

Organizational Restructuring Influences Employee Quit Decision Through Employee Dissatisfaction In Commercial Banks in Kenya

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Abstract- This study was aimed at investigating the antecedents and predictors of employee quit decision process during organizational restructuring. This was done by examining the nature of relationships between Organizational restructuring, employee dissatisfaction and quit decisions. The literature review revealed that a number of studies have been conducted on the predictors and antecedents of employee quit decisions. However, these studies did not examine any integration between them. The objective of this study was to explore the integrated relationship amongst organizational restructuring, employee quit decisions and dissatisfaction. A sample size of 375 was selected from a total population of 15,017 employees from commercial banks in Kenya. A structured questionnaire with Likert-type statements anchored on a five-point scale ranging from "Not at all (1)" to "To a great extent (5)" was used to collect data. The study employed Pearson's Product Moment Correlation and hierarchical Regression analysis to test the hypotheses. The findings showed a significance relationship between organizational restructuring and employee quit decisions. Further, the findings revealed that the effect of organizational restructuring on employee quit decisions is mediated by employee dissatisfaction.

Keywords- Organisational Restructuring; Employee Dissatisfaction; Employee quit Decision

1. INTRODUCTION

Organizational restructuring refers to changing or reorganising the structure of a company so that it can operate more efficiently and effectively (knowdell et al, 2006) [10]. Organizational restructuring brings about change and affect employees' roles and responsibilities which may in turn be perceived as a threat to job security. Structural review and change is inevitable if an organization intends to improve the efficiency and expansion of its operations.

Employee quit decision is a careful evaluation by the employee as to whether to continue working for the organization or leave it altogether (Conway & Guest, 1997) [5]. Quit decisions are influenced by the employee personal attributes such as engagement and commitment level, loyalty, past experience, age, career level and length of service (Robinson and Rousseau, 1994; Conway and Guest, 1997) [5]. An employee may voluntarily quit the organization due to several reasons some of which are: personal dissatisfaction with job, factors in employee's personal life not related to the job that makes holding or performing the job impossible or more difficult, an opportunity for a better job or career change elsewhere, fear of anticipated involuntary termination by employer etc.

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with job, factors in employee's personal life not related to the job that makes holding or performing the job impossible or more difficult, an opportunity for a better job or career change elsewhere, fear of anticipated involuntary termination by employer etc. It is vital for the management of any company to recognize the signs of employee dissatisfaction before difficulties have the chance to manifest. Employees almost always send signals of their discontent. The clear and obvious signs of employee dissatisfaction include: excessive tardiness and absenteeism, lack of enthusiasm indicated by reducing working hours, decreased quality and quantity of work, complaints by employees against a particular individual within the company, complaints by an individual employee regarding (salary, benefits, working hours, working conditions, etc.), increased e-mail usage during work time, displays of anger, frequent arguments with associates or team members or other inappropriate activity (Mowday et al, 1982) [16]. The current study focuses on commercial Banks in Kenya. There were 42 commercial Banks in Kenya with a total workforce of 17,891 as at 31st December 2007. Morrison and Robinson (1997) [15], for example, highlighted a number of reasons why employees quit their jobs, including poor leadership, less competitive pay packages and lack of career development opportunities, but they do not explain the decision making process leading to the quit action. Maslow (1954) [14] and Pavlou (2002)

[20] found positive associations between employee dissatisfaction and decision to quit, but their studies did not explain how this linkage is achieved. In these studies an assumption is made that dissatisfied employees are likely to quit their jobs. Robinson and Rousseau (1994)[21] examined the relationship between psychological contract violation and employee dissatisfaction but failed to recognize the factors that influence the strength of this relationship for example: magnitude and implications of violation, employment relationship, and attribution and fairness judgments. The objectives of the study is to establish the nature of the relationship between organizational restructuring, quit decisions and employee dissatisfaction.

2. LITERATURE REVIEW AND CONCEPTUAL FRAMEWORK

Structure makes possible the application of the process of management and creates a framework of order and command, through which the activities of the organization can be planned, organized, directed and controlled (Gefen, 2000) [7]. The structure defines tasks and responsibilities, work roles and relationships channels of communication, layers of management and seniority and hierarchy of authority (Armstrong, 2000) [1]. Structure comprises all the tangible and regularly occurring features which help or shape their members behaviour (Homans, 1961) [9]. Any radical strategic changes in the organizational structure leads to what is commonly known as re- structuring and must be accompanied by changes in systems, processes and people management practices (Nilakant and Ramnarayan, 2006) [18]. Organizational restructuring may lead to reviewing or changing the structure of the organization as well as Job (work) designs, systems, policies and practices in order to make its operations more effective and efficient (Cascio, 1998) [3]. This may further lead to elimination of certain roles/jobs and creation of new ones, changes in general terms and conditions of employment, change of culture and management style, change in reporting lines, changes in communication and organizational climate. Organizational restructuring therefore impacts on employee's psychological expectations such as: work life balance, Job security, career growth and development opportunities, equitable (fair) pay/reward and benefits, challenging work in line with abilities, clear performance targets, performance feedback, fair treatment and involvement in major decision making process (Clark et al, 1998) [4].

Organizational structural changes or restructuring has been associated with retrenchments (Knowdell et al, 2006) [10]. Since retrenchment implies that some employees would be laid off, there will be a feeling of job insecurity by the employees. In such circumstances employees will develop a feeling of bitterness with the organization and may start looking for employment elsewhere outside the organization. If the employee comes across some

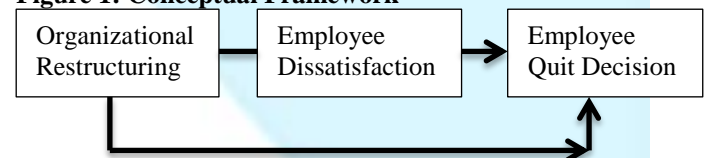
opportunities outside the organization, he or she will engage in quit decision process. Robinson and Rousseau (1994) [21] believe that breaches can erode employment relationship, in particular damaging trust and job satisfaction. Employee quit decisions is a careful evaluation by the employee as whether to continue working for the organization or quit altogether. The current study endeavours to establish the quit decision process likely to be taken by employees during organizational restructuring by examining the nature of relationships between organizational restructuring, dissatisfaction and quit decisions.

This concept has been reinforced by the two factor model of satisfiers and dissatisfiers developed by Herzberg following an investigation into the sources of job satisfaction and dissatisfaction of account of engineers. Herzberg identified two groups of factors in his study of motivation. He called one factor "satisfiers" which are seen to be motivating the individual to superior performance and effort. The other "dissatisfies" (hygiene factors) which essentially describe the environment and serve primarily to prevent job dissatisfaction while having very little effect on positive job attitudes (Armstrong, 1999).

3. CONCEPTUAL FRAMEWORK

A schematic representation of the conceptual framework presented in Figure 1 captures the key variables underpinning the employee quit decisions as discussed in the foregoing sections of the literature review. It shows the integrated interrelationships between Organizational restructuring (independent variable), quit decisions (dependent variable) and employee dissatisfaction as the intervening. A dissatisfied employee is likely to engage in quit decisions by considering whether to look for opportunities outside the organization or continue staying with the hope that things will improve. If the benefits of quitting outweigh those for staying, the employee will decide to quit and the time of quitting will depend on the type of quitter the employees adopts. The types of quitters are: impulsive quitters, comparison quitters, preplanned quitters and conditional quitters.

Figure 1: Conceptual Framework



4. RESEARCH METHODOLOGY

An empirical approach involving surveys was therefore used to establish the possible linkages between organizational restructuring, employee dissatisfaction and quit decisions.

4.1 Data Collection

A structured questionnaire with Likert-type statements anchored on a five-point scale ranging from “Not at all (1)” to “to a great extent (5)” was used to collect data. Questions one and two in the questionnaire required respondents to provide personal information such as age and gender. Questions three to fifteen were designed to address research questions and objectives based on study variables. The use of questionnaire was preferred in this study because the respondents were literate and were able to understand the questions and respond appropriately.

4.2 Validity and Reliability of Data Collection Instruments

The validity of the questionnaire was tested through a pilot study. In the pilot study, 50 respondents were conveniently selected from three banks namely: Barclays Bank (25 respondents) representing the large banks category, Commercial Bank of Africa (15 respondents) representing the medium size banks and Prime Bank (10 respondents) (representing the small banks category). The feedback was used to fine tune the final questionnaire. The respondents interviewed in the pilot study were excluded from the study sample of 375. In addition, the questionnaires were reviewed by volunteer survey design experts from Consumer Insight and Infotrak Consulting Research firms and the views from were used to further fine tune the questionnaires.

Table 3: Summary of Cronbach's Alpha Reliability Coefficients

Factor (Scale)	Number of Items	Cronbach's Alpha
Organizational Restructuring concerns	19	0.73
Quit decisions	19	0.81
Employee dissatisfaction	19	0.79

Nunnally (1978) suggested that as a rule of thumb, Cronbach's Alpha should not be lower than 0.7. In the case of the instrument for this study, the Cronbach's Alpha values for all measured variables equalled or exceeded 0.7, as shown in Table 3. The data collection instrument was therefore reliable and acceptable for purposes of this study.

4.3 Sample Size

In this study, each member of the target population had an equal chance or probability of being picked (or not being picked) and therefore the sample proportion (p) was 0.5. The precision rate desired was + 5%. For purposes of this study, the researcher desired a minimum precision of + 5%, and a confidence level of 95% which is commonly used in social studies (Kothari, 2002) [11]. Sample size was determined as shown in table 2:

Table 2: Determination of sample size from each bank

Name of Bank	(a) No. of staff	(b) Sample 2.5% of (a)
Kenya Commercial Bank Ltd	2,990	74
Barclays Bank of Kenya	2,785	69
Equity Bank Ltd	2,237	55
Co-operative Bank of Kenya Ltd	1,691	42
Standard Chartered Bank (K) Ltd	1,279	32
National Bank of Kenya Ltd	996	25
K- Rep Bank Ltd	664	16
CfC Stanbic Bank	546	13
Diamond Trust Bank Ltd	364	10
Commercial Bank of Africa Ltd	358	9
National Industrial Credit Bank Ltd	298	7
Investment & Mortgages Bank Ltd	276	6
Eco Bank	189	4
Citi Bank N.A	153	8
Guardian Bank Ltd	98	3
Oriental commercial Bank Ltd	58	1
City Finance Bank Ltd	35	1
Total	15017	375

4.4 Operational Definition of the Study variables

In the current study organizational restructuring is examined in the context of the concerns employees may have arising from the restructuring process. Operationalization of organizational restructuring has therefore been done by identifying various concerns developed from the literature review. The key concerns developed are possibility of: job loss or demotion, unclear roles and ambiguous reporting lines, incompetent leadership to effectively manage change, unfavourable changes in terms and conditions of service, uncertain future career prospects in the organization, increased workload resulting in lack of work life balance, less job impact and importance to overall organizational performance, negative impact on organization stability and growth rate, loss of or reduced power, status and prestige, unfavourable changes in policies and practices, loss of trust among colleagues, transfer or relocation, job

–interest misalignment, broken interpersonal relationships due to changes in reporting lines, inability to perform new roles, negative impact on organization values and ethics, negative impact on organizational brand and market reputation and undesired change in organizational size. These dimensions were measured by asking the respondents to rate on a likert scale, the extent of importance of each concern to them upon announcement of restructuring process.

In the current study employee quit decisions is examined in the context of the reasons which may lead employees to engage in quit decisions. Operationalization of quit decisions has therefore been done by identifying various causes of employee turnover developed from the literature review. The key causes developed are: fear of job loss, ambiguous reporting systems and unclear roles, incompetent leadership, unfavourable terms and conditions of service, uncertain career prospects, increased workload, less importance of the job, organizational instability, reduced power, status and prestige, unfavourable new policies, lack of trust among colleagues, transfer or relocation to new work station, misalignment between new role and career interest loss of interpersonal relationships, inability to perform new roles, loss of organizational values and ethics, negative impact on organizational brand and market reputation, undesired change in size of organization, loss of organizational and personal identity. These dimensions were measured by asking the respondents to rate on a likert scale, the extent to which each dimension influenced their quit decision process.

In the context of current study, employee dissatisfaction arises from non achievement or realization of expectations by an employee as a result of the restructuring process. Operationalization of employee dissatisfaction has therefore been done by identifying various causes of dissatisfaction developed from the literature review. The key causes of dissatisfaction are : I will lose my Job loss, there is lack of clarity for my new role and reporting lines, the leadership is incompetent to successfully manage the restructuring process, the terms and conditions of service have become less attractive, my future career prospects have been diminished , there is no work life imbalance, my new role has less importance and impact in the organization, the organization has become unstable, my influence, status and prestige have been reduced, policies, practices and work environment have become less favourable, there is mistrust among colleagues, I will be transferred to another location, there is no alignment between my job and my personal interest, I have broken interpersonal relationships due to changes in reporting lines, I do not have adequate skills to perform new roles, loss of organizational values and ethics, organizational brand and market reputation has been negatively impacted, the size of the organization has been negatively affected and there is lack of support from

my colleagues. These dimensions were measured by asking the respondents to rate on a likert scale, the extent they became dissatisfied due to each dimension.

4.5 Data Analysis and Test of Hypotheses

Descriptive statistical techniques were used to document demographic characteristics of the respondents and analyze the various dimensions of the study variables. The statistics used were frequency distributions and mean. The study variables assessed were: organizational restructuring, quit decisions, and employee dissatisfaction. These were presented in patterns of participation table along with interpretations. Pearson's Correlation was used to test for absence of multicollinearity amongst the data and the nature of relationships among the study variables. The data collected was subjected to normality test using Kolmogorov-Smirnov goodness of fit test. The absence of heteroscedasticity was tested using the standard error of estimate of the regression line. The hypotheses were tested as shown in table 3.

Table 3: Summary of Research Hypotheses, Test of hypotheses, Research Objectives and Corresponding questionnaire Items

Hypothesis	Test of hypothesis	Research objective	Question
H₁: There is a positive relationship between organizational restructuring and employee quit decisions	Pearson's Correlation Coefficients	To establish the nature of relationship between organizational restructuring and quit decisions	6.1 to 6.19
H₂: The relationship between restructuring and employee quit decisions is mediated by employee dissatisfaction.	Hierarchical Regression Analysis	To establish whether the effect of organisational Structure on employee quit decisions is through employee dissatisfaction	7.1to 7.19 and 1.1 to 11.19

5. DATA ANALYSIS AND FINDINGS

5.1 Response Rate

In the initial distribution of the questionnaires 325 (87%) of the 375 respondents filled out the questionnaires provided to them, while the remaining 50 (13%) did not return the questionnaires due to various reasons. In order to deal with this problem, the researcher first made three call-back visits before replacing respondents that were not available using the replacement technique and distributed 50 questionnaires to the newly selected respondents. All the 50 questionnaires distributed to the newly selected respondents were duly completed and returned

5.2 Test of Multicollinearity, Normality and Heteroscedasticity

The absence of multicollinearity was tested using Pearson Correlation Coefficients. The results obtained showed that there was no multicollinearity since Organisation restructure and dissatisfaction had a beta coefficient of 0.301. Using the rule of the thumb as cited by Garson (2008) [6], none of the independent variables used in the present study had a correlation value of more than 0.95, suggesting that there was no multicollinearity.

The data were also subjected to normality test using Kolmogorov-Smirnov test and found to be normally distributed since it had a 0.2414. using the rule of thumb if the p value obtained is less than the chosen α (0.05) then we reject the null hypothesis otherwise accept the null hypothesis. Therefore we accept the alternate hypothesis since our value is greater than the chosen alpha level.

Test for heteroscedasticity was done and the t test on pre_32 is 0.795, and is not significant indicating absence of heteroscedasticity.

5.3 Organizational Restructuring

The respondents were asked to indicate which of the four possible types restructuring, namely merger, acquisition, rightsizing and others (more than one of these) they had experienced. Majority (53.9%) of the respondents indicated that restructuring initiatives were brought about by the need by banks to right size their operations. Mergers and acquisitions accounted for 20% and 14.1%, respectively while those who indicated that they had experienced two or more of the above accounted for 12%.

5.4 Employee Concerns arising from Organizational Restructuring

The respondents were asked to indicate to what extent they were or would be concerned about various dimensions which were developed based on theoretical considerations and interpretations of various typologies of human resource orientations found in the literature. The dimensions consisted of: possibility of job loss, ambiguous reporting systems and unclear roles, possibility of incompetent leadership, unfavourable terms and conditions of service, disturbed/uncertain career prospects, possibility of increased workload, possibility of less importance of the job, extent of organization stability and growth in profitability, loss of or reduced power/ status/ prestige, unfavourable changes in policies and practices, loss of trust among colleagues, possibility of being transferred or relocated elsewhere, possibility of job-interest misalignment, threat to or loss of interpersonal relationships, fears of inability to perform new roles, organization values and ethics, organization brand and market reputation, change in size of organization, loss of organizational and personal identity. Each dimension was rated by the respondents on a Likert five-point scale ranging from "Not at all (1)" to "to a great extent (5)".

The grand mean score for the concerns arising from announcement of is 3.37 out of 5. The top five concerns with the highest mean ratings by the respondents were possibility of : job loss (\bar{x} =4.87), ambiguous reporting systems and unclear roles (\bar{x} =4.83), incompetent leadership (\bar{x} =4.81), unfavourable terms and conditions of service (\bar{x} =4.77) and uncertain career prospects (\bar{x} =4.47) while the concerns with the lowest mean ratings were possibility of: inability to perform new roles (\bar{x} =2.41), loss of organization values and ethics (\bar{x} =2.11), negative effect on organization brand and market reputation (\bar{x} =2.06), undesired change in organizational size (\bar{x} =1.97) and loss of organizational and personal identity (\bar{x} =1.92).

The results suggest that during restructuring, the issues that would be of utmost concern to the employees are job security, impact on reporting lines and role clarity, competence of leadership to effectively manage the restructuring process, impact on terms and conditions of service, and impact on future career in the organization. However, employees would be less concerned with the impact of restructuring on organization values and ethics, brand and market reputation, change in organizational size and loss of organizational and personal identities.

5.5 Quit Decisions arising from announcement of Organizational Restructuring

As discussed under literature review, an employee can engage in quit decisions on announcement of organizational restructuring. The respondents were asked to rate the various possible reasons which lead or would lead them to engage in quit decisions upon announcement of organizational restructuring. The mean scores for the reasons for quit decisions are presented as follows:

The grand mean score for reasons for quit decisions was 1.93. The top five dimensions for quit decisions with the highest mean ratings were : fear of job loss (\bar{x} =2.87), ambiguous reporting systems and unclear roles (\bar{x} =2.83), incompetent Leadership (\bar{x} =2.81), unfavourable terms and conditions of service (\bar{x} =2.77), uncertain career prospects (\bar{x} =2.47), while the dimensions with the lowest mean ratings were: inability to perform new roles (\bar{x} =1.57), loss organizational values and ethics (\bar{x} =1.43), negative impact on organizational brand and market reputation (\bar{x} =1.41), undesired change in size of organization (\bar{x} =1.37) and loss of organizational and personal identity (\bar{x} =1.31) respectively.

The results therefore indicate that during organizational restructuring, employees would engage in quit decisions mainly due to fear of job loss, unclear reporting lines and roles, incompetent leadership, unfavourable terms and conditions of service and diminished future career opportunities. On the other hand they would be least concerned with loss of personal and organizational identities, organizational size, brand and market reputation and values and ethics.

5.6 Employee Dissatisfaction arising from announcement of Organizational Restructuring

As discussed under literature review, employee dissatisfaction arises from non achievement or realization by an employee that his or her expectations will not be met by the organization. In this study, the respondents were asked to rate the extent to which various reasons (dimensions) lead or would lead to their dissatisfaction. The dimensions used were developed with regard to job insecurity, transfer to another location, inability to perform new role, lack of job-interest alignment, less job impact and recognition, work life balance, broken relationships with colleagues, mistrust amongst colleagues/manager, incompetent leadership, uncertain career prospects, unclear role clarity, loss of power/status, unfavourable terms/conditions of service, loss of organizational/personal identity, organization size changed, unfavourable policies/procedures, organization instability, organization brand damaged, no organization values, lack of support from colleagues.

The grand mean score for all dimensions for dissatisfaction was 2.64. The top five reasons causing the greatest dissatisfaction had the following mean ratings: job insecurity ($\bar{x}=3.23$), lack of role clarity ($\bar{x}=3.01$), incompetent leadership ($\bar{x}=2.91$), and unfavourable terms/conditions of service ($\bar{x}=2.76$) and uncertain career prospects ($\bar{x}=2.56$). The reasons with the lowest mean ratings were: inability to perform new role ($\bar{x}=1.91$), loss of organizational values ($\bar{x}=1.87$), damaged organizational brand and market reputation ($\bar{x}=1.85$), undesired change in organizational size ($\bar{x}=1.81$) and lack of support from colleagues ($\bar{x}=1.72$).

The results therefore indicate that during organizational restructuring, the reasons which cause greatest level of dissatisfaction are: loss of jobs, unclear reporting lines and roles, incompetent leadership to successfully manage the restructuring process, unfavourable terms and conditions of service and uncertain future career prospects. On the other hand they would be least dissatisfied with Lack of support from colleagues, change in organizational size, damage on brand and market reputation and loss of organizational values and ethics.

5.7 Quit Decisions arising from Dissatisfaction

The respondents were asked to rate the various possible reasons which lead or would lead them to engage in quit decisions if they felt dissatisfied due to restructuring process. The mean scores for the reason for engaging in quit decisions include: The grand mean score for reason for engaging in quit decisions was 3.60. The dimensions with the highest influence on quit decisions were: fear of job loss ($\bar{x}=4.88$), lack of role clarity ($\bar{x}=4.79$), incompetent leadership ($\bar{x}=4.65$), unfavourable terms/conditions of service ($\bar{x}=4.55$), uncertain career prospects ($\bar{x}=4.54$) while the dimensions with the lowest influence had the following mean ratings: inability to perform new role ($\bar{x}=2.75$), no organizational values ($\bar{x}=2.63$), organizational brand damaged ($\bar{x}=2.57$),

organizational size changed ($\bar{x}=2.48$) and Lack of support from my colleagues ($\bar{x}=2.39$).

The results therefore indicate that during organizational restructuring, the key dimensions that will influence employee quit decisions upon dissatisfaction are: fear job loss, unclear reporting lines and roles, incompetent leadership to successfully manage restructuring process, unfavourable terms and conditions of service, and uncertain future career prospects. On the other hand the dimensions with less influence on employee quit decisions are: inability to perform new roles, loss of organizational values and ethics, damaged organizational brand and market reputation, undesired change in size of organization and loss of organizational and personal identity.

Hypothesis 1:

There is a relationship between Organizational Restructuring and Employee Quit Decisions

This hypothesis was tested using Pearson Correlation analysis and the results are presented in Table 4. The results in Table 4 show that there was a positive correlation between organizational restructuring and quit decisions, which was statistically significant ($r = .123$, $p < 0.05$). This implies that as the value for concerns arising from organizational restructuring changes, the value for quit decisions changes in the same direction. The results of Pearson correlation analysis show that the relationship between organizational restructuring and quit decisions is significant and therefore, we accept the hypothesis H_1 , that there is a relationship between organizational restructuring and employee quit decisions. This finding therefore suggests that employees will engage in quit decisions on announcement of organizational restructuring.

Hypothesis 2:

The relationship between organizational restructuring and employee quit decisions is mediated by employee dissatisfaction

As proposed by Baron and Kenny (1986) [2], the effect of mediation variables between the independent variable and the dependent variable can be tested through hierarchical regression analysis. This is done by first by analyzing the expected hierarchical relationship between the predictor variables and the criterion variable. In this study the predictor variables are: organizational restructuring and employee dissatisfaction while the criterion variable is quit decisions. This involved entering variables in the equation in the order suggested by previous studies. In the current study, it was theorized that organizational restructuring would lead to employee quit decisions through employee dissatisfaction. Hypothesis H_2 which shows that the relationship between organizational restructuring and employee quit decisions is mediated by employee dissatisfaction was tested using hierarchical regression analysis. As indicated in Table 4, the results show that the regression analysis had a coefficient of 10.337 which then allows us to accept the hypothesis.

Table 4: Summary of the Hypotheses

Hypothesis	Test	Results	Decision
H₁: There is a relationship between organizational restructuring and employee quit decisions	Pearson Correlation	$r=.123$ $p<0.05$	H ₁
H₂: The relationship between restructuring and employee quit decisions is mediated by employee dissatisfaction	Hierarchical Regression Analysis	$\Delta F=10.337$ $p<0.05$	H ₂

6. DISCUSSION OF FINDINGS

The strength of relationship between organizational restructuring and quit decisions was found to be statistically significant. Employees who would engage in quit decisions on announcement of restructuring process would probably do so due to some unfavourable experience in past either with current or previous employers. Besides, most of the employees in this category of employees are most likely to engage in quit decisions even if there had been no restructuring. This argument is consistent with the views of Robinson and Rousseau (1994) [21], Luhmann, (1979) [13] and Lee et al. (1999) [12] who reiterated that employees with unwritten (psychological) script or predetermined action will proceed to quit organization on the basis of such predetermined script rather than on the event in question which is restructuring in this instance. This is also consistent with the literature by Griffeth et al. (2000) [8] who asserted that an actual career opportunity elsewhere has a positive link to turnover and is a factor influencing employee turnover while perceived alternatives can predict employee turnover decisions. As discussed in the literature review, employees would evaluate the options namely: quit decisions, feel dissatisfied, by psychologically evaluating the expected monetary value (EMV) for each option and applying the opportunity gain/loss concept and the decision analysis model (DAM) developed by Narayanan and Rao (1987) [17]. According to Narayan and Rao, all decisions are made by assessing and evaluating the available options, before selecting the most beneficial and most likely outcome.

Hypothesis 2 was aimed at determining the mediating effect of employee dissatisfaction on the relationship between organization restructuring and quit decisions. It was hypothesized that employee dissatisfaction had mediating effect on the relationship between organization restructuring and quit decisions. The results of hypothesis testing showed that employee dissatisfaction had strong mediating effect on the relationship between organization restructuring and quit decisions. This implies that on announcement of organizational restructuring, employees are likely to attain a given level of dissatisfaction before engaging in quit decisions.

7. CONCLUSIONS

The decision by employee to quit the organization or continue staying will arise at various points in the decision making process. The first level of decision making is at the point or announcement of organizational restructuring, the second level is when employee becomes dissatisfied.

It is observed that the probability of employee deciding to quit increases at each level i.e. lowest on announcement of restructuring and highest at point of dissatisfaction. On the other hand, the probability of employee deciding to continue staying in the organization would be highest on announcement of restructuring and lowest at the point of dissatisfaction. This implies that it is easier to convince an employee to continue staying in the organization at the points of announcement of restructuring than at the point when the employee becomes dissatisfied.

8. CONTRIBUTIONS TO THEORY AND THEORY DEVELOPMENT

A conceptual framework developed from this study brings out a better understanding of the interrelationship amongst organizational restructuring, employee dissatisfaction and quit decisions thereby increasing the stock of theoretical and empirical knowledge in related fields. The framework also captured the dynamics and factors influencing employee quit decision process during organizational restructuring. Besides, the findings of the study would provide useful reference guide for designing appropriate proactive change management and retention strategies for retaining key employees by organizations intending to undertake restructuring process. It will also form a basis for future research and teachings in related fields.

Another important contribution from the current study is the fact that at any given time, even when the organization is not undergoing any change process such as restructuring, not all employees in the organization are happy and willing to stay in the organization. At any given point in time, some employees will be loyal and willing to continue working in the organization while some will be at a dissatisfaction stage. Employees can therefore engage in quit decisions as a result of having already perceived unmet promises or become dissatisfied even prior to organizational restructuring.

9. LIMITATIONS OF THE STUDY

The target population for the study was employees of commercial Banks in Kenya. The study did not therefore cover employees of other sectors such as manufacturing, mining and agriculture. It would have been interesting to compare results from different industries with a view to finding out if the results would be similar. Each industry may have unique circumstances which may impact the outcome of such studies. For example, the working environment in the banking and mining industries are quite different which again impact on the nature of employment

contract, reward policies, leadership and qualifications required.

The current study assumes that restructuring organizations will make every effort to retain the services of all employees. This may not be the case as the outcome of restructuring may call for a reduction of head count. In this case, the restructuring organization will have to ensure that the restructuring is conducted in such a manner that the employees with the required key skills are retained while those who may not fit in the new organization due to lack of required key skills are treated with respect and exited through appropriate exit strategies for instance having exit support programme and counselling sessions. The process of retaining key staff and relieving those who do not fit within the new organization is a delicate one. Motivating the survivors becomes a challenge when some of their friends and colleagues are asked to leave through retrenchment exercise.

10. DIRECTION FOR FUTURE RESEARCH

It would be useful conduct a similar study on a longitudinal basis using similar procedures with the same respondents after several years say five years. This would allow researchers to determine whether the strength of relationship between the variables and the influence of moderating factors on the strength of relationships would have changed over time.

The target population for the current study was bank employees'. Furthermore, only white collar employees within the commercial banks were included in the study. A repeat of this study in different industries and sectors in future studies for example manufacturing, transport, commercial, tourism and agriculture would be useful to compare and contrast the results from different industries and sectors. Future empirical studies should also include blue collar workers with a view to finding if the results obtained would be different from the results obtained from the current study.

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