflow and production processes, there may be need to increase or decrease staff numbers, new skills and capabilities may be needed to meet organizational goals; when accountability for results is not communicated and measured clearly resulting in subjective and biased performance appraisals affecting personnel retention, Turnover then becomes a significant problem and there may be stagnant workforce productivity or deteriorating morale.

Even though restructuring can lead to some planned or desired changes, these changes may be unsustainable if not internalized by members of the organization and become routine (Stoyanova, 2014). With restructuring process involving employees being moved around and having new managers, one would expect that the communications channels would be altered. There is evidence

that the lines of communication would not be altered from the preexisting structures, thus causing resistance and internal frictions (Boohne & Williams, 2012). The study will therefore look at the structural changes that the Kenyan Banks have effected with the process of mergers and acquisitions to ensure that organizational goals are met and how this has impacted the commitment of employees within these banks.

2.3.2 Changes in Roles and Responsibilities and Employee Commitment

Job responsibility assigned to employees in an organization can be achieved through application or employee commitment. The responsibility is composed of role responsibility and casual responsibility. Role responsibility is the assigned job responsibility. Casual responsibility is what we actually perform (Vincent, 2011). The assigned job responsibility and performed responsibility jointly impacts the outcome responsibility or what is generally called responsibility.

According to Landy (1989); Larwood (1984); Luthans (1992); Moorhead and Griffen (1992) the job satisfaction of employees is impacted significantly by the nature of the work performed by employees. Luthans (1992) argues that work that is both challenging and interesting would not only provide a level of status, but would also satisfy the employees greatly. Aamodt (1999) agrees that the job satisfaction of an employee is influenced by the opportunity to be accountable for their own work as well as opportunities for challenge and growth.

Restructuring results in anxiety, stress, increased absenteeism; depleted productivity levels, declining job satisfaction, feelings of defeatism and resistance to change (Eriksson & Sundgren, 2004; Van Tonder, 2005; Wenburg, 2001). This highlights the extensive damage of mergers on people and the crucial role of human factor regardless of whether they are considered successful or not.

Employees that survive a retrenchment process hardly experience feelings of relief (Coudron, 1996). Newell and Dopson (1996) argue that continuous restructuring process led to surviving employees being commitment based on fear and insecurity rather than out of positive commitment. This was discovered after performing a similar study. Employees need reassurance that in their commitment to their organization, their organization will be committed to them.

The study seeks to determine the effect that a shift in the role and responsibilities assigned to an employee can result to lack of employee commitment to the organization. During a restructuring

process, duplicate roles from both organizations are eliminated, new roles created and retrenchment occurs to reduce the number of persons carrying out a given operation in a bid to save on costs. Reduction in staff inevitably translated to increased workload and unachievable objectives for employees that survive the process. This results in employees being underpaid yet over worked all because the organization aimed to be more profitable by cutting costs. Organizations will either outsource some of their essential functions or hire more temporary staff to perform the tasks of permanent staff in order to maintain costs to a minimum (Pfeffer, 1997).

Evidence has shown that the changes in roles and responsibilities may lead to a demotivated workforce but has not related this to commitment of employees to the organization. The research seeks to show how this may result in a negative shift in employees' affective commitment as employees begin to question their relation with the organization when the security of their job is not guaranteed as a result of the restructuring process (Wang, 2010). The lack of affective commitment translated into depleted productivity levels, absenteeism and Job satisfaction that the study seeks to relate to changes in roles and responsibilities as a result of restructuring.

2.3.3 Changes in Reporting Lines and Employee Commitment

Restructuring may result in changes in who different employees report to in an organization. In the process of restructuring after a merger or acquisition, departments may be integrated, or some may be scrapped entirely and employees absorbed into other roles and departments within the organization (Allen, Freeman, Russell, Reizenstein & Rentz, 2001; Schlenker & Gutek, 1987). This results in changes in the reporting lines for the affected employees. There may be gain or loss of desirable tasks meaning different employees in the same organization end up dealing with different outcomes of the structural change in terms of how it affects them personally. Changes may give rise to stress for some (Lazarus & Folkman, 1984).

Changes in reporting lines may have a negative impact on employees who may end up feeling displaced in the organization if they perceive the change in their reporting line negatively (Aronsson & Göransson, 1999). The employees may no longer remain committed to the organization as they had been prior to restructuring and they may have reduced level of job satisfaction and increased intention to leave, even months after the change has taken place and the emotional shock has already subsided (Schlenker & Gutek, 1987).

There may be a positive impact of change in reporting lines in employees who are moved to new departments and changed who they report to as a result of the transition. It does not necessarily change the nature of a specific job but may increase the overall number of duties performed by employees overtime by moving the employee around different jobs in the same or different departments (Patrick & Lucock , 2011). Therefore, the positive shift can increase job identity and task variety since the employee is performing several tasks. Lack, Lynch and Kriyelyoya (2004) expound that the transition can also be used to alleviate the physical and mental stresses endured by employees when working the same position, year after year. It is believed to also decrease the amount of boredom and the monotony that employees experience from working in the same position for extended periods of time (Jorgensen, Danna, Kotwisk, Aedla & Dunning, 2005).

While there is evidence that relate changes in reporting lines as a result of restructuring with reduced employee commitment, positive impact can also be attributed to changes in reporting lines on employee commitment. This study therefore seeks to identify how the change in reporting lines will affect the employee commitment in the Kenyan Banking System as a result of restructuring.

2.3.4 Changes in Hierarchy Levels and Employee Commitment

In the process an organizational restructuring, there is a possibility of employees transitioning into different positions and they may transition in any direction giving rise to different combinations of outcomes for the employees (Martin, Jones & Callan, 2006). They may still retain the same hierarchical level, for example a manager position, after the change or they may not. The status associated with a position may be due to possible access to resources and opportunities to influence events in the organization (Martin, Jones & Callan, 2006).

Transitioning to a lower level in the organization, for example by no longer being a manager, would likely result in having less autonomy and less discretion in how to cope with reorganization in the best way possible (Mishra & Spreitzer, 1998). In this kind of restructuring of the organization, the individuals leading the change are also the main subjects of the change, for example reorganization of the management structure being led by the management itself. Job instability and job loss have been associated with perceived insufficient rewards or lack of rewards similar to forced occupational changes and downward transitions. It is inevitable that managers who felt that they did not obtain the positions they desired after the restructuring process would also feel inadequately rewarded (Siegrist, 1996).

In the event of displacement of managers, a new position may mean a loss of the position as manager. With acquisition of a new work role, they may feel incongruence with the professional role as manager that they have held prior. Demotion against their will may cause resentment (Schlenker & Gutek, 1987). Once the managers who transition to a lower level of hierarchy in the organizational structure feel that there is no longer reward for dedication and hard work with lifetime employment and the old psychological contract no longer holds (Mathys & Burack, 2010)

On the other hand, there are positive impacts for employees who moved up the hierarchy, increasing their authority within the structure. As a result the employees may have increased loyalty (Emshoff, 2008) and view the restructuring process as an opportunity for personal growth (Henkoff, 2010).

The research therefore seeks to determine what impact the changes in hierarchy levels have in the Kenyan Banking Sector in the context of mergers and acquisitions and how this affects the employee commitment in the banks.

2.4 Research Gap

Burke and Cooper (2000, cited in Hellgren, Naswall and Sverke, 2005), argue that there has been a sudden increase in the number of companies opting to down size, restructure, close down or merge with other companies. One of the most common strategies used by organizations to improve their competitive edge and increase the level of effectiveness is by eliminating permanent redundancies and proposing early retirement in terms of organisational restructuring (Cameron, et al, 1991; Kalimo, Taris, & Schaufeli, 2003)

Research has found that any change or anticipated organizational changes such as restructuring affect employees' commitment in various ways (Vakola & Herold, 2005; Sofat 2015; Chen, Hou & Fan, 2009). Restructuring often results in a reduction in the commitment of employees due to elements such as increased stress, reduced trust, low morale or job insecurity.

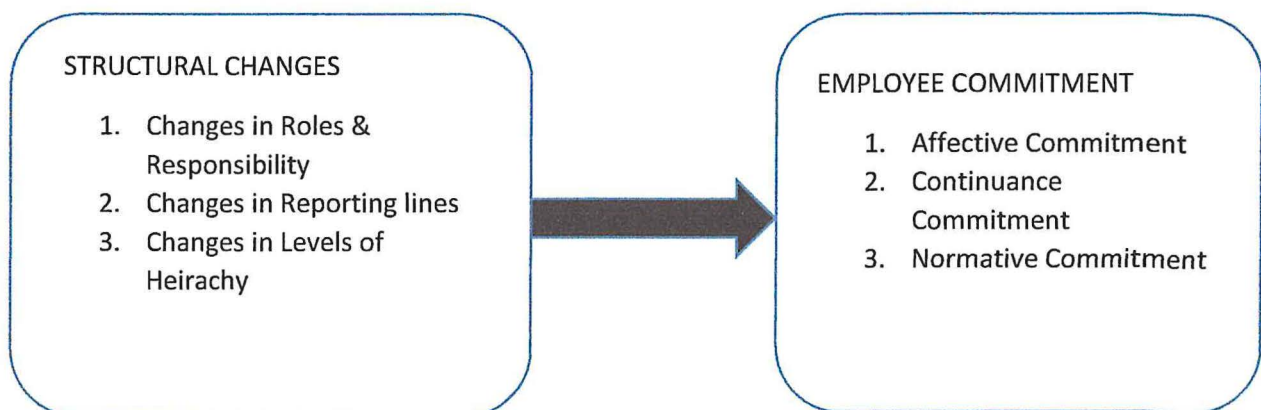
In the past few decades, the Kenyan banking sector has experienced several mergers and acquisitions totaling to 12 in number between 2008 and 2017 (CBK, 2019; see Appendix III). Most of the mergers in the Kenyan baking sector occurred to meet minimum core capital requirements that was raised from 250 million to 1 billion.

Several studies have been conducted in the Kenyan Banking and Insurance Sectors on restructuring and their effect on financial aspects of the organization such as financial performance (Njoroge, 2012), organizational performance (Kainika, 2017), employee performance (Kangetta, 2017) and employee morale (Kirai, 2017) but there is limited information on effect of organizational restructuring on human resource. There is scarce information on restructuring in the context of mergers and acquisitions and employee commitment in the Kenyan banking sector. The human resource is very important to an organization and while effecting changes that directly affect the human resource, it is important to determine the effect of the changes and mitigate risks that may arise deterring the purpose of the changes being effected. While it is important to numbers, financial performance and profitability that results from restructuring, it is also beneficial to consider the effect of restructuring on employees whose effort directly affects the performance of the organization and whose level of motivation determines the success of the organization. This research therefore seeks to address this knowledge gap.

2.5 Conceptual Framework

A conceptual framework can be described as a diagrammed presentation of the relationship between variables in the research. Its main purpose is to help the reader quickly visualize the proposed relationship at a glance.

Figure 1 below shows the relationship between the dependent and independent variables in the research.



Source; Meyer, J. P., & Maltin, E. R. (2010). Employee commitment and well-being

Structural changes that result in changes in roles and responsibilities of employees, changes in reporting lines and changes in levels of hierarchy ultimately affect the level of employee commitment to the organization. The commitment in this study was classified as affective, continuance and normative commitment. Changes in organizational structure causes an effect in the affective commitment of employees that can be observed and measured by productivity levels, absenteeism and job satisfaction. Continuance commitment of employees that can be observed and measured by increased stress level, reduced trust, low morale or job insecurity. Normative commitment that can be observed and measured by reduced trust, low morale and job insecurity in employees.

2.6 Operationalization

The research intends to use both primary and secondary data for analysis. Secondary data used will be selected from the website of different banks highlighted in the study. The primary data will be collected using questionnaires on the three variables. The dependent variable of the research is Employee commitment while the independent variables are organizational structure change factors namely: roles & responsibilities; reporting lines and hierarchy changes. Under each of the three factors, three categories will be studied. For roles and responsibilities, the research will seek to examine the effect of additional roles, reduced roles and retrenchment on employee commitment. For the reporting lines element, the research will investigate the effect of merged departments, and reassignment of employees on employee commitment. Under hierarchy levels element, the study will explore the effect of termination of senior management leaders and individual job positioning in the structure on employee commitment. All questions issued for the research will be in English for ease of communication. Data collected will be analyzed using different methods such as tables, charts and regression models.

Table 2.1 below shows the operationalization of the variables in the research.

	Variables	Operational Definition	Measurement	Supporting Literature
Dependent Variable	Employee Commitment	Dedication to the organization and to one's	Affective Commitment 1)Productivity levels 2)Absenteeism	Conway et al (2010) and Owoyemi (2011)

		occupation in that organization.	<p>3)Job satisfaction</p> <p>Continuance Commitment</p> <p>1)Turnover intension</p> <p>2)Increased stress</p> <p>3)Feeling of defeatism</p> <p>Normative Commitment</p> <p>1)Reduced Trust</p> <p>2)Low morale</p> <p>3)Job insecurity</p> <p>A five – point Likert Scale will be used to measure commitment levels.</p>	
Independent Variables	Changes in Roles and Responsibilities	Shift in positions team members assume in a particular process resulting in a shift in the specific tasks or duties that members are expected to complete.	<p>1) Creation/Loss of roles</p> <p>2) Roles and responsibilities reallocation.</p>	Landy (1989); Larwood (1984); Luthans (1992); Moorhead and Griffen (1992) (Vincent, 2011)
	Changes in Reporting Lines	Changes in who the different employees report to in the organization.	<p>1)Merged departments</p> <p>2) Reassignment of employees to different departments.</p>	(Lazarus & Folkman, 1984)

	Changes in Heirachy Levels	Transitioning to a lower level or higher level of authority in the organization.	1) Termination of Senior Leader. 2) Individual job positioning in the Structure.	(Mishra & Spreitzer, 1998)
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CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter highlights the procedure and methods of data collection and analysis in order to attain the objectives of the research. The sub-sections of the chapter include: research design, methods of data collection, sampling design, measurements scale, as well as data processing and analysis.

3.2 Research Philosophy

Research philosophy deals with the nature, source and development of knowledge. It is basically a belief about the ways in which data about a phenomenon should be collected, analyzed and employed (Saunders, 2009). The research philosophy is often evident in the research questions. The philosophy observed in this research is positivism. The data collection method was structured and involved use of a questionnaire. The data collection also involved a large sample number.

3.3 Research Design

Research design provides the general direction for conducting a research (Hair et al, 2007). It is also the framework that guides data collection, analysis and procedures required to solve the research problem. In this research descriptive design was used. The descriptive design seeks to describe certain traits of a phenomena or population. Through this approach, the researcher sought answers for questions such as: what, who, where, how and when? Previous understanding of the topic of study played an important role in informing the study. According to Cooper and Schindler (2001), the study should be followed by several investigative questions in line with the objectives of the research.

3.4 Population

Population of study refers to all the collected subjects during the research which inform the entire study (Cooper & Schindler, 2001). This research adopted a descriptive approach and the population of study was employees from the 12 commercial banks in Kenya that have undergone mergers and acquisitions from 2008 to 2017 as reported at the Central Bank of Kenya's website. The list of these banks is as shown in appendix III. The banks had 913 employees in total affected by the merger or acquisition. This formed the population.

3.5 Sampling design

Sampling entails selecting part the entire population and making inferences for the whole population based on the sample (Kamau, 2015). Sampling produces more quality than census in any given study. Sampling helps in obtaining more clear information as one can easily revisit respondents and seek clarification. Sample size, sampling technique and frame constitute the sampling design. Sampling frame is the list of all components which could be obtained from a given population (Cooper & Schindler, 2001). The sampling frame of the research is the 12 merged and acquired commercial banks between 2008 and 2017. This research used a non-probability sampling technique. According to Saunders et al (2009), the possibility of each component being chosen in the population is unknown. Non-probability sampling has several advantages such as it is less expensive and it is a quick information source. Additionally, it has two categories: purposive and convenience sampling technique which will be helpful in obtaining data for this research. According to Cavana et al (2001), convenience sampling entails collecting information from available population members. Zikmund et al (2010) recommend use of convenience sampling as it helps in efficient information collection and it is economical.

A sample size according to Cooper and Schindler (2001) refers to the number of objects selected from a particular population. The sample of this research was all the commercial banks that merged or were acquired between 2008 and 2017 following the global financial crisis of 2008 as shown in appendix IV. Many cases of mergers and acquisitions occurred during that period so that banks could gain a muscle in their finances. Using Kathuri and Pals (1993) table the sample size was 269 employees.

3.6 Data collection method

This involves collecting data required to answer the questions highlighted in the research. The research required different data types namely: nominal and ordinal. Nominal scale classifies individuals, objects or events using number labels for categories that mutually exclusive. The ordinal scale on the other hand places objects in a predetermined category and seeks to determine whether an object has less or more trait than another (Hair et al, 2007). A structured questionnaire was used to collect data. The questionnaires were issued to the employees of the five companies in a period of one week and the filled questionnaires will be collected within another week. The questionnaires were structured into four sections: first section covered the demographic

information of respondents; the second section covered the roles and responsibilities' changes influencing employee commitment; third section highlighted the changes in reporting lines influencing employee commitment; and the fourth section covered the hierarchy changes influencing employee commitment. A five-point Likert scale was used in the second to the fourth sections anchoring 1 for strongly disagree; 2 for disagree; 3 for neutral; 4 for agree; and 5 for strongly agree. This method was easy to use and eliminated ambiguity in responses. The researcher also could easily code and analyze and interpret this kind of data.

Generally, data can be obtained from two sources: primary or secondary. Primary data is data obtained directly by the researcher first-hand and has not been previously published and it is converted to give information required by the researcher to inform the research (Hair et al, 2003). Secondary data on the other hand is information already recorded by other parties. The focus of this research was mainly primary data. Secondary data was mainly obtained from websites of the selected banks' sample to learn more about the banks on information that may not be covered by the research questions and may help improve findings.

3.7 Data analysis

Data gathered was analyzed to develop summaries, patterns and implications of the research (Cooper & Schindler, 2001). Descriptive analysis was used to describe features of the data collected for the first objective. Statistical methods were used for the analysis of the second to fifth objectives and included correlation analysis to determine effect of individual independent factors (that is, roles & responsibilities, reporting lines and hierarchy changes) on the dependent variable (that is, employee commitment).

Multiple regression was also used to investigate the joint effect of all independent variables on the dependent variable. The research used measures of dispersion and central tendency variance, mean, mode and median to describe the data. The findings from the data on each variable were presented in form of tables and charts showing mean, standard deviation and variances. This information was further consolidated and analyzed into a regression equation.

Pearson correlation coefficient was used since it shows the degree of association between variables that are linearly related. The analysis of the data was expected to address specific research objectives which are: to examine the effect of roles and responsibilities' changes on employee commitment in the Kenyan banking sector; to examine the effect of reporting line changes on

employee commitment in the Kenyan banking sector; to examine the effect of hierarchy changes on employee commitment in the Kenyan banking sector.

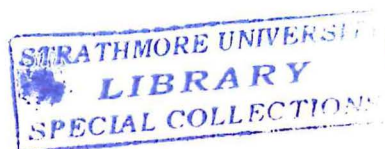
Inferential statistics, T-tests and P-tests, were used to draw conclusions and inferences on the effect of each independent variable on employee commitment. *Statistical Package for Social Sciences* (SPSS) was used for the analysis of data.

A simple regression was used to show the relationship between each structural change related factor on employee commitment as below.

$$Y = a + b_1X_1 + e$$

$$Y = a + b_2X_2 + e$$

$$Y = a + b_3X_3 + e$$



A multiple regression equation was used to identify the joint effect of the structural changes given as:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + e$$

Where:

Y is the dependent variable which is employee commitment.

B_i are the coefficients of the independent variables.

X₁ are the changes in roles and responsibilities related factors

X₂ are the changes in reporting lines related factors

X₃ are the changes in the hierarchy level related factors

e represents the margin of error

This equation helps us understand the degree of influence of the structural changes related factors on employee commitment.

3.8 Research Quality

To ensure quality of the research, reliability and validity tests were conducted. Reliability test entails checking out whether the research findings are consistent (Cherry, 2011). To test the reliability of data, the researcher used Cronbach's Alpha which was given by SPSS software.

The rule of the thumb for the test is as shown in table 3.1 below. For this study, the acceptable limit was above 0.70. Any range higher than 0.70 is preferred while any score lower than 0.70 will be unacceptable.

The alpha coefficient for the four items was 0.839. This suggests that the items have relatively high internal consistency. A reliability coefficient of 0.7 or higher is considered acceptable. The Cronbach's Alpha showed that the coefficients were perfect. This implies that the results are reliable.

Table 3.1 The Cronbach alpha test

Cronbach's Alpha	N of items
.839	4

George and Malley (2003), highlighted that the coefficient ranges between 0 and 1. If it is below 0.6 it is poor, if it is above 0.9 it is perfect while if it is between 0.7 and 0.8 it is said to be average. For instance, if b_1 is 0.5 changes in hierarchy related factors have little effect on employee commitment while if b_1 is 0.9, changes in hierarchy related factors have a great effect on employee commitment. Cronbach's Alpha is used due to the ease with which it can summarize a relationship. Validity test entails finding out the strength of inferences, conclusions and propositions. It is determined by using a single statistic which shows the relationship between a test and behavior (Cherry, 2011).

3.9 Ethical Considerations

Ethics are very important in research for they help determine acceptable and unacceptable conduct. They help prevent fabrication of information as well as create an environment of trust, accountability as well as mutual respect (CIRT, 2014). The ethical considerations considered in

this research were that: all respondents will be informed on the purpose of the research and their consent sought before filling out the questionnaires; responses will be purely analyzed by the researcher hence maintaining privacy. Hence there will not be information leakage that may be used to implicate or victimize anyone. The report of the research will be availed to those who will be interested in the information gathered by indicating the email address on top of the questionnaire. All respondents are allowed to withdraw at any time for any reason.

3.10 Summary

This chapter plays a critical role in developing the solutions to the research problem. The population of the research are employees of the selected commercial banks that have merged or been acquired between 2008 and 2017 at different levels of management and ranking. The main goal of the research was to explore the effects of structural organizational changes on employee commitment in the Kenyan banking system following M&A. A descriptive and quantitative design will be adopted. Primary and secondary data was used to provide a solution to the research problem. Inferential and descriptive statistics were used for data analysis. The findings of the research are presented in the next chapter.

CHAPTER FOUR:

DATA ANALYSIS, FINDINGS AND INTERPRETATION

4.1 Introduction

This chapter presents the findings and discussions. The findings are presented as per the objectives of the study.

4.2 Response Rate

The sample size of this study was 269 employees. Out of the 269 questionnaires distributed, 144 gave back the feedback with dully filled and returned, this gives a responses rate of 54%. This is statistically considered adequate by Mugenda & Mugenda, (2008) and hence indicates a reasonable representation of the sample and of the entire population.

Table 4.1 Response Rate

	Frequency	Percent
Response	144	54
Non response	125	46
	269	100

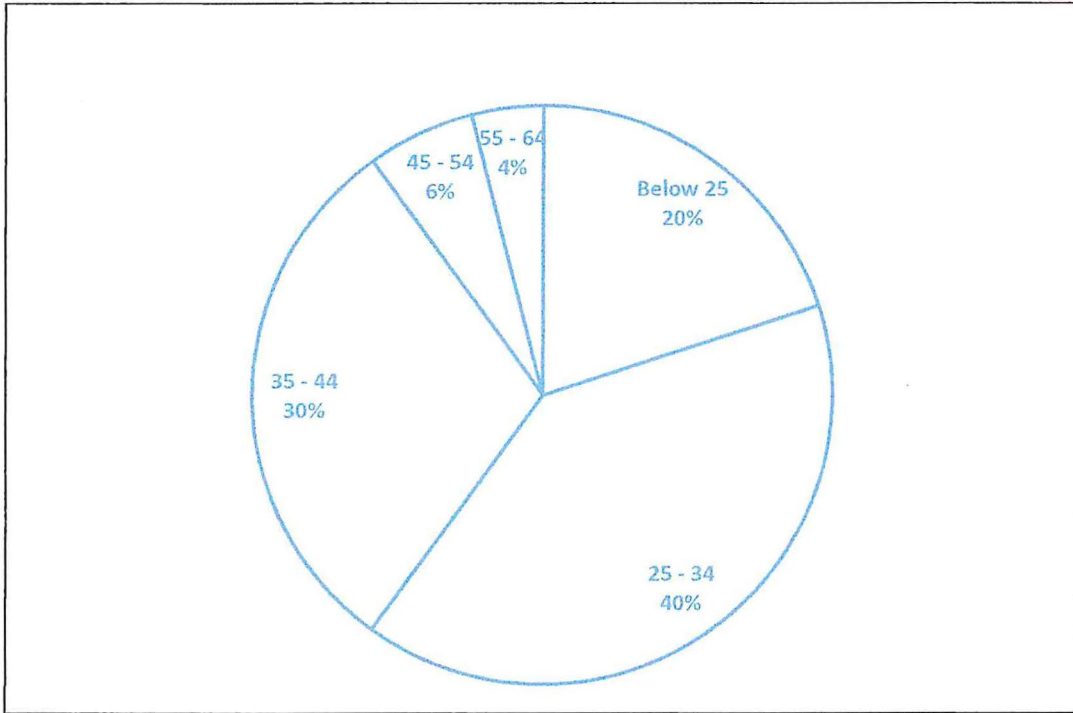
4.2 Demographic Information

The demographic information of the respondents includes; age bracket, gender and years of experience of the respondents.

4.2.1 Age Bracket of the Respondents

Figure 4.1 below gives the characteristics of the respondent as far as their ages are concerned. It reveals that none of the respondents were above 65 years. 20 % of the respondents were below 25 years 40% between 25 and 34 years, 30% between 35 and 44 years, 6 % between 45 and 54 years and 4% between 55 and 64 years. This means that majority of the bank employees lie between 25 years and 45 years, number of employees beyond this age decreases. Employees may have transited into other forms of employment or early retirement.

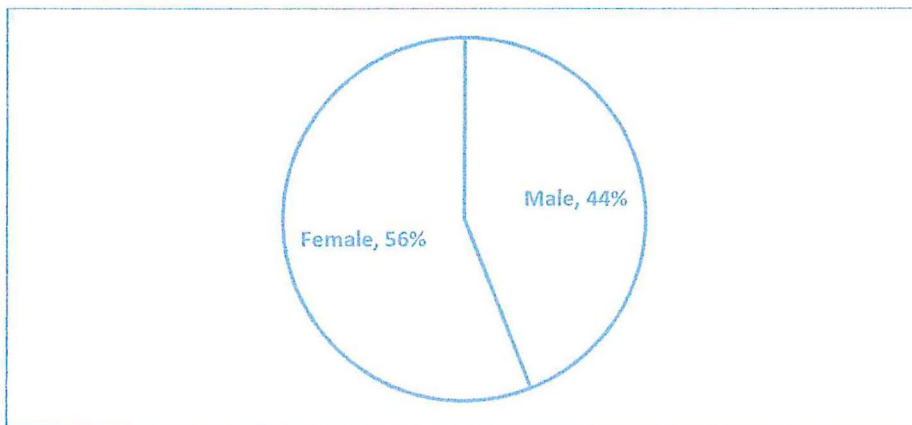
Figure 4.1 Age Bracket of the Respondents



4.2.2 Gender of the Respondent

The results in figure 4.2 below show that, out of the responses that were obtained, 44% were male while 56% were from female. This indicates that generally there were more female respondents as compared to the male respondents. This means that in the banking industry in Kenya, the findings shows not a very wide disparity between male and females in employment banking industry in Kenya.

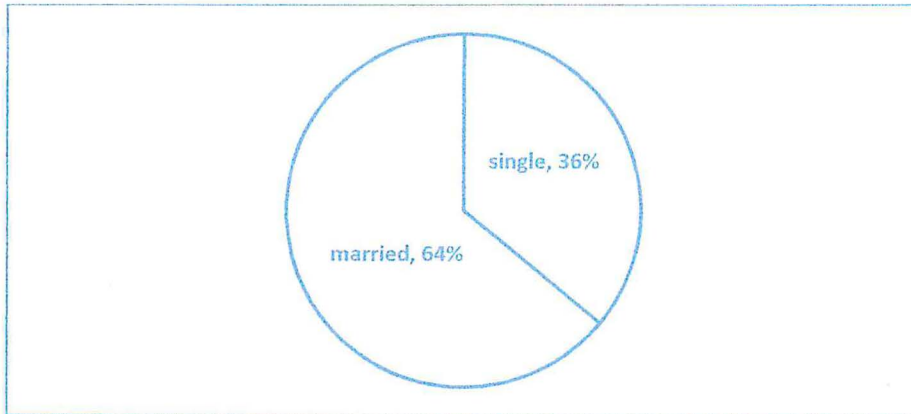
Figure 4.2 Gender of the Respondent



4.2.3 Marital status of the Respondents

The results in figure 4.3 below show that, 36% of respondents were single while 64% were from married. This indicates that generally most of bank employees in Kenya are married. This means that in the Kenyan banking industry married community is still work in banks to earn a living.

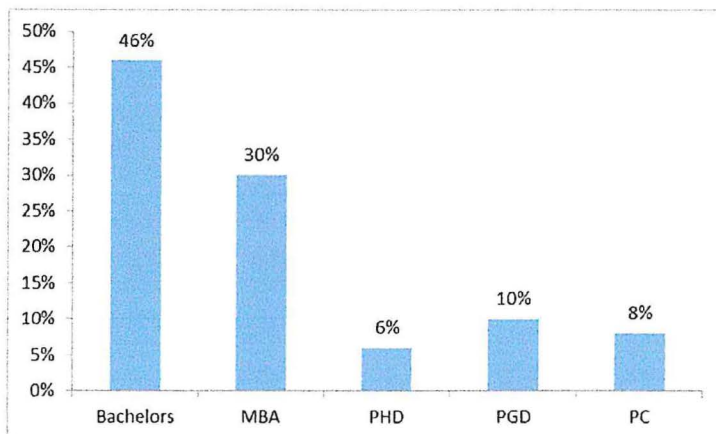
Figure 4.3 Marital statuses of the Respondents



4.2.4 Education level of the respondents

Figure 4.4 below gives the characteristics of the respondents concerning their education levels. 46% of the respondents have received a college degree, 30% a master of business administration, 6% PhD (Doctor of Philosophy), 10% Post graduate diploma and 8% with a Professional Course. It reveals that most of the bank employees are educated at least to the level of college degree. The number of employees with at least post graduate certification is 46% which is almost half of the total number of bank employees.

Figure 4.4 Education level of the respondents



4.2.4 Experience level of the respondents

Table 4.2 below summarises the experience of the respondents in terms of years of service in the baking industry. It shows that 40% of the employees have experience of only below four years, 30% between 5 to 9 years, 14% between 15 to 19 years and 6 % have above 20 years of experience. This tells us that almost 70% of the bank employees in Kenya have less experience of less than 9 years.

Table 4.2 years of experience in the firm

	Frequency	Percentage
0 – 4	58	40%
5 to 9	43	30%
10 to 14	20	14%
15 to 19	14	10%
above 20	9	6%

4.3 Descriptive statistics

4.3.1 Organizational restructuring

The results in table 4.3; show that the respondents agreed with a mean of 4.987 and standard deviation of 0.78 that new roles were created as a result of restructuring. They also agree with a mean of 4.97 and standard deviation of 0.89 that Duplicated roles were merged as a result of restructuring. In addition they also agree with a mean of 3.987 and standard deviation of 0.756 that Duties and responsibilities were reallocated as a result of restructuring. They also agree with a mean of 4.897 and standard deviation of 0.812 that Departments were merged as a result of the restructuring. The respondents also agreed with a mean of 4.342 and standard deviation of 0.786 that there were changes in reporting lines as a result of restructuring. It is also agreeable by the respondents with a mean of 3.989 and standard deviation of 0.89 that there were changes in lines of authority with restructuring. The respondents also agreed with a mean of 4.122 and standard deviation of 0.56. This means that with restructuring of these organizations, there were changes roles and responsibilities of employees, changes in reporting lines as well changes in hierarchy levels.

Table 4.3: Organizational restructuring

	Lowest score	Highest score	Mean	Std. Deviation
Departments were merged as a result of restructuring.	1	87	4.897	0.812
Duplicated roles were merged as a result of restructuring.	1	78	4.97	0.89
Duties and responsibilities were reallocated as a result of restructuring.	0	56	3.987	0.756
New roles were created as a result of restructuring.	0	87	4.987	0.78
There were changes in decision making authority with restructuring.	0	84	4.122	0.56
There were changes in lines of authority with restructuring.	2	67	3.989	0.89
There were changes in reporting lines as a result of restructuring.	0	79	4.342	0.786
Overall			4.471	0.724

4.3.2 Changes in roles and responsibilities

The results in table 4.4; show that the respondents agreed with a mean of 4.897 and standard deviation of 0.86 that new roles were created as a result of restructuring. They also agree with a mean of 4.786 and standard deviation of 0.564 that Duplicated roles were merged as a result of restructuring. In addition they also agree with a mean of 3.76 and standard deviation of 0.675 that Duties and responsibilities were reallocated as a result of restructuring. They also agree with a mean of 4.211 and standard deviation of 0.606 that Departments were merged as a result of restructuring. It is also agreeable by the respondents with a mean of 4.099 and standard deviation of 0.77 that there were changes in reporting lines as a result of restructuring. It is also agreeable by the respondents with a mean of 3.562 and standard deviation of 0.87 that there were changes in lines of authority with restructuring. The respondents also agreed with a mean of 4.422 and

standard deviation of 0.45. This means that with restructuring in the banks, duplicated roles were merged, new roles created and departments merged.

Table 4.4: Changes in roles and responsibilities

	Lowest score	Highest score	Mean	Std. Deviation
Duplicate roles were eliminated as a result of restructuring.	0	87	4.786	0.564
Job security is not guaranteed with the changed in the roles and responsibilities	0	89	4.89	0.78
New opportunities have been created as a result of changes in roles and responsibilities.	2	75	3.76	0.675
Productivity levels have reduced as a result of changes in roles and responsibilities	0	77	4.422	0.45
There are feelings of defeatism with the changes in the roles and responsibilities	4	78	3.980	0.64
There are unobtainable objectives with the changed in roles and responsibilities.	3	85	4.211	0.606
There is a decline in job satisfaction with the change in roles and responsibilities	3	70	4.562	0.87
There is anxiety related with the changes in the roles and responsibilities.	5	89	4.099	0.77
There were new roles created as a result of restructuring.	0	80	4.897	0.86
overall			4.389	0.602

4.3.3 Changes in Reporting Lines

The results in table 4.5 show that the respondents agreed with a mean of 4.567 and standard deviation of 0.69, that there were departments that were integrated as a result of restructuring. They also agree with a mean of 4.243 and standard deviation of 0.891 that there were employees that were absorbed into other departments as a result of restructuring. In addition they also agree with a mean of 4.528 and standard deviation of 0.802 that Desirable tasks were gained as a result of changes in reporting lines. They also agree with a mean of 3.678 and standard deviation of 0.734 that there was a feeling of being displaced as a result of changes in reporting lines. It is also agreeable by the respondents with a mean of 4.234 and standard deviation of 0.56 that Number of duties performed increased as a result of changes in reporting lines. The respondents agreed with a mean of 3.875 and standard deviation of 0.43 there was an increase in job variety with the changes in reporting lines. The respondents also agreed with a mean of 4.056 and standard deviation of 0.76 that there was an increase in job identity with the changes in reporting lines. This means that change in reporting line results in gain or loss of desirable tasks and this results in increased job identity or frustration in the employees ultimately affecting their commitment to the organization.

Table 4.5: Changes in Reporting Lines

	Lowest score	Highest score	Mean	Std. Deviation
Desirable tasks were gained as a result of changes in reporting lines	5	64	4.528	0.802
Number of duties performed increased as a result of changes in reporting lines.	1	76	4.234	0.56
Physical and mental stress was alleviated with the changes in reporting lines	0	69	4.542	0.54
There was a feeling of being displaced as a result of changes in reporting lines.	1	56	3.678	0.734
There was an increase in job identity with the changes in reporting lines.	0	78	4.056	0.76

There was an increase in job variety with the changes in reporting lines.	2	66	3.875	0.43
There were departments that were integrated as a result of restructuring	2	70	4.567	0.69
There were employees that were absorbed into other departments as a result of restructuring.	0	79	4.243	0.891
Overall			4.215	0.7125

4.3.4 Changes in Hierarchy Levels

The results in table 4.6 show that the respondents agreed with a mean of 4.781 and standard deviation of 0.653 that there is a change in status associated with the change in hierarchy level. They also agree with a mean of 4.534 and standard deviation of 0.61 that there is job insecurity with the change in hierarchy level. In addition they agreed with a mean of 4.231 and standard deviation of 0.123 that the change in hierarchy level is compatible with the professional role as a manager. They also agree with a mean of 4.231 and standard deviation of 0.332 that demotion as a result of the changes in hierarchy has brought about resentment. It was agreeable by the respondents with a mean of 4.671 and standard deviation of 0.451 that with the transition, the change in hierarchy level presented opportunities for growth. Additionally, the respondents agreed with a mean of 4.234 and standard deviation of 0.865 that the change in hierarchy level has increased loyalty towards the organization. The respondents also agreed with a mean of 4.532 and standard deviation of 0.78 that access to resources and opportunities was made possible with the change in hierarchy level. This means that change in hierarchy level of employees motivated or demotivated the employees and this had a direct effect on their level of commitment and loyalty to the organization. For those who rose up the hierarchy, their level of commitment and loyalty was enhanced and for those whose level in hierarchy went down, they felt demoted and demoralized and therefore their level of commitment to the organization went down.

Table 4.6: Changes in Hierarchy Levels

	Lowest score	Highest score	Mean	Std. Deviation
Access to resources and opportunities has been made possible with the change in hierarchy level	4	65	4.532	0.78
Demotion as a result of the changes in hierarchy has brought about resentment.	1	68	4.231	0.332
The change in hierarchy level has increased loyalty towards the organization.	2	55	4.234	0.865
The change in hierarchy level is compatible with the professional role as a manager.	4	72	4.231	0.123
The change in hierarchy level presented opportunities for growth.	2	74	4.675	0.567
There is a change in status associated with the change in hierarchy level.	1	78	4.781	0.653
There is job insecurity with the change in hierarchy level.	0	70	4.534	0.761
With the transition, the feel is there is no longer reward for hard work.	3	65	4.671	0.451
overall			4.45	0.754

4.3.5 Employee Commitment

The results in table 4.7 show that the respondents agreed with a mean of 3.673 and standard deviation of 0.734 that the Productivity level has improved as a result of restructuring process. The respondents agreed with a mean of 3.765 and standard deviation of 0.532 that there is motivation to come to work after the restructuring. Additionally, they agree with a mean of 3.908 and standard deviation of 0.567 that there is increased job satisfaction with the restructuring process. They also agree with a mean of 4.097 and standard deviation of 0.675 that there is increased turnover

intention with the restructuring. It is also agreeable by the respondents with a mean of 3.562 and standard deviation of 0.64 that there is feeling of defeatism as a result of the restructuring. It is also agreeable by the respondents with a mean of 4.672 and standard deviation of 0.53 that employees are only committed to the organization due to costs that may arise from leaving. The respondents also agreed with a mean of 4.342 and standard deviation of 0.56 the trust level in the organization and management has been negatively affected with restructuring. The restructuring affected employee morale with a mean of 4.67 and a standard deviation of 0.56.

Table 4.7: Employee Commitment

Level of Agreement		Lowest score	Highest score	Mean	Std. Deviation
Affective Commitment	Productivity level has improved as a result of restructuring process.	4	56	3.673	0.734
	There is motivation to come to work after the restructuring	0	60	3.765	0.532
	There is increased job satisfaction with the restructuring process.	0	53	3.908	0.567
Continuance Commitment	Employees are only committed to the organization due to costs that may arise from leaving.	2	56	4.672	0.543
	There is feeling of defeatism as a result of the restructuring	0	60	3.562	0.674
	There is increased level of stress related with the restructuring.	3	57	4.353	0.76
	There is increased turnover intention with the restructuring.	2	58	4.097	0.675
Normative Commitment	The goals and vision of the organization align with personal goals.	0	70	4.892	0.74

	The trust level in the organization and management has been negatively affected with restructuring.	4	62	4.342	0.56
	There is increased job insecurity with the restructuring.	2	59	4.674	0.95
	The restructuring has affected employee morale.	2	67	4.674	0.56
overall				4.219	0.607

4.3.6 Overall Descriptive Statistics

Table 4.8 overall descriptive statistics

	Mean	Standard deviation
Changes in Reporting Lines	4.215	0.7125
Employee Commitment	4.215	0.607
Changes in roles and responsibilities	4.389	0.602
Changes in Hierarchy Levels	4.45	0.745
Organizational restructuring	4.471	0.724
overall	4.348	0.657

The results in table 4.8 show that the respondents agreed with a mean of 4.215 and standard deviation of 0.7125 that changes in reporting lines affect employee commitment in banks. It's also seen that the respondents agreed with a mean of 4.389 and standard deviation of 0.602 that changes in roles and responsibilities affect employee commitment in banks. It's also seen that the respondents agreed with a mean of 4.45 and standard deviation of 0.745 that changes in hierarchy levels affect employee commitment in banks show that the respondents agreed with a mean of 4.471 and standard deviation of 0.724 that organizational restructuring affect employee commitment in banks. This means that changes in reporting lines, changes in roles and responsibilities and changes in hierarchy levels as a result of restructuring , has an effect on the level of commitment employees have to an organization.

4.4 Inferential Statistics

4.4.1 Test of Normality

Table 4.8 below gives a summary of the test statistics using the *shapiro wilk* test for normality. All the variables were normal or significant since the test statistic provides p values less than 0.05, which is the chosen alpha for all variables.

Table 4.8: Test of normality

	Statistic	Df	Sig.
Organizational restructuring	0.973	49	0.0434
Changes in roles and responsibilities	0.534	49	0.0322
Changes in reporting lines	0.621	49	0.000
Changes in hierarchy levels	0.398	49	0.002
Employee commitment	0.232	49	0.204

4.4.2 Correlations Analysis

The results from the table 4.9 below indicate that the correlation between the Organizational restructuring and changes in roles and responsibilities was 0.323 with significance of 0.00 of less than 0.4. Likewise, the correlation between the organizational restructuring and changes in reporting lines was 0.536 with significance of 0.00 at 5% SL of less than 0.4. Likewise, the correlation between the organizational restructuring and changes in hierarchy levels was 0.591 with significance of 0.00 of less than 0.4. The correlation between the organizational restructuring and changes in hierarchy levels was 0.59 with significance of 0.00 of less than 0.4. Likewise, the correlation between the changes in hierarchy levels and changes in roles and responsibilities was 0.398 with significance of 0.00 of less than 0.4. The correlation between the changes in reporting lines and changes in hierarchy levels was 0.425 with significance of 0.00 of greater than 0.4. Based on the figure summarized in the table, it was inferred that the model is devoid of multicollinearity.

Therefore there was no multicollinearity among the independent variables was detected allowing for the model estimation and therefore there is no reason not to invalidate to regression results.

Table 4.9: Correlation Analysis

		Organizational restructuring	Changes in roles and responsibilities	Changes in reporting lines	Changes in hierarchy levels	Employee Commitment
Organizational restructuring	Pearson correlation (sig. – 2 tailed)	1				
Changes in roles and responsibilities	Pearson correlation (sig. – 2 tailed)	0.323 (0.000)	1			
Reporting lines	Pearson correlation (sig. – 2 tailed)	0.536 (0.00.)	0.237 (0.000)	1		
Hierarchy levels	Pearson correlation (sig. – 2 tailed)	0.591 (0.00)	0.398 (0.00)	0.452 (0.00)	1	
Commitment	Pearson correlation (sig. – 2 tailed)	0.401 (0.000)	0.453 (0.00)	0.423 (0.00)	0.534 (0.00)	1

4.4.3 Regression Analysis

From the table 4.10 below the coefficients for organizational restructuring was 0.78 are given as 0.78, 0.422, 0.523 and 0.673 respectively. All the parameters were significance at 5% significance level. The R Square and the Adjusted R Square are given as 0.23, 0.17, 0.37 and 0.32 respectively. The results indicate that employee commitment will be having an index of 0.78, 0.422, 0.52 and 0.73 respectively, for Organizational restructuring, changes in roles and responsibilities, changes

in hierarchy levels, changes in reporting lines and employee commitment when other factors are held constant.. In addition, the t calculated (0.213, 0.116, 0.323, 0.3001 and 0.323) is greater than the t critical (1.645), the relationship is significant as the P-value (0.000) was less than the significance level (0.05). Therefore it was concluded that there is a positive significant relationship between organizational restructuring, changes in roles and responsibilities, changes in hierarchy levels, changes in reporting lines and employee commitments in the banking industry in Kenya.

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + e$$

$$\text{Employee Commitment} = 0.78(\text{Organizational restructuring}) + 0.422(\text{Changes in roles and responsibilities}) + 0.523(\text{Changes in reporting lines}) + 0.673(\text{Changes in hierarchy levels})$$

Table 4.10: Regression Analysis

	Unstandardized Coefficients		Standardized Coefficient	T	Sig.	R Square	Adjusted R Square
	β	Std. Error	Beta				
Organizational restructuring	0.782	0.040	0.809	22.131	0.007	0.23	0.213
Changes in roles and responsibilities	0.422	0.21	0.578	32.24	0.000	0.17	0.161
Reporting lines	0.523	0.053	0.683	23.678	0.000	0.371	0.323
Hierarchy levels	0.673	0.45	0.732	17.989	0.004	0.32	0.3001

4.4.4 Analysis of variance (ANOVA)

The results in table 4.12 show that F-critical (4, 143) was 2.55, while the F-calculated for all the variables which were 49.7, 42.326, 3926.584 and 6.1278. This shows that the F-calculated was greater than the F-Critical for all the variables and hence a linear relationship existed between

Organizational restructuring, Changes in roles and responsibilities, Hierarchy levels, Reporting lines and employee commitment. In addition, the p-value was 0.000, which was less than the significance level (0.05). This confirms goodness of fit of the model in predicting effect of the organizational restructuring levers (changes in roles and responsibilities, changes in reporting lines and changes in hierarchy levels) on employee commitment.

Table 4.11: Anova

		Sum of squares	df	Mean sum of squares	F	Sig
Organizational restructuring	SSE	5.645	1	5.645	49.67	0.00
	SSR	16.245	143	0.115		
	TSS	21.890	144			
Changes in roles and responsibilities	SSE	5.059	1	5.095	42.326	0.00
	SSR	17.16	143	0.120		
	TSS	22.2	144			
Reporting lines	SSE	2014.564	1	503.7	3926.58	0.00
	SSR	18.3	143	0.128		
	TSS	2032.86	144			
Hierarchy levels	SSE	2016.84	1	672.28	6.1278	0.00
	SSR	15.52	143	0.110		
	TSS	2031.9	144			

4.6 Summary of Testing Results

The results of testing show that the four relationships were all statistically significant meaning they all contributed immensely to employee commitment. The results indicate that the correlation between the independent variables was less than 0.3. Based on the figure summarized in the table, there was no multicollinearity among the independent variables.

4.6.1 Structural changes that affect the employee commitment

The Beta coefficient (β_1) was 0.78. The relationship is significant since the P-value (0.007) was less than 0.05 significance level. Therefore we can conclude that there is a positive significant linear relationship between structural changes and employee commitment in the banking industry in Kenya. These findings concur with El and Musa (2012) as well as Vakola and Nikalou (2005)

findings that structural changes had a positive and significant influence on job satisfaction and employee commitment in a Sudanese University.

4.6.2 Changes in roles and responsibilities on employee commitment

The beta coefficient (β_2) was 0.422; the p-value (0.000) was less than the significance level (0.05), while the t calculated (32.24) was greater than the t critical (1.96). We therefore conclude that, changes in roles and responsibilities have a positive significant influence on employee commitment in the Kenyan Banking Sector. These findings concur with (Emshoff, 2010) findings that changing role and responsibilities have positive relationship with job satisfaction and employee commitment.

4.6.3 Changes in reporting lines on employee commitment

The beta coefficient (β_3) was 0.523; the p-value (0.000) was less than the significance level (0.05). The t calculated was 32.68 which were greater than the t critical (1.96). Therefore conclude that, changes in reporting lines has a positive significant influence on employee commitment in the banking industry in Kenya. These findings are similar with Schlenker & Gutek, (1987), that compensation was a key determinant of employee commitment in Kenya Vision 2030 Delivery Secretariat. However, these findings are contrary to Mishra & Spreitzer, (1998) findings that pay had a weak influence on employee retention and commitment.

4.6.4 Changes in hierarchy levels on employee commitment

The beta coefficient (β_3) was 0.673; the p-value (0.004) was less than the significance level (0.05). The t calculated was 17.981 which were greater than the t critical (1.96). Therefore we conclude that, changes in reporting lines has a positive significant influence on employee commitment in the banking industry in Kenya. These findings are also supported by Schlenker & Gutek, (1987) and Patrick & Lucock, (2011), who indicated that compensation was a key determinant of employee commitment in Kenya.

CHAPTER FIVE

DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter provides a summary of the findings of the research. The factors influencing employee commitment are summarized and conclusion provided. The chapter also provides recommendations for further research and in response to identified issues.

5.2 Discussions of the findings

This section discusses the findings of the study under each study objective.

5.2.1 Identify Structural Changes

The first objective was to identify the structural changes effected in the banks that have merged or have been acquired. The findings revealed that there have been structural changes which emerged as a result of mergers and acquisitions. These changes have had effects on employee commitment. Steps undertaken involved creation of new roles created as a result of restructuring; duplicated roles were merged; duties and responsibilities were reallocated as a result of the restructuring; changes in reporting lines; lines of authority and decision making powers. Employees were also laid off which increased responsibilities of remaining employees. Though the scale of impact of each of these changes varied depending on a particular respondent, it was evident that structural changes had an impact on employee commitment.

5.2.2 Changes in Roles and Responsibilities and Employee Commitment

The second objective was to determine the influence of changes in roles and responsibilities on Employee Commitment. The results indicated that new opportunities emerged due to changes in roles and responsibilities. Anxiety which led to job dissatisfaction was also identified as a result of changing roles. Productivity levels declined with a rising feeling of defeatism being evident. Most individuals also experienced a level of job insecurity due to changed roles and responsibilities. Reducing number of employees in a department or reducing responsibilities of a staff member was viewed as a potential threat.

5.2.3 Changes in Reporting Lines and Employee Commitment

The third objective was to determine the influence of changes in reporting lines on Employee Commitment. The findings revealed that some departments were integrated due to the restructuring. Some employees also moved to other departments with some gaining desirable roles

and tasks. This change also brought about an issue of some employees feeling displaced. Some employees also felt that the duties increased from the previous designation to the current. This may have also contributed to increased mental and physical stress which in turn affected employee commitment.

5.2.4 Changes in Hierarchy levels and Employee Commitment

The fourth objective was to determine the influence of changes in hierarchy levels on Employee Commitment. Most employees felt that there is a change in status associated with the change in hierarchy level. Job insecurity was found to correlate with changes in hierarchy levels with demoted employees feeling resentful of the changes. Though the changes may have created opportunities for career growth, some employees felt that their hardwork was unnoticed. Loyalty to the organization was found to increase for those employees who were promoted while those that were demoted were not satisfied. Employees had different opinions on accessibility to resources as a result of this change. Some felt that there more resources at their disposal while others felt denied opportunities and resources.

5.2.5 Structural Changes and Employee Commitment

The last objective was to determine the influence of the joint effect of structural changes (change in roles and responsibilities, changes in reporting lines and changes in hierarchy levels) on Employee Commitment. The findings revealed that there was: reduced productivity level; less motivation to go to work; reduced job satisfaction; increased turnover intention; increased level of stress; feeling of defeatism; continued commitment due to the cost of leaving employment; reduced trust level in the organization and management; increased job insecurity; reduced employee morale; and some level of career distortion as a result of the restructuring.

5.3 Conclusion

In conclusion, this research showed that inevitably when there is a merger or an acquisition, structural changes need to be effected to map out the roles and leadership within the organization in order to meet the desired goals of the strategy. Inevitably, organizational restructuring can be potentially stressful to employees since they are not sure of the consequences; whether or not they may lose their jobs in the process or if they will be able to handle the changes in their job tasks. This was in line with the systems theory argument on the interdependent aspect of subsystems of the organization. In that change in strategy ultimately led to change in structure which led to change in roles and responsibilities assigned to employees (Infante, Rancer & Womack, 1997).

The research focused on three factors of structural change, changes in; roles and responsibilities, reporting lines, and hierarchy levels. The findings showed that indeed changes in these three factors affected employee level of commitment to the organization in either affective, continuance or normative commitment. Some instances, the change was viewed as positive by some employees because it created opportunities of promotion of access to resources for the employees while negative structural change was viewed as a potential threat exceeding the adaptive resources of the employees.

The study revealed that these three factors had a significant influence on employee commitment due to elements such as increased stress, reduced trust levels, low morale or job insecurity. The changes created perceived winners and losers who felt differently about their support for the organization. Openness and positivity of the employee to structural changes also depended on the scale of change. Organizational change acceptance also increased with involvement of staff in the process, engagement and communication on the structural change.

5.4 Recommendation

This research has shown that the respondents opine that structural changes affect employee commitment in banks that undergo major restructuring especially through mergers and acquisitions. This was confirmed by the results from the analysis conducted through SPSS. However some structural change factors ranked higher than others. This research therefore recommends that banks should prioritize and concentrate on factors which boost employee commitment levels in order to remain competitive in the Kenyan banking industry. The research also showed that structural changes if not adequately comprehended can lead to loss of morale and increased job dissatisfaction. This in turn leads to some employees looking for an exit strategy. It is therefore imperative that organizations put in place measures that address employees concerns before, during and after restructuring to facilitate minimum comfort and commitment. It is important that banks emphasize on retention even after restructuring to ensure that their employees do not feel insecure and disregarded. Consequently productivity and improved retention of employees would increase.

Since this was among the first few studies to address employee commitment in the banks that have gone through mergers and acquisitions, the researcher recommends that similar studies be carried out in other sectors such as manufacturing to deepen the understanding of commitment in relation

to other sectors. The reasons for recommending this is that structural changes in the manufacturing sector may differ and their impact on employee commitment may also be different. Understanding the impact of structural changes on employee commitment in the production and manufacturing sectors would also help boost organizational performance for those sectors too. A similar study as this one focusing on a regional or global perspective could also help broaden the scope and benefit more countries.

5.5 Limitations of the Research

The study was limited to commercial banks which underwent M&A between 2008 and 2017. Therefore the results are indicative rather than conclusive. Additionally, response took longer than anticipated. It was expected that the research would be completed before April 2019 but it extended to May 2019. Finally, there were inadequate financial and human resources to help in the research which made it more cumbersome to the researcher.

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APPENDICES

Appendix I: Letter of Introduction

Susan Kigera

Master of Commerce (International Business Management)

Strathmore University

Dear Respondent,

Re: Organizational Survey

This questionnaire is for collecting information on effects of structural organization change on employee commitment in the Kenya banking sector for the commercial banks that have undergone mergers or acquisitions and is purely for academic purposes. You are requested to participate in the survey by filling up the provide questionnaire a process that will take you approximately 5 minutes. The information provided will be very helpful in completing my master's thesis and will not be used for any other reasons.

Thank you for taking time to fill this questionnaire as it will help multinational companies including where you work to effectively plan for organizational change in a way that will promote employee welfare. If you would be interested in getting a copy of the report, please indicate at the end of the questionnaire your email address.

Sincerely,

Susan Kigera

Level of Agreement	1	2	3	4	5
New roles were created as a result of restructuring.					
Duplicated roles were merged as a result of restructuring.					
Duties and responsibilities were reallocated as a result of restructuring.					
Departments were merged as a result of restructuring.					
There were changes in reporting lines as a result of restructuring.					
There were changes in lines of authority with restructuring.					
There were changes in decision making authority with restructuring.					
Any other (specify)					

Changes in Roles and Responsibility

There are several changes that occurred following restructuring in your organization. These elements may have affected your commitment to the organization. Kindly indicate the level you agree with the following statements on how changes in your roles and responsibilities affected your commitment.

Level of Agreement	1	2	3	4	5
There were new roles created as a result of restructuring.					
Duplicate roles were eliminated as a result of restructuring.					
New opportunities have been created as a result of changes in roles and responsibilities.					
There are unobtainable objectives with the changed in roles and responsibilities.					
There is anxiety related with the changes in the roles and responsibilities.					
There is a decline in job satisfaction with the change in roles and responsibilities					
Productivity levels have reduced as a result of changes in roles and responsibilities					
There are feelings of defeatism with the changes in the roles and responsibilities					

Job security is not guaranteed with the changed in the roles and responsibilities					
Any other (specify)					

Changes in Reporting Lines

Changes in reporting lines as a result of restructuring can affect employee commitment. A change of position within the same organization will likely mean a change in status and a change of the content of the job. Desirable tasks may be gained or lost. Employees can be reassigned to different departments or departments may be integrated resulting in changes on reporting lines and who directly reports to who. This may have an effect on employee commitment. Please indicate the degree to which you agree with the following statements.

Level of Agreement	1	2	3	4	5
There were departments that were integrated as a result of restructuring					
There were employees that were absorbed into other departments as a result of restructuring.					
Desirable tasks were gained as a result of changes in reporting lines					
There was a feeling of being displaced as a result of changes in reporting lines.					
Number of duties performed increased as a result of changes in reporting lines.					
There was an increase in job variety with the changes in reporting lines.					
There was an increase in job identity with the changes in reporting lines.					
Physical and mental stress was alleviated with the changes in reporting lines					
Any other (specify)					

Changes in Hierarchy Levels

In the process an organizational restructuring, employees often have the possibility to express their interest in different positions, and may transition in any direction. The status associated with a

position can be said to be related to access to resources and opportunities to influence events in the organization. Any change in these elements may affect employee commitment. Please indicate the degree to which you agree with the following statements.

Level of Agreement	1	2	3	4	5
There is a change in status associated with the change in hierarchy level.					
There is job insecurity with the change in hierarchy level.					
The change in hierarchy level is compatible with the professional role as a manager.					
Demotion as a result of the changes in hierarchy has brought about resentment.					
With the transition, the feel is there is no longer reward for hard work.					
The change in hierarchy level presented opportunities for growth.					
The change in hierarchy level has increased loyalty towards the organization.					
Access to resources and opportunities has been made possible with the change in hierarchy level					
Any other(specify)					

Employee Commitment

An employee can have either affective, continuance or moral commitment to an organization. Kindly indicate the level of agreement on what makes you remain committed to the company.

Appendix III: : Mergers and Acquisitions between 2008 and 2017

No	Institution	Acquired by/ Merged with	Current Name	Date approved
1	Prime Capital & Credit Ltd	Prime Bank Ltd	Prime Bank Ltd	01.01.2008
2	CFC Bank Ltd	Stanbic Bank Ltd	CFC Stanbic Bank Ltd	01.06.2008
3	Savings and Loan (K) Limited	Kenya Commercial Bank Limited	Kenya Commercial Bank Limited	01.02.2008
4	City Finance Bank Ltd	Jamii Bora Kenya Ltd	Jamii Bora Bank Ltd	11.02.2008
5	Equatorial Commercial Bank Ltd	Southern Credit Banking Corporation Ltd	Equatorial Commercial Bank Ltd	01.06.2008
6	EABS Bank Ltd	Ecobank Kenya Ltd	Ecobank Bank Ltd	16.06.2008
7	Fina Bank Ltd	Guaranty Trust Bank Plc	Guaranty Trust Bank (Kenya) Ltd	08.11.2008
8	K-Rep Bank Ltd	Centum Ltd	K-Rep Bank Ltd	29.10.2008
9	Equatorial Commercial Bank Ltd	Mwalimu Sacco Society Ltd	Equatorial Commercial Bank Ltd	31.12.2008
10	Giro Commercial Bank Ltd	I&M Bank Ltd	I&M Bank Ltd	13.02.2009
11	Fidelity Commercial Bank Ltd	SBM Bank Kenya Ltd	SBM Bank Kenya Ltd	10.05.2009
12	Habib Bank Kenya Ltd	Diamond Trust Bank Kenya Ltd	Diamond Trust Bank Kenya Ltd	01.08.2009

Source: <https://www.centralbank.go.ke/commercial-banks/mergers-and-acquisitions/>