



Journal of International Business, Innovation and Strategic Management

2018: 1 (7): 291 - 310

ISSN: 2617-1805

**INFLUENCE OF ORGANIZATIONAL RESTRUCTURING ON EMPLOYEE JOB SATISFACTION IN
SELECTED COMMERCIAL BANKS IN KENYA**

Mellen Chitere¹ & Dr. Joyce Nzulwa²

^{1 & 2} College of Human Resource Development

Jomo Kenyatta University of Agriculture and Technology, Kenya

Corresponding Author email: mellenchitz@gmail.com

To cite this Article:

Chitere, M. & Nzulwa, J. (2018). Influence of organizational restructuring on employee job satisfaction in selected commercial banks in Kenya. *Journal of International Business, Innovation and Strategic Management*, 1(7), 291 - 310

Abstract: The main objective of the study was to determine the influence of organizational restructuring on employee job satisfaction in selected commercial banks in Kenya. The study was guided by the following specific objectives; to establish the influence of downsizing, centralization, downscoping and business process reengineering on employee job satisfaction in selected commercial banks in Kenya. The study used stratified random sampling to select the sample 230 of employees at Kenya Commercial Bank and National Bank headquarters. Primary data was collected by using questionnaires. Data was analyzed using Statistical Package for Social Sciences (SPSS). Correlation analysis was used to establish whether there is a relationship between the dependent and independent variable. Multiple regression analysis was used to show the weight of the relationship between the independent and dependent variables. The study established that downsizing had a significant negative relationship with employee job satisfaction in selected commercial banks in Kenya; centralization had a significant positive relationship with employee job satisfaction in selected commercial banks in Kenya; down scoping had a significant positive relationship and business Process reengineering had a significant positive relationship with employee job satisfaction in selected commercial banks in Kenya.

Key Words: *Downsizing, Centralization, Downscoping, Business Process Reengineering, Employee Job Satisfaction, Commercial Banks In Kenya.*

Introduction

In the recent decades, the increasingly competitive market pressure and changing business environment have necessitated management in organizations to continuously search for a high commitment work system. Besides globalisation and information technology have further added pressures to the need of constantly reinventing ways to compete such as organizational restructuring that is often seen as the most favoured option when the challenges of change are felt in work organizations. This revolutionary managerial approach is aimed at the improvement of Organizations for the purpose of enhancing effectiveness and responsiveness to environmental changes through better realignment of employee work attitude and adaptation in the work environment (Handfield & Nichols, 2015). Handfield and Nichols (2015) define organizational restructuring as the act of reorganizing the legal, ownership, operational or other structures of a company for the purposes of making it more profitable and better organized to meet its present needs. Hu (2014) describes organizational restructuring as one with two objectives. The internal adjustment objective is to improve the attitudes and behaviours of members of the organization and upgrade organizational culture. The external adjustment objective is to ensure that internal organizational advantages are put into full play on opportunities in external environment in order to achieve stable growth of the organization, thus upgrading the performance of the organization. Jones (2011) stated that the organizational restructuring process enhances efficiency toward the future changes of the current status to expectations.

Cox (2015) stated that organizational restructuring is the fundamental change made to the structural properties of the organization. More importantly, it is often framed to connote a proactive intention on the part of management aimed at exploiting new opportunities in the organizational environment. In other words, it is directed at altering the key organizational variables that can affect the management social structure and organizational members' work-behaviours and attitudes in the workplace (Norley, 2012). Organizational restructuring cultivates new culture, comes up with new methods of production and treatment, new organizational pattern or new labour efficiency in order to make the organization effectively adjust to the environment. The needs of employees can thus be satisfied and the enterprise can achieve sustainability (Jones, 2011). Although, the basic assumption behind this novel managerial approach is that it will inject new work-life, interest and enthusiasm into the organization and members therein. Rusek (2012) states that organizational restructuring is often embedded in complexities which put strain and pressure on employees job satisfaction, commitment, productivity, turnover, well-being and work morale in organizations. Emmanuel (2012) stated that workplace attitudes in organizations have interrelated beliefs of individuals around a common focus and predisposition to respond in certain ways to work situations. This implies that it would be almost impossible to implement any form of Organizational restructuring without impacting either negatively or positively on employee's attitudes within the organization.

Statement of the Problem

While Organizational restructuring process is an effort banks take to improve their overall performance, Favre and Brooks (2012) stated that its ineffective implementation often leads to employees dissatisfaction with the process, reduction in employees' commitment, low work morale and high staff turnover, which in turn affects the would be intended benefits of the restructuring process. According to Emmanuel (2012), organizational restructuring process left most employees affected psychologically since the redundancy process was often not handled adequately. Gichohi (2015) states that although the main aim of organisational restructuring is to reinvent and revitalize an organisation, it often has a negative impact on employees' work attitudes. According to Baruch and Hind (2008) employees often displayed negative work-related behaviours and attitudes such as demotivation, cynicism, insecurity, and demoralisation, which significantly lower levels of commitment.

Commercial banks in Kenya have been undergoing restructuring as a way of reducing cost of service deliver and leveraging on technology. For instance, the National Bank of Kenya started its restructuring process in the year 2012 by laying off 190 employees as a way of reducing the wage bill. However, the restructuring process did not reduce the staff cost which stood at Sh3.7 billion in the year 2014 and amounted to 44 per cent of the bank's total income. In years 2013 the bank was able to post after-tax profits of Sh871 million and Sh1.1 billion in 2014. This was a 26 per cent increment in the profit before tax. However, in the year 2015, the bank recorded Sh1.2 billion pretax loss, which is a 21.7 per cent net profit decline as high operating expenses weighed on its profitability (National Bank of Kenya, 2016).

Between the year 2011 and 2013, Kenya Commercial Bank implemented a transformation programme that saw its costs to income ratio move from a 62.8 percent in 2010 to 56.2 percent in 2013. The bank laid off 120 staff at a cost of Sh1.2 billion. Unlike the National Bank of Kenya, the profit before tax in Kenya commercial bank increased since the year 2013. Empirical Literature include Riany et al. (2012) conducted a study on the effects of restructuring on organization performance of mobile phone service providers in Kenya and found out that a firm's decision to restructure is influenced by a change in the firm's objectives, political/legal, technological, economic and socio-cultural factors; with a greater weight being set on the firm's objectives, technological change and economic factors. Ongwae (2016) carried out a study on the influence of Organizational Restructuring on Performance of Kenya Commercial Bank and found out that organization restructuring positively affects a firm's performance. Few studies have been done on the Influence of Organizational Restructuring on Employee Job satisfaction as shown by the empirical studies found. These studies have been limited to specific institutions and hence their findings cannot be generalized to Kenya Commercial Bank and National Bank of Kenya The study aims to fill the research gap by assessing influence of Organizational Restructuring on Employee job satisfaction in selected commercial banks in Kenya.

Objectives of the Study

- i. To establish the influence of downsizing on employee job satisfaction in selected commercial banks in Kenya.
- ii. To examine the influence of centralization on employee job satisfaction in selected commercial banks in Kenya.
- iii. To assess the influence of down scoping on employee job satisfaction in selected commercial banks in Kenya.
- iv. To determine the influence of business process reengineering on employee job satisfaction in selected commercial banks in Kenya.

Literature Review

Theoretical Framework

The study was anchored on the following theories: Maslow hierarchy of needs theory, Bureaucracy theory, Lewin Three step theory, Diffusion of Innovation theory, Herzberg's two factor theory and Resource Based View theory

Maslow's hierarchy of needs is a theory in psychology proposed by Abraham Maslow (Maslow, 1943). Maslow's hierarchy of needs theory states that people have a pyramid hierarchy of needs that they need to satisfy from bottom to top. Starting from mere physiological subsistence the Maslow hierarchy of needs covers belonging to a social circle to pursuing your talent through self-actualization. According to Maslow's hierarchy of needs theory, job insecurity and the threat of layoffs, blocks an employee from their higher growth needs (Aurangzeb & Shah, 2015). If employees do not attain security, they fulfil their needs elsewhere or suffer from burn out, this theory is

relevant to this study because it affirms that job security affects employee job satisfaction of employees.

The Bureaucracy Theory was developed by Max Weber in the late 1800s. This theory considers the fundamental dimension of organizational structure to be different continuum, which runs from the poles of bureaucratic that, is simple structure to be bureaucratic structure. According to bureaucracy theory, the level of bureaucratization of the structure first contingency of size (the number of organizational employees) specifically, a low level of bureaucratization fits a small organization. This for a small organization, the fitting structure is high on centralization and low on specialization and formalization (simple structure) (Chang-Hua & Hsiu-Yu, 2013). Therefore, for a large organization, the fitting structure is low on centralization and high on specialization and formalization. Increasing complexity and a tall hierarchy, resulting from size, requires top management to delegate many decisions.

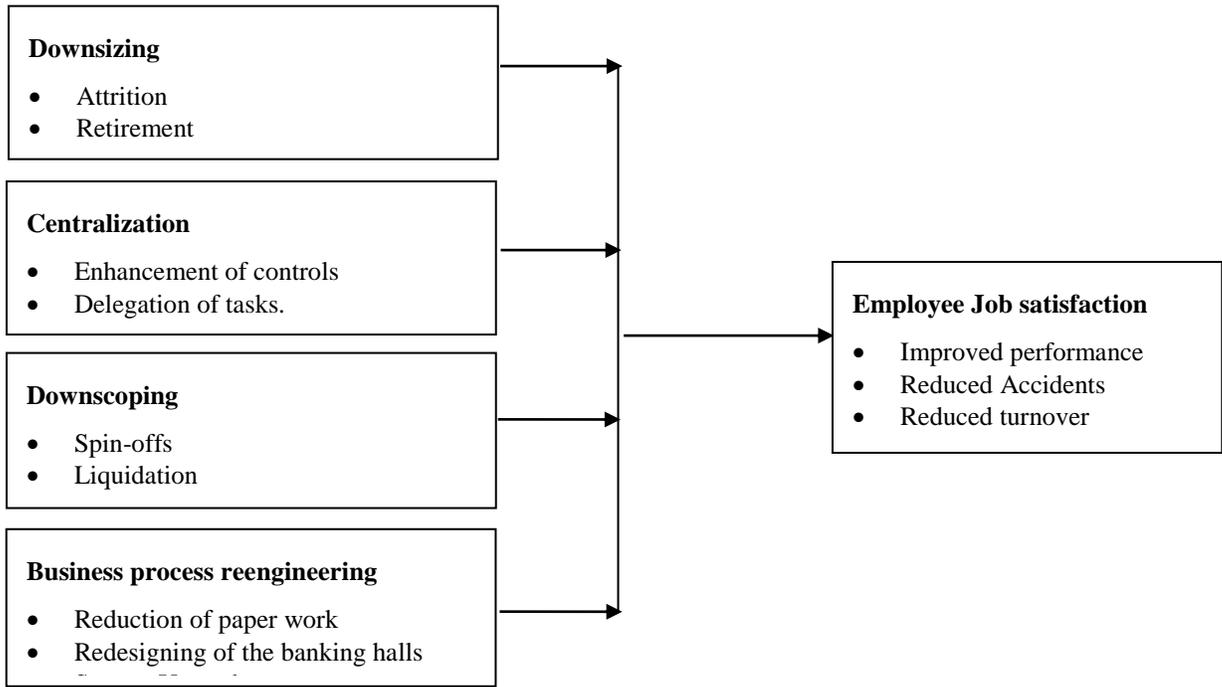
Lewin Three Step Theory developed by Kurt Lewin in 1930s, reviews the process of change in a more clear and simple manner. First, the model provides the initial stage in change as that of unfreezing people who are undergoing the change. This theory is used to explain the effect of down scoping on employee job satisfaction. In the banking sector, down scoping involves reducing the scope of business, mergers of acquisitions and change of processes. Down scoping involves making changes in the organization. However, to manage this change, the organization management need to use the three Lewin steps of change: unfreeze, change and refreezing. During this process factors such as employee involvement and communication should be considered.

Diffusion of Innovation Theory was developed by (Rogers, 1962). It originated in communication to explain how over time an idea or product gains momentum and diffuses (or spreads) through a specific population or social system. The end result of this diffusion is that people as part of a social system adopt a new idea, behavior, or product (Bowman, 2010). Adoption of a new idea, behavior, or product does not happen simultaneously in a social system; rather it is a process whereby some people are more apt to adopt the innovation than others (Rogers, 1962).

The Two-factor theory developed by Herzberg (1966) a Psychologist, (also known as Herzberg's motivation-hygiene theory and Dual-Factor Theory) states that there are certain factors in the workplace that cause job satisfaction, while a separate set of factors cause dissatisfaction. In relation to intrinsic and extrinsic, Herzberg derived hygiene (dis-satisfiers) factors associated with the conditions under which the work is performed i.e. salary, benefits, company policy, supervisor, work conditions or working with competent and social co-workers; and motivation factors which consist of work dimensions of autonomy and responsibility. Motivators sometimes referred to as satisfiers encourage employee growth and development resulting in satisfaction whereas, hygiene factors also called dissatisfies can prevent dissatisfaction with a job, but do not contribute to job satisfaction (Aurangzeb & Shah, 2015).

The resource-based view was advanced by (Werner 1984) and it assumes that resources, are heterogeneously distributed among firms and imperfectly mobile. The Resource Based View (RBV) theory emphasizes the internal resources of the organization in formulating strategy to achieve a sustainable competitive advantage in its markets. Firms that possess and exploit resources and capabilities that are valuable and rare will attain a competitive advantage (Aurangzeb, & Shah, 2015) Resource-based theory seeks to delineate the set of market frictions that would lead to firm growth and sustainable economic rents (via isolating mechanisms). This study uses the Resource Based View theory to emphasize on the Restructuring Strategy that is adopted by banks so as to improve on employee outcomes. Banks use Resource Based View Theory to organize the internal resources such as employees in the process of formulating strategies to achieve a sustainable competitive advantage in its markets (Debicki, 2015).

Conceptual Framework



Independent variables

Dependent Variable

Figure 1: Conceptual Framework

Empirical Review

Armstrong-Stassen *et al.* (2010) conducted a study on the impact of organizational downsizing on the job satisfaction of nurses. The results indicated that hospital downsizing had an effect on overall job satisfaction, satisfaction with kind of work, amount of work, and physical work conditions. Aurangzeb and Shah (2015) conducted a study on the effects of downsizing on job satisfaction of existing employees in banking sector. The results indicated that there is a relationship between downsizing and job satisfaction of existing employees in the banking sector of Pakistan. Further, Malik, Ahmad and Hussain (2010) carried out a study to establish how downsizing affects the job satisfaction and life satisfaction of layoff survivors. Results show that downsizing negatively affects the job satisfaction and life satisfaction of survivors. Chang-Hua and Hsiu-Yu (2013) carried out a study on the effect of centralization on organizational citizenship behaviour and deviant workplace behaviour in the hospitality industry. Results of the Survey data from 318 employees in Taiwan's hotel industry indicated that centralization is positively related to organizational citizenship behaviours, and negatively related to deviant workplace behaviours. Lambert (2012) conducted a study on the impact of centralization and formalization on correctional staff job satisfaction and organizational commitment. With respect to the two major dimensions of centralization noted by previous research (decision-making input and job autonomy), it was found that low levels of staff input into decision-making and low levels of job autonomy both had significant negative effects on job satisfaction and organizational commitment for both the full sample of employees, as well as the subsample of correctional officers. Grandjean *et al.* (2013) examined the relationship between work satisfaction and centralization of organizational decision-making using survey data from faculty members at four baccalaureate

degree schools of nursing, supplemented by interviews with the deans. The results suggested the potential benefits of changes in organizational decision-making to increase faculty participation. Xia (2016) conducted a study on the impact of participation in decision making on job satisfaction. The results indicated that employees' participation in decision-making positively affected their job satisfaction, and the effect was mediated by communication openness (direct effect became non-significant when communication openness was included. Ishimitsu and Fujiwara (2010) carried out a study on downscoping Strategy and performance in diversified firms in Japan. The results indicated that a diversified firm which is downscoping but maintaining the R&D ratio can put more R&D resources into its existing businesses and introduce a new product or service into the markets.

Desai (2011) conducted a study on downscoping vs. downscaling spin-offs. The results indicated that when spin-off occasioned a reduction in scope for the parent firm, both the parent firm and the spin-off subsidiary firm achieved performance improvements. However, the spin-off only resulted in a reduction in scale for the parent firm, neither the firm nor the subsidiary achieved such improvements. Maregwa (2012) conducted a study on the effects of business process reengineering on service delivery in Co-operative bank of Kenya Ltd. The study revealed that the bank has undertaken various BPR projects with an aim of restructuring itself along the process lines. Thiga (2010) conducted a study on business process re-engineering in Kenya Power And Lighting Company Limited. The study found that changes as a result of reengineering were noted in the organisations structure, work units, employee's roles and the manager's roles. Setegn *et al.* (2013) conducted an assessment of the effect of business process reengineering on organizational performance in the Bureau of Finance and Economic Development (Bofed). The results revealed that still there was no strong base line performance evaluation system.

Research Methodology

The study adopted descriptive research design in order to provide a framework to examine the characteristics of the independent variables. The target population were employees working in the operations, information technology, credit, business development, human resources and internal audit departments in the headquarters of National Bank of Kenya and Kenya Commercial Bank. According to the human resource information of both banks, there was a total of 220 employees from departments at National bank of Kenya and 321 employees from the Kenya Commercial Bank. This study determined the sample size through Yamane (2015) formula below.

$$n = (N / (1 + N(e)^2))$$

Where: n = sample size, N = Target Population size, e = margin of error set at 5% . This research study used semi structured questionnaires to collect primary data. Descriptive analysis was used to analyze the quantitative data. The Statistical Package for Social Sciences (SPSS) computer software was used for analysis. Correlation and multiple regression analysis was also used to show the weight of the relationship between the dependent and independent variables.

The multiple regression analysis took the following model:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$$

Whereby: Y = Job satisfaction, β_0 = Constant, $\beta_1 - \beta_4$ = Beta coefficients , X_1 = Downsizing , X_2 = Centralization , X_3 = Down scoping , X_4 = Business process re-engineering and ϵ = Error term

Research Findings and Discussion

The study issued out 230 questionnaires to employees from the operations, information technology, credit, business development, human resources and internal audit departments in the headquarters of National Bank of Kenya and Kenya Commercial Bank. Although the study intended to collect data from all the respondents, only

145 filled and returned the questionnaires, forming a response rate of 63%. According to Mugenda (2008), a response rate of 50% is adequate; a rate of 60% is good and a response rate of 70% and over is excellent.

Descriptive Statistics

Downsizing

Respondents were asked to indicate the extent to which aspects of downsizing influenced employee Job Satisfaction in their bank. Where 1= No extent at all; 2= Low extent; 3= Moderate extent; 4 = Great extent; 5= Very great extent. The results were as shown in Table 1. From the findings the respondents were in agreement that attrition influenced employee’s job satisfaction greatly as shown by a mean of 3.572, early retirement affected greatly employee job satisfaction in the bank as shown by a mean of 3.676, and voluntary severance also affected employee job satisfaction greatly in the bank as shown by a mean of 3.800. These findings are in agreement with Terra and Mutodi (2014) who indicated that voluntary severance affects the morale of employees and commitment to organization. The study findings also concur with Malik, Ahmad and Hussain (2010) who argued that early retirement and voluntary retirement had most effect on employee job satisfaction in banks; this they argue is because they are championed by the employers, with employees made to accept them.

Table 1 : Descriptive Statistics of Downsizing

Statement	Mean	Standard Deviation
Attrition	3.572	0.619
Early Retirement	3.676	0.689
Voluntary severance	3.800	0.709
Average	3.683	0.673

Centralization

Respondents were asked to indicate the extent to which various aspects of centralization influenced employee job satisfaction in their bank. Where 1= No extent at all; 2= Low extent; 3= Moderate extent; 4 = Great extent; 5= Very great extent. The results were as Table 2. From the findings, the respondents were in agreement that enhancement of controls influenced employee job satisfaction in the bank greatly as shown by a mean of 3.593, delegation of tasks also influenced employee job satisfaction in the bank greatly as shown by a mean of 3.552, and involvement in decision making influenced employee job satisfaction greatly as shown by a mean of 3.593.

These findings revealed that all the three aspects of centralization influenced employee job satisfaction in the bank. These findings agree with Aurangzeb and Shah (2015) who emphasized that centralization portends benefits, and through these benefits employee job satisfaction can be enhanced. The findings also concur with the findings of Grandjean (2013) which demonstrated that centralization had a great all round effect on employee performance.

Table 2 : Descriptive Statistics of Centralization

Statement	Mean	Standard Deviation
Enhancement of controls	3.593	0.653
Delegation of tasks	3.552	0.610
Involvement in decision making	3.593	0.729
Average	3.579	0.664

Downscoping

Respondents were requested to indicate the extent to which the following aspects of downscoping influenced employee job satisfaction. Where 1= No extent at all; 2= Low extent; 3= Moderate extent; 4 = Great extent; 5= Very great extent. The results were as shown in Table 3. From the findings, the respondents agreed that spin offs influenced employee job satisfaction in the bank greatly as shown by a mean of 3.703, liquidation methods affected greatly employee job satisfaction in the bank as shown by a mean of 3.600, and divestment greatly influenced employee job satisfaction in the bank (Mean of 3.669). This indicates that the three aspects of Downscoping influenced employee job satisfaction among employees in the banks. These findings are in agreement with DeWitt (2008) who demonstrated that down scoping influenced job satisfaction to a great extent; implying downscoping portends benefits to banking sector. The findings also agree with the findings of Gituma (2016) who demonstrated that spin offs affected employee performance.

Table 3 : Descriptive Statistics of Down scoping

Statement	Mean	Standard Deviation
Spin-Offs	3.703	0.741
Liquidation Methods	3.600	0.668
Divestment	3.669	0.712
Average	3.657	0.707

Business Process Reengineering

Respondents were further asked to indicate the extent to which various aspects of business process reengineering where 1= No extent at all; 2= Low extent; 3= Moderate extent; 4 = Great extent; 5= Very great extent. The results

were as shown in Table 4. From the findings, the respondents indicated that reduction of paper work influenced employee job satisfaction in banks greatly as shown by a mean of 3.890, redesigning of banking halls greatly influenced employee job satisfaction as shown by a mean of 3.745, and system upgrade influenced employee job satisfaction greatly as shown by a mean of 3.986.

This indicated that the three aspects of business process engineering influenced greatly employee job satisfaction in the bank. The findings concur with Mturi (2014) who indicated that business process engineering helps in streamlining internal processes and eliminating redundancies thereby affecting job satisfaction. It also agrees with the findings of Acharya (2015) who established that system upgrade in banks had a greater influence on job satisfaction.

Table 4 : Descriptive Statistics of Business Process Engineering

Statement	Mean	Standard Deviation
Reduction of Paper Work	3.890	0.876
Redesigning of banking halls	3.745	0.734
System Upgrade	3.986	0.893
Average	3.874	0.834

Employee Job Satisfaction

Respondents were asked to give their level of agreement with statements concerning employee job satisfaction. Where 1=Strongly Disagree, 2=Disagree, 3= Neutral, 4=Agree, 5=Strongly Agree. The results were as shown in Table 5. From the findings the respondents were in agreement that employee job satisfaction reduced turnover by a mean of 3.855, reduced accidents by a mean of 3.759, and improved performance by a mean of 4.021.

Table 5 : Descriptive Statistics of Employee Job Satisfaction

Statement	Mean	Standard Deviation
Reduced turnover	3.855	0.773
Reduced Accidents	3.759	0.674
Improved Performance	4.021	0.952
Average	3.878	0.799

Correlation Analysis

The results established that there was a negative and significant correlation between downsizing and employee job satisfaction in selected commercial banks in Kenya as shown by $r = - 0.779$, statistically significant $Sig = 0.000 < 0.05$. The findings imply that an increase in downsizing practices leads to a decrease in employee job satisfaction. The findings are in congruence with the findings of a study by Malik, Ahmad and Hussain (2010) which showed that downsizing negatively affects job satisfaction of employees. The findings also indicated that there is a positive correlation between centralization of processes and employee job satisfaction in selected commercial banks in Kenya as shown by $r = 0.784$, statistically significant $Sig = 0.000 < 0.05$. The findings imply that an increase in centralization practices leads to an increase in employee job satisfaction. The findings are consistent with Grandjean *et al.* (2013) which examined the relationship between work satisfaction and centralization of organizational decision-making and established a positive significant relationship.

It was also established that there is a positive correlation between downscoping and employee job satisfaction in selected commercial banks in Kenya as shown by $r = 0.718$, statistically significant $Sig = 0.000 < 0.05$. The findings imply that an increase in downscoping practices leads to an increase in employee job satisfaction. The findings are consistent with Onyango (2011) which established that corporate restructuring practices improved employee job satisfaction in Kenya Commercial Bank Nairobi significantly. Further findings indicated that there is a positive correlation between business process reengineering and employee job satisfaction in selected commercial banks in Kenya as shown by $r = 0.721$, statistically significant $p = 0.000 < 0.01$. The findings imply that an increase in business process reengineering practices leads to an increase in employee job satisfaction. The findings are consistent with the findings of a study by Setegn *et al.* (2013) which revealed that business process reengineering significantly improved employee job satisfaction.

Table 6 : Correlations Coefficient

		Job satisfaction	Downsizing	Centralization	Downscoping	Business process reengineering
Job satisfaction	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	145				
Downsizing	Pearson Correlation	-.779**	1			
	Sig. (2-tailed)	.000				
	N	145	145			
Centralization	Pearson Correlation	.784**	.321	1		
	Sig. (2-tailed)	.000	.000			
	N	145	145	145		
Downscoping	Pearson Correlation	.718**	.212	.209	1	
	Sig. (2-tailed)	.000	.000	.000		
	N	145	145	145	145	
Business process reengineering	Pearson Correlation	.721**	.231	.223	.215	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	145	145	145	145	145

Regression Analysis

The study conducted regression analysis to establish the relationship between the study variables. Model summary was used to analyze the variation of the dependent variable due to the changes of independent variables. The study analyzed the variations of employee job satisfaction in selected commercial banks in Kenya due to the changes of downsizing, centralization, downscoping, and business process reengineering. The model summary findings indicated that the R square was 0.790 which shows that up to 79% of the variation in employee job satisfaction is accounted by downsizing, downscoping, centralization and business process engineering. The remaining 21% is accounted by other factors other than the four.

Table 7 : Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.889	.790	.784	.94766

The analysis of variance ANOVA was used to determine whether the regression model established in the study was significant (fit). Since the F statistic value of 131.922 was significant (Sig = 0.001, < 0.05), it was concluded that the regression model was significant. It was also confirmed that since the F calculated was greater than F critical (131.922 > 2.435), the model was significant.

Table 8 : Analysis of Variance

Model	Sum of Squares	df	Mean Square	Sig.	F
Regression	136.505	4	34.126	131.922	.001
Residual	36.216	140	0.259		
Total	172.721	144			

The regression coefficients are as indicated in Table 9. Downsizing was found to have a negative and significant influence on employee job satisfaction ($\beta = - 0.282$, Sig = 0.000, < 0.05). These findings imply that an increase in downsizing by one unit leads to a decrease in employee job satisfaction by 0.282 units. The findings are consistent with Ngirande, Terera and Mutodi (2014) who argued that after downsizing, although the remaining employees (survivors) were satisfied with the downsizing process, they were no longer emotionally attached to the organization but only committed due to the costs associated with leaving the organization. The findings are also consistent with Oluoch (2013) who argued that downsizing survival was positively associated with job related stress and negatively associated with organizational support, which translated into surviving employees' low level of commitment. The findings also showed that centralization was found to have a positive and significant influence on employee job satisfaction ($\beta = 0.203$, Sig = 0.000, < 0.05). These findings imply that an increase in centralization by one unit leads to an increase in employee job satisfaction by 0.203 units. The findings are consistent with Abdulai and Shafiwu (2014) ; Muindi (2011) who also established that centralization improved decision making process and improved employee job satisfaction.

In regard to downscoping, it was established that downscoping was found to have a positive and significant influence on employee job satisfaction ($\beta = 0.261$, Sig = 0.000, < 0.05). These findings imply that an increase in downscoping by one unit leads to an increase in employee job satisfaction by 0.261 units. The findings are consistent with Gituma (2016) who argued that downscoping lead to gaining control of payroll costs, maximize returns on wage expenses and is an important factor that can enhance performance of telecommunication industry. Lastly, it was indicated that Business Process reengineering was found to have a positive and significant influence on employee job satisfaction ($\beta = 0.231$, Sig = 0.001, < 0.05). These findings imply that an increase in BP reengineering by one unit leads to an increase in employee job satisfaction by 0.231 units. The findings are consistent with Muturi (2014) ; Mutua (2013) who indicated that BP reengineering was a significant determinant of employees job satisfaction.

Table 9 : Coefficients

Variables	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	0.519	0.359		1.446	0.151
Downsizing	- 0.282	0.038	- 0.508	- 7.421	0.000
Centralization	0.203	0.024	0.589	8.458	0.000
Downscoping	0.261	0.029	0.633	9.000	0.000
BP reengineering	0.231	0.068	0.210	3.397	0.001

Dependent Variable: Employee Job Satisfaction

Conclusion

The study found that downsizing was statistically significant with employee job satisfaction in selected commercial banks in Kenya. The study further established that downsizing had a significant negative relationship with employee job satisfaction in selected commercial banks in Kenya. The study therefore concludes that a unit increase in downsizing leads to a decrease employee job satisfaction in selected commercial banks in Kenya. The study established that centralization was statistically significant to employee job satisfaction in selected commercial banks in Kenya. The study also established that centralization had a significant positive relationship with employee job satisfaction in selected commercial banks in Kenya. The study therefore concludes that a unit increase in centralization leads to an increase in employee job satisfaction in selected commercial banks in Kenya.

Concerning down scoping on employee job satisfaction, the study found that down scoping is statistically significant to employee job satisfaction in selected commercial banks in Kenya. The study also found that down scoping had a significant positive relationship with employee job satisfaction in selected commercial banks in Kenya. The study therefore concludes that a unit increase in down scoping results to an increase in employee job satisfaction in selected commercial banks in Kenya. The study established that business Process reengineering is statistically significant to employee job satisfaction in selected commercial banks in Kenya. The study also

established that business Process reengineering had a significant positive relationship with employee job satisfaction in selected commercial banks in Kenya. The study therefore concludes that a unit increase in Business Process reengineering results to an increase in employee job satisfaction in selected commercial banks in Kenya.

Recommendations of the Study

The study found that downsizing affects employee satisfaction negatively. The study therefore recommends that the management of the banks should re-evaluate their current downsizing practices so as not to affect their employee satisfaction negatively. If need be, the commercial banks should reduce their adoption of this strategy. The study found that centralization positively affects employee job satisfaction. The study therefore recommends that the management of the banks should formalize and centralize their processes in order to improve decision making, enhance control and delegation of tasks. This would ensure effective alignment with other departments within the organization and also it would ensure that the psychological needs of the employees are satisfied.

The study found that downscoping influenced employee job satisfaction among employees in the banks greatly. The study therefore recommends that banks need to develop downscoping policy that will enhance operational efficiency in the banks, this will guide the costs and relationship between the subsidiary and the parent bank as this will affect the employees in the stated branches. The study found that employee job satisfaction positively influenced business process engineering. The study therefore recommends that the banks needs to integrate the use of technology in their process this is important because it eases employees' work thus improving their employee job satisfaction. The study also recommends the need for banks to regularly update their systems this would reduce inefficiencies therefore improving job satisfaction.

Conflict of Interest

No potential conflict of interest was recorded by the authors

References

- Abdulai, I.A. & Shafiwu, A.B. (2014). Participatory Decision Making and Employee Productivity. A Case Study of Community Banks in the Upper East region of Ghana. *Business Economy Journal*, 5(99), 23-43.
- Appelbaum, S., Louis, D., Makarenko, D. & Kulbashian, L.S. (2015). Participation in decision making: A case study of job satisfaction and commitment. *Industrial and Commercial Training*, 45(4), 34-54.
- Armstrong-Stassen, M., Cameron, S.J. & Horsburgh, M.E. (2010). The impact of organizational downsizing on the job satisfaction of nurses. *Canadian Journal of Nursing Administration*, 9(4), 8-32.
- Aurangzeb, S. & Shah, F.M. (2015). Effects of Downsizing on Job Satisfaction of Existing Employees in Banking Sector of Pakistan. *International Journal of Scientific and Research Publications*, 5(12), 132-145.
- Bowman, E.H., (2010). When does restructuring improve performance? *California Management Review*, winter, 41(2), 34-54.
- Bryman, A. & Cramer, D. (2012). *Quantitative Data Analysis with SPSS Release 8 for Windows*. New York: Routledge
- Bryman, A. (2005). Integrating quantitative and qualitative research: how is it done?' *Qualitative research*, 6(1), 97 – 113.
- Buch, K. (2012). The impact of adopting an ethical approach to employee's dismissal during corporate restructuring, *Journal of Business Ethics*, 17(12), 1253-1264.

- Burnes, B. (2004). Kurt Lewin and the Planned Approach to Change: A Re-appraisal. *Journal of Management Studies*, 41(6), 977-1002.
- Carasco T. & Callaghan G. (2014). Is strategy making a difference?" Long Range Planning Review: *A European Review*, 8(3), 151- 62.
- Chang-Hua, Y. & Hsiu-Yu, T. (2013). The effect of centralization on organizational citizenship behavior and deviant workplace behavior in the hospitality industry. *Tourism Management*, 36, 401–410.
- Commercial Bank of Kenya (2010), *Kenya Financial Banking Report*, Nairobi: Commercial Bank of Kenya, 11 (2): 331-356.
- Commercial Bank of Kenya (2011), *Kenya Banking Sector Performance*, Nairobi: Commercial Bank of Kenya, 12 (3): 31-36.
- Cooper, D. R., & Schindler, P. S. (2006). *Business Research Methods*. New Delhi: Tata McGraw Hill.
- Cox A. (2015), Why Organizations Need Restructuring: *An International Journal*, 4(4) 167-175.
- Creswell, J.W. (2006). *Research design. Qualitative, quantitative, and mixed methods approaches*. Thousand Oaks CA: Sage.
- Debicki, B.J. (2015). Forgotten contributions to scientific management: work and ideas of Karol Adamiecki. *Journal of Management History*, 21(1), 40-67.
- De-Boer, L. (2015). Strategy and Structure: Chapters in the history of industrial enterprise. *International Journal of Purchasing and Materials Management*, 34(2), 31-36.
- Desai, H., Nixon, R.D. & Wiggins, R.R. (2011). *Downscoping vs. downscaling spin-offs: parent, subsidiary, and proforma performance*. Retrieved from <http://www.wiggo.com/spinacad.PDF>
- Ellram, L.M. (2014). The Practice of Management. *Harvard Business Review*, 30(2), 9-19.
- Emmanuel, S. (2012). The impact of microfinance institutions in local financial markets: a case study from Kenya. *Journal of International Development*, 6(3), 501-517.
- Favre, D. & Brooks, J., (2012). The Age of Discontinuity: *Harvard Business Review ASCET*, 4, 74-76.
- Gelderman, J. C., (2015). Creating Public Value: Strategic Management in Government. *International Journal of Public Sector Management*, 19(7), 702-714.
- Gichohi, W., (2015). *The organizational restructuring audit guide: A handbook for corporate: Open society initiative for East Africa*.
- Gituma, A.W. (2016). Influence of Organizational Restructuring on Performance of Telecommunication Industry in Kenya: A Case of Airtel Kenya Ltd. *The strategic Journal of Business and Change Management*, 2(4), 3(18), 379-401.
- Grandjean, B.D., Bonjean, C.M. & Aiken, L.H. (2013). The effect of centralized decision-making on work satisfaction among nursing educators. *Research Nursing in Health*, 5(1), 29-36.
- Greener, S.L. (2008). *Business Research Methods*. Copenhagen: Ventus Publishing ApS.
- Handfield, R.B. & Nichols, E.L. (2015), *Introduction to restructuring management*. Prentice-Hall, USA.
- Harps L. H. (2012), Restructuring Process, Content and Context. *Inbound Logistics Journal*, 75-114.

- Hertzog, M.A. (2008). Considerations in determining sample size for pilot studies. *Res Nurs Health*, 31(2), 180-191.
- Herzberg, F. (1966). *Work and the nature of man*. Cleveland: World Publishing
- <http://www.kcbbankgroup.co.ke>, 12/07/2012
- <http://www.pwc.com/ke/en/industries/banking.jhtml>, Retrieved on 20-07-2012 Institute of Economic Affairs (2013), Kenyans' Verdict: *A citizen's report card on the constituencies' development fund*, research paper series 7.
- Hu, C., (2007). "Organizational Restructuring," special article of National Library: *Organization Science*, 15(3), 364-369.
- Ishimitsu, Y. & Fujiwara, M. (2010). *Downscoping Strategy and Performance: Analyses on Diversified Firms in Japan*. Retrieved from <http://ci.nii.ac.jp/els/110009808896.pdf>
- Jones, G. R. (2011). "*Organizational Theory: Text and Case*". New York: Pearson Education, Inc.
- Kelly, D. (2016). Perceptions of Taylorism and a Marxist scientific manager. *Journal of Management History*, 22(3), 298-319.
- Kenya Banks Association (2012). *Potentials and the challenges in the Kenyan banking sector*, Nairobi: Kenya Banks Association, 21-22.
- Kumar W., K., (2011). *Restructuring Strategy*: Communications of the ACM. 44(6), 58-61.
- Lambert, L., Paoline, E.A. & Hogan, N. (2012). The Impact of Centralization and Formalization on Correctional Staff Job Satisfaction and Organizational Commitment: An Exploratory Study. *Criminal Justice Studies*, 19(1), 23-44.
- Lee, G. & Teo, A. (2007). Organizational Restructuring: Impact on Trust and Work Satisfaction. *Asia Pacific Journal of Management*, 22, 23.
- Lewis, A. (2012). Finding a model for managing change. *Training & Development*, 39(5), 6-7.
- Malik, M.I., Ahmad, A. & Hussain, S. (2010). How downsizing affects the job satisfaction and life satisfaction of layoff survivors. *African Journal of Business Management*, 4(16), 3564-3570.
- Manchester, J., Gray-Miceli, D. L., Metcalf, J. A., Paolini, C. A., Napier, A. H., Coogle, C. L., & Owens, M. G. (2014). Facilitating Lewin's change model with collaborative evaluation in promoting evidence based practices of health professionals. *Evaluation & Program Planning*, 47, 82-90.
- Maregwa, G. M. (2012). *Effects of business process reengineering on service delivery - a case of co-operative bank of Kenya Ltd*. Retrieved from <http://ir-library.ku.ac.ke/handle/123456789/3631>
- Maslow, A.H. (1943). A theory of human motivation. *Psychological Review*. 50(4), 370-396.
- Mlay, S. V., Zlotnikova, I. & Watundu, S. (2013). A Quantitative Analysis of Business Process Reengineering and Organizational Resistance: The Case of Uganda. *The African Journal of Information Systems*, 5(1), 1-14.
- Muturi, P.L. (2014). *The Effect of Business Process Reengineering on Staff Turnover in KK Security Group of Companies*. Retrieved from <http://erepo.usiu.ac.ke/bitstream/handle/11732/169/Laibon.pdf?sequence=1>
- Muindi, F.K. (2011). The Relationship between Participation in Decision Making and Job Satisfaction among Academic Staff in the School of Business, University of Nairobi. *Journal of Human Resources*

- Mutua, O. (2013). Employee Perception on the Effects of Business Process Reengineering On the Performance of Mara-Ison Technologies. Retrieved from <http://chss.uonbi.ac.ke>
- Nober, M. (2015). *The effects of workplace restructuring on job satisfaction in South Africa*. Retrieved from <http://hdl.handle.net/11394/4727>
- Norley, J. Swanson and P. Marshall, (2012). *A Practitioner's Guide to Corporate Restructuring*: City Planning Publishing.
- Ochira, R. A. (2009). *The influence of restructuring on employee job satisfaction and empowerment: a case study of Kenya Railways Corporation*. Retrieved from <http://erepository.uonbi.ac.ke:8080/xmlui/handle/123456789/23388>
- Oluoch, M. F., Nyago, M.O. & Nyandiga, G. O. (2013). Effects of downsizing on surviving employees of dominion farms in Siaya County, Kenya. *Business Management Dynamics*, 3(6), 01-09.
- Omar, H.U. & Were, S. (2015). Effect of Employee Downsizing On Performance of Retained Workforce in Commercial Banks: A Case Study of National Bank of Kenya. *International Journal of Social Sciences Management and Entrepreneurship*, 2(2), 132-150.
- Ongwae, M.N. & Moronge, M. (2016). Influence of Organizational Restructuring on Performance of Commercial Banks in Kenya: A Case of Kenya Commercial Bank. *Strategic Journals*, 3(26), 571-594.
- Onyango, A.B. (2011). *Effects of Corporate Restructuring on Employee Job Satisfaction in Kenya Commercial Bank Nairobi Region*. Retrieved from <http://erepository.uonbi.ac.ke>
- Rusek, R., E., (2012). The theory of organizational restructuring revisited: *Organization Science*, 15(3), 364-369.
- Setegn, D., Ensermu, M. & Moorthy, P.K. (2013). Assessing the Effect of Business Process Reengineering On Organizational Performance: A Case Study of Bureau of Finance and Economic Development (Bofed), Oromia Regional State, Ethiopia. *International Refereed Research Journal*, 4(1), 115.
- Tadajewski, M., & Jones, D. B. (2012). Scientific marketing management and the emergence of the ethical marketing concept. *Journal of Marketing Management*, 28(1-2), 37-61.
- Thiga, T.J. (2010) *Business process re-engineering in Kenya Power And Lighting Company Limited*. Retrieved from <http://erepository.uonbi.ac.ke>
- Xia, Y., Zhang, L. & Zhao, N. (2016). Impact of Participation in Decision Making on Job Satisfaction: An Organizational Communication Perspective. *Spanish Journal of Psychology*, 20(19) E58.