

Effect of Organizational Structure Change Management Strategies on Employee Performance in Kakamega County Government

¹Isanda George, ²Dr. Egessa K. Robert, ³Wanjere Dishon

¹Masinde Muliro University, Kakamega, Kenya.

²Masinde Muliro University, P.O. Box 190 – 50100, Kakamega, Kenya

³Masinde Muliro University, P.O. Box 190 – 50100, Kakamega, Kenya

Abstract: Change is what brings forth new ideas, solutions and growth. It's about breaking free from our circle of comfort in order to start seeing alternative routes offered to our organizations to progress in the right direction. It's about embracing business transformation, making an organization more agile, ready to adapt, and taking advantage of the latest innovations to boost competitiveness. County governments in Kenya have become a point of interest especially in service delivery at the grassroots. To achieve this mandate, county managers introduce changes that range from technological, organizational, cultural or even leadership changes engaging different change management practices. Kakamega County like all other organizations vouching for success has embraced change of some sort over the years. The changes have had effect on both the employees and organization at large based on the assorted change management strategies used. It is with this onslaught that this study moves to bring out the effect of organizational structure change management strategies on employee performance in Kakamega County Government. The study targeted 160 employees of which 154 respondents were drawn from senior managers in the 11 ministries of the County (Governors executive order). Descriptive research design was used for the research with data obtained through questionnaires and analyzed using statistical software SPSS and the results presented in form of tables, graphs and charts. Results indicated 50.3% of changes in employee performance could be attributed to organization structure ($R^2=0.503$). The results revealed that there was a positive significant relationship between organizational structure changes and employee performance. The study then recommended full adoption of the organizational structure changes so as to enhance service delivery, improved employee performance and enhanced operation

Keywords: Organizational Structure, Employee Performance.

1. INTRODUCTION

The purpose of this paper is to determine the effect of Organization structure change practices on employee performance. Organizational structures changes are increasingly being adopted by many organizations because of its perceived positive implications of performance. Ajagbe, (2007) affirms that an organization can design its structure when it decides how it want its members to act, what attitude it wants to promote, and what it desires its members to attain and support the development of cultural values and norms to get these desired behaviors, attitudes and goals. Csaszar, (2011) agrees that organizational structure shapes performance in an organization. He further states that in a poorly designed structure, good performers will acquire the shape of the structure.

1.1 Background of study

Organizations strive to achieve the very best at all times even in times of competition and dwindling fortunes. The managements is always alert to institute necessary changes to help them achieve set targets or even to remain afloat. Change is what brings forth new ideas, solutions and growth. It's about breaking free from our circle of comfort in order to start seeing alternative routes offered to our organizations to progress in the right direction. It's about embracing business transformation, making an organization more agile, ready to adapt, and taking advantage of the latest innovations to boost competitiveness. Change processes are driven by several strategic considerations (Schilling, 2001), including the need for more integrated ways of working (Rugman and Hodgetts, 2001) and the need to improve business performance (Balogun and Hope Hailey, 2008). These considerations typically result in structured change programs based on the assumption that change management consists of a limited set of interventions, which are regarded as objective, measurable and linearly manageable programs that can be realized in a relatively short time.

Organizational changes are driven top down and initiated largely due to strategic business goals which the company needs to achieve. Human Resource departments and units in an organization typically undertake a number of activities including employee benefit design, employee recruitment, performance appraisal and rewarding e.g. managing pay and benefit systems (Paauwe & Boon, 2009). Human resource department also concerns itself with organizational change and industrial relations, which is the balancing of organizational practices with requirements arising from collective bargaining and from governmental laws (Klerck, 2009). The human resource function is to anchor the change management process and facilitate the transformation across all teams and work dimensions. Each change throws up unique challenges and the details which need to be addressed are diverse in each instance.

Rick (2011) believes that, to successfully implement change initiatives, organizational leaders must identify the need for change and communicate it throughout the organization. They must also engage people at all levels of the organization by involving them in the design of the implementation strategy. This will help to ensure that employees at all levels of the organization embrace the proposed changes.

Queensland Government (2014) defines change management as a realistic analysis of technical aspects like organizational processes and systems to determine the actual need for change and a proposition that the human element needs to share center stage in the change management process because organizational change is enabled by individual change. Overlooking the latter and thus not involve the people in each step would hamper the change process.

County Governments have become a backbone of development especially after the promulgation of Kenya Constitution 2010 and implementation of devolution in Kenya. They have become a point of interest for development and other direct aspects that touch on the common man. With many expectations, the County Governments work tirelessly to ensure that proper service delivery is achieved. Proper utilization of available resources has as well become a priority. Human resource being the main resource included.

Common changes include technological changes, organization culture change, organization structure change, leadership changes among others. (Yang, Zhuo, & Yu, 2009) aver that most common known targets of organizational change include vision, strategy, culture, structure, system, production technology, and leadership style. A study by (Garber 2013) indicates that effective change management leads to higher likelihood of achievement of goals by organizations. Kahari *et al.* (2015) observes that county government stakeholders resisted change as they perceived it as a threat to their jobs, uncertainty of the capacity of the county government to make changes, manage changes and survive while changing and uncertainty on whether county government had instituted strategies to minimize resistance to change.

There have been studies done by other researchers on change management practices. Kinyua (2013) did a study on Change Management Practices by Nokia Kenya. This study narrowed down the various change management practices in a private firm. Kariuki (2009) undertook a study on systematic change management at Kenya Revenue Authority focusing on a public corporation in Kenya. Musitsa *et al.* (2016) focused their research on the role of Human resource management function on Implementation of change among county governments; a case of Kakamega County. All these studies have left out the aspect of organization structure change management practices and their effect on employee performance. It is with this that the researcher is curious of determining the effect of organization structure change management practices on employee performance in Kakamega County Government.

1.2 Objectives of the study

To determine the effect of organizational structure change management strategies on employee performance in Kakamega County Government

2. LITERATURE REVIEW

2.1 Lippitt's Phases of Change Theory

Many organizations have used Kurt Lewin's theory to understand human behavior as it relates to change and patterns of resistance to change. Also referred to as Lewin's Force Field Analysis, the model encompasses three distinct phases known as unfreezing, moving and freezing or refreezing (Spector, 2014). The three phases of change begin with unfreezing. This phase is aimed at de-stabilising the equilibrium through a reduction in the field forces that maintain an existing organizational culture and method of operation. Unfreezing often involves breaking psychological attachment to the past by using information that demonstrates the existence of problems (Graetz, 2011).

2.2 Jick's Change Model

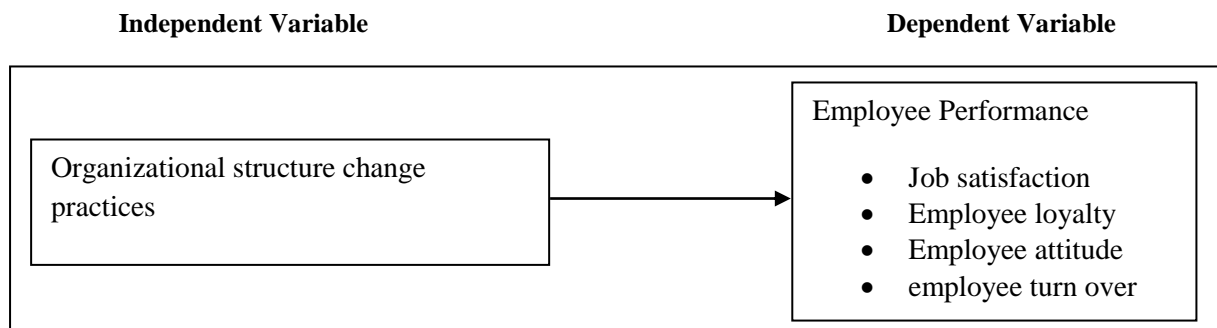
Jick, (1991) developed a tactical level model to guide the implementation of major organizational change. His ten-step approach, adapted from the article written by Mento (2002), serves as a blueprint for organizations embarking on the change process as well as a way to evaluate a change effort already in progress. "Jick states that implementation is a blend of both art and science." Jick argues that "...how a manager implements change is as important as what the change is. How well one does in implementing a particular change depends on the nature of that change..." (Mento, 2002)

Mintzberg, (2011) argued that organizational structure defines how people are organized or how their jobs are divided and coordinated. Greenberg, (2009) refer to organizational structure as the formal configuration between individuals and groups concerning the responsibilities, allocation of tasks, and authority in the organization.

According to Styhre, (2009) more recent form of the digital media or electronic systems such as computerized system and new machine system that bring about change require new forms of communication and well control in organization, in order to have a good adoption can good adoption of organizational change and link to increase employees performance. Ajagbe, (2007) assert that organization structure "is the formal system of task and reporting relationship that controls, coordinates and motivates employees so that they cooperate to achieve an organization's goals. He further sees organizational structure as "how job tasks are formally divided, grouped and coordinated. Formalization measures the extent to which an organization can use rules and procedures to prescribe behavior. In organizational with high formalization, there are explicit rules which are likely to obstruct the impulsive and flexibility needed for internal innovation.

Ajagbe, (2007) affirms that an organization can design its structure when it decides how it want its members to act, what attitude it wants to promote, and what it desires its members to attain and support the development of cultural values and norms to get these desired behaviors, attitudes and goals. Csaszar, (2011) agrees that organizational structure shapes performance in an organization. He further states that in a poorly designed structure, good performers will acquire the shape of the structure. Rantakyro, (2000) states that, to implement chosen strategies, there are many important decisions to make such as how to structure the company. The organizational structure has to support the strategies. Structuring the organization involves decisions about how to coordinate activities, relationships and communication among the internal stakeholders. The organization can be structured by focusing on functionality, products, markets, products or cooperation.

2.3 Conceptual framework



3. METHODOLOGY

The study employed a descriptive correlation design. The population of interest was Kakamega county government and it targeted 160 employees of which 154 respondents were drawn from senior managers in the 11 ministries of the County (Governors executive order). Descriptive research design and regression analysis was used for the research with data

obtained through questionnaires and analyzed using statistical software SPSS and the results presented in form of tables. The regression equation used to represent organizational structure changes and employee performance was:-

$$Y = \beta_0 + \beta_1 X_1 + \alpha$$

Y = The dependent variable (Employee Performance in Kakamega County)

β_0 = Regression coefficient

β_1 , = slopes of the regression equation

X_1 = Organizational structure change management practices

4. FINDINGS AND DISCUSSIONS

Changes in the organizational structure are is one of the major contributors of employee performance in Kakamega County Government. To measure changes in organizational structure, a set of eight statements were formulated. The respondents were asked to indicate the extent of agreement with each of the organizational structure statements. The pertinent results are presented in Table 4.4:

Table 4.1: Descriptive Statistics- Changes in organizational structure

Changes in Organizational structure	1(SA)	2(A)	3(U)	4(D)	5(SD)	Mean	STD
My County has an organization's structure	66(57.9%)	42(36.8%)	3(2.6%)	2(1.8%)	1(0.9%)	1.5088	0.71946
My county has well cut job descriptions which clearly separate roles among staffs during the change process	41(36.0%)	56(49.1%)	5(4.4%)	8(7.0%)	4(3.5%)	1.9298	1.00194
My organization has clearly defined positions showing clear chains of command	51(44.7%)	45(39.5%)	11(9.6%)	3(2.6%)	4(3.5%)	1.8070	0.96741
All concerned staffs are involved in the change process	17(14.9%)	45(39.5%)	32(28.1%)	12(10.5%)	8(7.0%)	2.5526	1.08971
There has been changes in the organizational structure in the last 2 years	22(19.3%)	51(44.7%)	23(20.2%)	18(15.8%)	0(0%)	2.3246	0.96391
Changes in the structure did not affect the chain of command	14(12.3%)	46(40.4%)	34(29.8%)	13(11.4%)	7(6.1%)	2.5877	1.04595
The employees are happy with the changes in the county structure	14(12.3%)	32(28.1%)	48(42.1%)	15(13.2%)	5(4.4%)	2.6930	0.99670
The organizational structure of the county affects employees performance	32(28.1%)	49(43.0%)	13(11.4%)	15(13.2%)	5(4.4%)	2.2281	1.12914

Note: 1=Strongly Agree, 2=Agree, 3=Undecided, 4=Disagree, 5=Strongly Disagree, Mean, S.D. =Standard Deviation

Source: Field Data (2018)

More than half of the respondents confirmed that their county has an organizational structure as shown by 66 (57.9%) and 42 (36.8%) who strongly agreed and agreed respectively. The results also revealed that 41 (36.0%) of the respondent agreed and 56 (49.1%) of the respondents strongly agreed that their county has well cut job descriptions which clearly separate roles among staffs during the change process. A majority of the respondents agreed that their organization has clearly defined positions showing clear chains of command as is represented by 51 (44.7%) who strongly agreed and 45 (39.5%) who agreed respectively. Similarly, 17 (14.9%) and 45(39.7%) of the respondents strongly agreed and agreed respectively that All concerned staffs are involved in the change process. The results further revealed that 22 (19.3%) strongly agreed that there has been changes in the organizational structure in the last 2 years and an additional 51(44.7%) of the respondents agreeing.

Regarding changes in the organization structure and the effect on the chain of command, 14(12.3%) and 46 (40.4%) strongly agreed and agreed respectively. Similarly, a majority of the respondents were unsure whether they were happy with the changes in the organization structure as indicated by 48 (42.1). A majority of the respondents were of the idea that organizational structure of the county affects employees performance as shown by 32(28.1%) and 49 (43.0%) strongly agreeing and agreeing and respectively.

To measure Employee Performance, a set of five statements were formulated. The respondents were asked to indicate the extent of agreement with each of the employee performance statements. The results are presented in Table 4.8

Table 4.2: Descriptive Statistics- Employee Performance

Employee Performance	1(SA)	2(A)	3(U)	4(D)	5(SD)	Mean	STD
I like working for my employer beyond the call of duty	43(37.7%)	46(40.4%)	10(8.8%)	12(10.5%)	3(2.6%)	2.0000	1.06430
Given another opportunity ill not leave my current job	20(17.5%)	33(28.9%)	24(21.1%)	30(26.3%)	7(6.1%)	2.7456	1.20332
I am encouraged to come up with new and better ways of performing my duties	25(21.9%)	55(48.2%)	19(16.7%)	12(10.5%)	3(2.6%)	2.2368	0.99825
My work gives me a feeling of personal accomplishment	26(22.8%)	54(47.4%)	14(12.3%)	16(14.0%)	4(3.5%)	2.2807	1.07678
My supervisor appreciates my work	30(26.3%)	51(44.7%)	17(14.9%)	9(7.9%)	7(6.1%)	2.2281	1.11335
I have adequate resources to enable me perform my duties well	10(8.8%)	32(28.1%)	17(14.9%)	39(34.2%)	16(14.0%)	3.1667	1.23315

Note: 1=Strongly Agree, 2=Agree, 3=Undecided, 4=Disagree, 5=Strongly Disagree, Mean, S.D. =Standard Deviation

Source: Field Data (2018)

The findings revealed that 43(37.7%) and 46(40.4%) of the respondents strongly agreed and agreed respectively that they liked working for their employer beyond the call of duty. The findings also revealed that a majority 20 (17.5%) and 33 (28.9%) of the respondents strongly agreed and agreed that given another opportunity they will not leave their current jobs. The results further revealed that more than half of the respondents confirmed that they were encouraged to come up with new and better ways of performing their duties as shown by 25 (21.9%) of the respondents who strongly agreed and 55 (48.2%) who agreed.

Further, 26(22.8%) and 54(47.4%) of the respondents agreed and strongly agreed respectively that their work gives them a feeling of personal accomplishment. Similarly, majority of the respondents confirmed that their supervisor appreciates their work. This was supported by 30(26.3%) who strongly agreed and additional 51(44.7%) who agreed. The results also revealed that 39(34.2%) of the respondents disagreed and 16(14.0%) strongly disagreed that they have adequate resources to enable them perform their duties well.

4.2 Regression Results of Organizational Structure on Employee Performance

Regression analysis was used to tell the amount of variance accounted for by one variable in predicting another variable. Regression analysis was conducted to find the proportion in the dependent variable (Employee performance) which can be predicted by the independent variable (organization structure). Table 4.10 shows the analysis results.

Table 4.3: Model Summary, ANOVA and Coefficients of organization structure and employee performance

Model Summary										
Model	R	R Square	Adjusted R Square	R Std. Error of the Estimate	Change Statistics	R Square Change	F Change	df1	df2	Sig. F Change
1	.710 ^a	.503	.499	.53296		.503	113.565	1	112	.000

a. Predictors: (Constant), Organization structure

ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	32.258	1	32.258	113.565	.000 ^b
	Residual	31.814	112	.284		
	Total	64.072	113			

a. Dependent Variable: Employee Performance

b. Predictors: (Constant), Organization structure

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	Sig.
		B	Std. Error	Beta	
1	(Constant)	.090	.197		.457
	Organization structure	.924	.087	.710	10.657

a. Dependent Variable: Employee Performance

Source: Field Data (2019)

The results revealed a coefficient of determination (R^2) of 0.503. This illustrates that Organizational structure changes could explain the 50.3% of the variance in employee performance in Kakamega County Government. The adjusted R square attempts to produce a more honest value to estimate r square for the population. The F test gave a value of $(1, 112) = 113.565$, $P < 0.01$, which supports the goodness of fit of the model in explaining the variation in the dependent variable. It also means that organizational structure changes is a useful predictor of employee performance in Kakamega county, Kenya. The regression equation to estimate the employee performance as a result of changes in the organization structure was stated as:

$$\text{Employee performance} = 0.090 + 0.924 \text{ organization structure} + e$$

The research hypotheses were tested using the significance level of both the R and R^2 ; the research aimed to test the hypothesis with an aim of accepting whether there was any effect by organizational structure on employee performance. The first research hypothesis posted H_{01} : Organizational structure changes have a significant effect on employee performance in Kakamega County Government. From the results, organization structure had $P < 0.01$ and it accounted for 50.3% variance in employee performance Kakamega County Government. Therefore the alternative hypothesis is accepted as organization structure has significant effect on employee performance in Kakamega County Government.

The findings here are in corroboration with Shabbir (2017) who conducted a research on organizational structure and employee performance. The study established that nature of hierarchical layers had significant positive effect on the employee's performance of brewing firms; that technology had significant positive effect on the employee's performance of brewing firms; that internal and external boundaries had significant positive effect on the employee's performance of brewing firms; and that formalization significantly affected employee's performance positively.

Nwonu (2017) also conducted a research on the effect of Organizational Structure on Performance of Selected Manufacturing Companies in Enugu State Nigeria. The study established that organizational structure significantly affected organizational performance. It then concluded that organizational structure in pharmaceutical manufacturing firms affected performance except in its growth objective. Chigozie et al. (2015) also conducted a research on the effect of organizational structure on the performance of manufacturing firms in South East Nigeria. The findings of their study revealed that staff training had positive effect on product quality service of the organization and employment adaptation and flexibility had positive effect on sales turnover of the organization.

However, the findings of this study are in contradiction with findings of Alipoor et al. (2017) who researched on the effect of organizational structure on the employees' job performance in private hospitals in Ahvaz. Their study established that organizational structure (structural aspects) had a significant negative effect on job performance of employees in a private hospital of Ahvaz.

5. CONCLUSION

Basing on the first objective, it was concluded that changes in the organizational structure have a significant effect on employee performance in Kakamega County Government. The adoption of changes in organization structure enhances service delivery and satisfaction among the various employees of Kakamega County Government.

6. RECOMMENDATIONS

Based on the study findings and conclusions of the objective, the study shows a positive contribution of changes in organization structure to employee performance of Kakamega County Government. For Kakamega County Government to realize full benefits of changes in the organization structure, the study recommends full adoption of the changes since it has been confirmed to a major contributor of employee performance.

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