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ORGANIZATIONAL RESTRUCTURING: AN OPPORTUNITY FOR GROWTH AND SOCIAL NETWORKS

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Abstract

The restructuring of employees today in the era of competition is a critical issue due to the fact that organizations need to survive, grow and develop, consequently, employee restructuring is an issue that has posed a lot of challenges to human resource strategy realization. Although many scholars have undertaken research on restructuring practices, in general, there has been however limited research undertaken on employee restricting and effects on social networks. Organizations restructure even in the best of economic conditions, the spirit of competitiveness and social networks between employees globally. Recently, there have also been a significant number of studies examining non-financial outcomes of organizational restructuring, specifically its impact on employee perceptions and observed that survivors in a restructured organization experience increased low morale, job insecurity and low productivity, Directly contrasting these findings are other studies that showed that employees are energized and consider restructuring to be an opportunity for personal growth. There are different and varying results, from organizational studies done on restructuring, show that the effects of organizational restructuring on employees are far from straightforward. It does suggest that more research needs to be done to further understand what mediates the effects of organizational restructuring on employees. What is interesting is the lack of attention paid to the mediating effects of social network structure in explaining employee outcomes. In past studies, the changes in employees' network centrality and structural holes induced by organizational restructuring were then examined to determine their effects on employees' work satisfaction, satisfaction with changes and work performance. This paper therefore reviews and provides an analysis of employee restructuring: an opportunity for growth and social networks.

Keywords; Employee Restructuring, Social Networks, Opportunity, Organizational Performance, Improved Performance, Employee Satisfaction, Trust

INTRODUCTION

An Organization is a group of people who work together. The group share common goals. As organizations grow, they need to arrange and cluster workers together according to business related activities they undertake. Because there are many people, often in different locations, working towards a common objective, there must be a plan to show how jobs are organized that is the formal organization structure. The structure describes the way in which the interrelated groups of an organization are constructed the way in which employees are formally divided into groups for co-ordination and control.

An organization structure according to Drobnick (2002) is "the sum total of the way in which it divides it's labour into distinct tasks and then achieves coordination between them". (Cole, 2005), defines an organization structure as a concept that is used to describe something that is intangible: "…an intangible web of relationships between people, their shared purposes, and the tasks they set themselves to achieve those purposes." Organization Structure (Design) comprises functions, relationships, responsibilities, authorities and communication of individuals within each part of the company (Cole and Kelly, 2011).

The Concept of Restructuring

Restructuring is a process of making a major change in organization structure that often involves reducing management levels and possibly changing components of the organization through divestiture and or acquisition, as well as shrinking the size of workforce. Khandwall (2001) defines restructuring an orchestrated systematic changes which is not "incremental, ad hoc, or partial… nor a mere alteration of the organizational chart…is a major realignment of the culture, vision, values, strategy, structure, management systems, management styles, technologies and staff skills. (Muijen and Witte, 2000) In effecting change modern managers may not avert the need to employ restructuring strategy as a bid to offer strategic alternative for the organization in resolving operation and financial issues. Departmental restructuring will enhance effectiveness in service delivery as well as decision making procedures at the subordinates' level.

Organizational Design

The overall pattern of structural components and configurations used to manage total organization is termed the organization design. (Duncan, 2002) suggested that organizational structure is more than boxes on a chart; it is a pattern of interactions and coordination linking technology, tasks and human components of the organization to ensure the organization accomplishes its purpose.

Why are Organizations Restructuring?

Contemporary literature reveals various reasons for organizations to reorganize their operations through a restructuring process. These range from business and economic factors, changes in the environment, and political factors to globalization, to name just a few. The American Institute of Certified Public Accountants believes that the reasons for restructuring include entry into new market regions, the addition of new product lines and production facilities, service outlets (i.e. through a merger, acquisition, or internal expansion), and the decision to reach new customer groups.

The fundamental objective of the organization, in these instances, is to retain the suitable level of resources within a structure that will boost both the proactive and reactive capacity of the organization to new demands. The restructuring process therefore can lead to either downsizing or upsizing the staffing levels. In either case, the outcome will entail the rightsizing of the organization and the reorganization and realignment of workflows and reporting relationships. In particular, lines of responsibility and authority must be structured to facilitate the productive and effective use of resources (Baldin, 2007). The key strategic objectives of restructuring the organization include the following: improve profits; refocus efforts on changing markets and strategic directions; incorporate new markets, products, services, and production facilities; accommodate new growth areas and opportunities; enhance communication and cooperation within the organization; redistribute management skills; enhance customer service; make better use of limited resources; streamline operations and reduce costs; and focus effort by grouping related tasks into organizational units, thus replacing duplication with synergy (Byars, 2006).

Organizations should set relevant objectives that will measure the success of the restructuring process. These objectives should always be in sync with the goals of the other parts of the corporate strategic plan.

Byars (2006) contends that an organization can restructure during both good and bad times. The need to restructure may be triggered by various forces such as the business expansion of the organization, products or customer base diversity, expansion of product lines through acquisitions, or entering into a joint venture with another company in a bid to access bigger markets. The following are the reasons generally given by most organizations for reorganizing: to enhance profitability of the company; to enhance productivity; compete effectively in the market; to enhance the ratios of the balance sheet; to improve growth rates; and, to strategically change the direction and focus (Witte, 2009).

Types of Organizational Restructuring

Cascio (2002) adds a different dimension to the understanding of organizational restructuring. He contends that restructuring does not necessarily have to result in the retrenchment of employees with all the painful consequences that follow. There is an alternative approach, which he refers to as 'responsible restructuring'. Whether the company will follow the traditional way of restructuring that involves retrenchments or what he terms 'responsible restructuring' depends on the management view of employees. Managements who view their employees, as costs to be reduced are more likely to reduce their workforce when restructuring. They always look at an irreducible core of workers that the business requires to ensure that minimum number of employees is maintained. Management who view their employees as assets to be nurtured and developed, on the other hand, are more likely to be responsible restructurers. They constantly seek new ways of doing business that will ensure that employees are utilized more efficiently and effectively. The downsizers view workers as commodities that can be changeable and substituted for one another. The responsible restructurers, on the other hand, view employees as sources of creativity and renewal as well as having potential to grow the business.

Organizations that follow a pure employment downsizing approach tend to focus on altering the number of employees without altering the manner in which the work is done. This approach tends not to bring about long-term effects that management had been looking for. The organizations that pursue a 'responsible restructuring' approach, on the other hand, tend to depend on their employees to offer continuous competitive advantage and embrace a variety of practices. The following are some of such practices: adopting skills training and sustained learning programmes for employees; sharing of information; encouraging their employees to take part in the design and execution of work processes; adopting organizational structures that are flattened; promoting partnerships between employees and management; adopting a customer centric approach in their design and delivery of products and services; and, remunerate employees according to their skills and organizational performance.

These practices must be applied together as a system in order to bring about good results. This approach to restructuring does give rise to enhanced performance and productivity amongst workers as well as longer-term financial performance for the organization (Cascio, 2002).

It is important to note that employees in the organization do require some help to effectively deal with the process of organizational restructuring. Restructuring must be viewed as an ongoing process rather than a project. The successful implementation of change requires organizations to change their mindset and this does not happen overnight. Employees must not

only be given both intellectual and financial tools needed to cope with future business challenges, but be assisted in starting to see the business environment differently. This will help them to comprehend the need for change in their organisation and this will naturally make them more supportive of change (Senge, et al., 2008).

Organizational restructuring may also involve changing the size and the basic arrangement of the organizational chart. It may involve downsizing which is a process of reducing the number of employees required to perform effectively. This process is not directed only at retrenching workers, but also at ensuring that the newly designed structure absorbs only the number of employees required, nothing more and nothing less. It is therefore also referred to as rightsizing. As Greenberg and Baron (1999) put it, most of today's organizations require far lesser people to function than in the past.

Organizations can also restructure through outsourcing of the non-core parts of their business to another company. This helps to free the organization to focus all its attention on core business functions that are enshrined in its mission. Depending on the outsourcing agreement, the company to which the business is outsourced may employ the same workers who were manufacturing the products or services from the outsourcing company and vice versa. This form of restructuring may not necessarily lead to the loss of jobs (Greenberg and Baron, 1999).

The structure of the organization does affect the information it gathers from its surroundings and the way it integrates and processes the information to craft future strategies. Structural changes therefore, do give rise to alterations in the flow of information. This, in turn, gives rise to changes in the strategic opportunities that are being thought carefully about and followed up. Structural changes are also necessary to put an end to power bases that may block the required changes in strategy in trying to shield the vested interest of some top managers. It is therefore, not a bad idea for an organization to have constant reorganization. Changes in the structure may be carried out by an organization in response to a need for a change. It is one form of carrying out an organizational change in response to a problem.

Social Network Analysis and Organizational Restructuring

An organization is made up of social groupings with relatively stable patterns of interaction over time (Weick, 2009). Networks are constructed when individuals interact (Tolbert et al., 1999). Social networks are defined as "specific sets of linkages among a defined set of persons, with the additional property that the characteristics of the linkages as a whole may be used to interpret the social behavior of the persons involved" (Mitchell, 2002, p.2). Not all pairs of individuals are directly joined, and some are joined by a variety of relationships.

When many individuals are involved, the resulting structure can be analyzed to derive information about the individuals or the organizational groupings. The network structure can reflect much about the functioning of organizations and individuals (McPherson, Popielarz and Drobnic, 2002). Network scholars are interested in the patterning of relationship ties within a social network structure and seek to establish both their causes and consequences. It is important to understand why relationships exist in some context and are absent in another (Tichy, Tushman and Fombrun, 2009).

There could be two reasons why relationships are absent. If either party to a relationship does not participate, the relationship simply does not exist. The second reason why some interactions do not take place is because all interactions occur in a context of institutions which include rules and roles (Tolbert et al., 2000). Organizational policies impose some of these rules and roles.

For example, organizational units can be explicitly directed to interact with one unit but not others, or are instructed to report to one level rather than another. Others might arise from prejudices or rules that are set in place for other purposes. Therefore, individuals at different levels of the social structure sometimes do not mix with each other. In some organizations, for example, high-level managers may not mix with lower-level employees.

Network scholars are particularly interested in mapping informal relationships and ties. As Tolbert et al. (2000, p. 343) described the realities in organizations: “The structural designers of organizations, those who mandate reporting relationships or memo distribution lists or access to databases, are much like architects who try to predict where the pedestrian traffic will be or should flow on a university campus.

They lay their cement, install fences and other obstacles, but inevitably the flows of people and classes carve bare spots in the grass where the sidewalks need to be.”

More often than not, interactions and relationships in organizations consist of informal ties that link people across formal lines of control. These social interactions emerge over time, become relatively stable, and may shadow formally prescribed work-flow and authority relationships. These interactions and relationships form the social networks within the organization. Examining organizational dynamics from a network structural perspective has the advantage of providing understanding and insights into important relationships or ties other than those specified on the organization charts (Krackhardt and Hanson, 2003). Because interactions are often not formally specified, it is important to map out the presence of informal social networks and trace how they carry information or ideas from place to place.

A network analysis of organizations not only advances our knowledge of organizations by the modeling of formal and informal interactions, it provides additional insights on access to

resources within the context of analysis (Brass, 2002). Coleman (1999) argued that the structural context provides access to and control of valued resources at any given time. Over the last decade, network scholars have been keen to understand how network ties and structural positions that are embedded in both formal and informal interaction patterns are associated with instrumental outcomes like innovation opportunities and brokerage opportunities (Burt, 2007; Hargadon, 2007).

Given the merits of utilizing a structural approach to understanding both organizational and individual phenomena, a study of organization restructuring from a social network perspective is likely to yield important insights on its impact on the organization and the consequences on employee-level outcomes.

Organizational Restructuring and Social Networks

Social networks are the patterned, repeated interactions among individuals in the organization (Mintzberg, 2009; Weick, 2004). A major restructuring is likely to disrupt the existing interaction patterns and relationship ties within the organization as people leave and newcomers join the organization. Krackhardt and Hanson (2003) suggested that organizational restructuring creates changes to the informal organization, which they defined as the networks of relationships that employees from across functions.

Social interaction patterns within the organization are likely to be more fluid than stable in a context such as in an organizational restructuring. Changes to interaction patterns following organizational restructuring will alter the structures of social networks within the organization, affecting employees' centrality within these social networks and their effective size of networks. From a social capital perspective, an individual's centrality in a social network structure will affect the individual's ability to draw on that standing to achieve individual goals (Friedman and Krackhardt, 1997).

Social capital theory predicts that returns to intelligence, education, and seniority depend on a person's location in the social structure of a market or hierarchy (Granovetter, 2003; Burt, 2007; Lin and Dumin, 2006; Lin, 2008). Individuals with more social capital get higher returns to their human capital because they are positioned to identify and develop more rewarding opportunities (Burt, 2002). What is critical to success is not just individual attributes like intelligence and charisma, but the way one is embedded in an organization - that is, one's position in a web of social relations that provide information and political support (Brass, 1994). Information represents capital that exists in the very presence of relationships. The more people one knows and the more informed are that person's contacts, the more information that person has available to him or her (Burt, 2007).

Based on social capital theory, an individual employee's centrality in the social network structure will have implications on individual-level outcomes (Brass, 2004, Ibarra, 2003, Granovetter, 2005; Podolny and Baron, 2007).

Despite the widespread consensus among scholars that informal organizational networks are powerful mechanisms for the control and distribution of a wide array of resources (Brass, 2002; Krackhardt, 2000), empirical evidence linking resources and outcomes derived from an individual's network centrality and structural holes following organizational restructuring is practically non-existent.

Organizational Restructuring

McKinley and Scherer (2000) defined organizational restructuring as any major reconfiguration of the internal administrative structure that is associated with an intentional change management program. It is important to delineate the difference between various types of restructuring that take place in organizations. According to Bowman and Singh (2003), there are three types of restructuring: organizational, portfolio, and financial. Organizational restructuring excludes portfolio restructuring and financial restructuring such as increasing the debt level or reducing free cash flow (Bowman et al., 1999; Donaldson, 2004).

The distinction is made because as Bowman and Singh (2003) pointed out, portfolio or financial restructuring may be correlated with organizational restructuring, but they are not the same phenomenon. Organizational restructuring initiatives can include downsizing and reorganization of the formal organizational structure. Organizations may reorganize without downsizing. Downsizing may also take place without significant changes to the formal structures. Although conceptually different, downsizing and reorganization often contribute to the other. Organizations in the process of aligning their internal organizations with the external market conditions may adopt new structural changes, which produce redundancies of jobs and employees. Even when downsizing is implemented without the intention of major reorganization, fewer employees are often left to do the same amount of work.

As a result, downsizing can itself be an impetus for reorganization to address overload and burnout (Brockner, 2008). Organizational restructuring and reorganization efforts are and will continue to be common organizational responses to a variety of challenges. The prevailing belief is that organizational restructuring will provide a better alignment with the external competitive environment, improve financial indicators, and ultimately improve stock price performance (McKinley and Scherer, 2000). Organizations in decline often attribute their performance to inefficient processes and excessive bureaucracy (Cascio, 2003). To remedy these inefficiencies, organizations attempt to restructure to improve productivity and reduce

costs. Better earnings and improved competitiveness should logically lead to better financial performance and drive the stock price upward. Unfortunately, the evidence shows that the outcomes of organizational restructuring in economic and financial terms are mixed at best.

Cascio et al., (2007) examined 537 companies from the Standard and Poor's (S & P) 500 over a 12-year period. Using a firm's return on assets (ROA) and stock returns as measures of financial performance, Cascio, et al., (2007) and his colleagues questioned the effectiveness of organizational restructuring in its ability to deliver the intended objectives of improved financial performance (Cascio et al., 1997).

Contrary to conventional beliefs about the benefits of restructuring on the bottom line, they found that organizations with the largest employment declines also experienced the greatest ROA declines. One explanation for the results of this study, they pointed out, may be a lack of appreciation for the softer long-term costs associated with a pure reduction of the workforce. For example, employee motivation may have been negatively affected, leading to employee behaviors that hinder rather than enhance productivity. Consequently, productivity decrements may offset labor cost savings, resulting in the basically flat financial and share price performance observed in the study.

More recently, results of a study showed that organizational restructuring had negative effects on employee levels of job security, organizational commitment, perceptions of time pressure, psychological wellbeing, and turnover intentions (Probst, 2003). The study suggests that it is important to examine the socio-psychological implications of organizational restructuring on cooperation, trust, productivity and morale, which in turn affect economic consequences.

A review of the organizational restructuring and social network literatures showed that no study so far has addressed the impact of organizational restructuring on social networks. There are potential benefits in pursuing this research agenda.

Firstly, a major restructuring will inadvertently affect the social network structure in which organizational members are embedded (Granovetter, 2003). Freeman and Cameron (2006) also agreed that there will be dramatic changes to the deep-seated informal organizational structure. The informal organization comprises important links, ties and exchanges used in getting work done. These social networks are likely to be disrupted by a major restructuring. For example, the social network structure will be altered when there are turnover and new hires following the restructuring. Understanding changes in the social structure and their implications for employee-level outcomes will facilitate a systemic understanding of the effects of organizational restructuring on employees.

Secondly, organizational restructuring has become the predominant reaction to global competition, low productivity, and increasing labor costs. Economic recessionary pressures have forced organizations and businesses to restructure and reorganize their operations in an attempt to retain a profitable bottom line and to increase competitiveness. Organizational restructuring provides a "quick fix" for an array of problems: cash flow, profitability, and reduction of expenses. Not surprisingly, studies on organizational restructuring have surged in the past decade (Cascio, et al., 2003; Buch and Aldridge, 2007; D'Aveni, 2009; Tombaugh et al., 2000; Dougherty and Bowman 2005; Bowman et al., 2009). It is important to enhance our understanding of the impact of organizational restructuring on employees given that it has been a strategy favored by many organizations in attempting to lower rising wage costs, and in ensuring business survival in a very competitive market (Koretz, 2008).

Studies that have contributed to restructuring research have shown that organizational restructuring impacted survivors, resulting in varying psychological states that include job insecurity, anger and relief, which are then manifested in performance, motivation, job satisfaction and commitment (Brockner, 2008; Mishra and Spreitzer, 2008).

Shah (2006) suggested that social networks play an integral role in the experience of organizational justice, job insecurity and uncertainty as employees' perceptions are "mitigated by survivors' existing and severed relationships in a firm" (p.101). Understanding network alterations following organizational restructuring will advance knowledge of survivors' reactions.

Work Performance and Organizational Restructuring

Work performance is and will continue to be an important research focus in organizational research because it is an integral aspect of any organization's human resources system. The growing need to build and sustain a high-performing workforce has promoted more systematic efforts to develop a more informed understanding of work performance (Judge and Ferris, 2003). There are multiple perspectives on factors that contribute to better work performance.

From the perspective of work commitment scholars, work performance is a function of the commitment and effectiveness with which individuals apply their knowledge and skills to the assigned tasks. In general, employees who display greater commitment are thought to be better performers than those who shirk or supply lower effort and commitment. Interestingly, this assumption has been reexamined in a recent study by Wright and Bonett (2002) who investigated the relationship between commitment and work performance. They found that tenure had a very strong nonlinear moderating effect on the commitment-performance correlation, with correlations tending to decrease exponentially with increasing tenure.

Advocators of learning as an antecedent of work performance argue that continual learning and effective theories in use will yield the individual a critical competitive edge in work performance (Senge, 2000; Garvin, 2004; Argyris, 2006).

Other approaches to work performance have highlighted the importance of contextual factors such as the design of wage policies, empowerment and job autonomy in contributing to work motivation and performance (Hackman and Oldham, 2006).

Increasingly, many scholars in studying work performance have acknowledged that social and psychological factors are important antecedents to work performance (Mitchell, 1999; Ferris and Judge, 2001).

In a recent study, Bond and Bunce (2008) found that acceptance, the willingness to experience thoughts, feelings, and physiological sensations without having to control them or let them determine one's actions, was a major individual determinant of mental health and work performance. Results showed that acceptance contributed to work performance over and above job control, negative affectivity and locus of control.

In social structural theory, individuals' embeddedness in the social structure is expected to affect their work performance. Network scholars argue that structural positions in social networks may offer individuals an advantage in accomplishing work and organizational goals. Individuals may outperform their peers because of differences in the networks to which they belong. Links to friends and work partners can provide the assistance and social support necessary for high performance.

Forming a large network, for example, has been argued to benefit the individual in providing social resources. Denser networks in which the individual is embedded may have positive benefits of higher levels of cooperation and productivity (Coleman, 2008).

Previous work has focused on the effects of the structural context on outcome variables such as power and promotions as well as provided some evidence concerning performance in organizations (Burt, 2007). One of the few studies that did examine work performance found that officers and enlisted men in three high-technology military organizations who have two or more network contacts perform better than people with one or no network contacts (Roberts and O'Reilly, 1999).

Although scholars have recently begun to examine the effects of the structural context on work performance (Sparrow et al., 2001; Baldwin et al., 2005), there has yet been any study investigating the effects of network centrality on work performance in an organizational restructuring work context. Shah (2000) called for the need to examine the performance implications of an organizational restructuring.

It is possible that in a post-restructuring organizational work context with heightened uncertainties within the task and social aspects of the work environment, structural advantage through network positions such as network centrality and effective size of network (networks rich in structural holes) may be more important in influencing work performance. Given these suggestive postulations, it is useful to examine directly whether network centrality and networks that are rich in structural holes are associated with better work performance in an organizational restructuring context.

Work Satisfaction and Organizational Restructuring

Work satisfaction has been a focal issue in organizational changes research for decades. It has been shown to be an important predictor of quits and other objective outcomes (Clark, 2001). In this respect, work satisfaction can be viewed as an important organizational indicator, particularly in studying the impact of organizational restructuring on employees.

Work satisfaction is a multi-dimensional concept (Howard and Frink, 2006). It refers to the degree to which people like their work (Flap and Volker, 2001). It can be considered as a global feeling about work or as comprising various attitudes about the different aspects of work. There is a need to broaden our definition of work satisfaction to include various dimensions: satisfaction with working in the organization (organizational context), job satisfaction, satisfaction with supervisors and satisfaction with colleagues.

Many studies have delved into the possible antecedents of work satisfaction, with the assumption that this is important to organizational functioning. One approach is to understand the extent to which work satisfaction is the result of dimensions within employees' psychological needs and personalities (Locke, 2006; Spector, 2007). For example, employees' personalities have been found to influence work satisfaction, as those with an internal locus of control are more satisfied with their work (Spector, 2004). Scholars have also examined the socio-demographic background characteristics of employees, like age, sex, and education, to see if there are any links with work satisfaction. The findings of these studies on work satisfaction have been inconclusive. There seem to be no large differences in work satisfaction between men and women, although women are generally paid less for doing work similar to men (Witt and Nye, 2002). Another study found that education has no influence on work satisfaction once job characteristics are accounted for (Martin and Shehan, 2005).

Researchers who argue that work satisfaction is a function of contextual factors like job characteristics, pay, stress factors, role conceptions and organizational constraints have found significant effects for job autonomy, clarity of expected performance, task identity and skill variety, on work satisfaction (Fried and Ferris, 1999). Organizational constraints such as

insufficient budgetary support or shortage of resources negatively affected work satisfaction (Peters and O'Connor, 2000).

The general assumption underlying studies on the effects of the work context on work satisfaction is that the provision of favorable job or work conditions will cause workers to be satisfied with their jobs (Hackman and Oldham, 2006). For example, if employees feel they receive fair pay, they tend to experience more satisfaction on the job.

Some network scholars have suggested that the presence of agreeable social relations at the workplace may be an important antecedent to work satisfaction. However, empirical evidence to support this suggestion has been mixed.

Studies conducted by Brass (2002), Hurlbert (2001), and Hodson (2007) showed inconsistent results. According to Hurlbert (1991), cohesive personal networks promote work satisfaction, an effect that is augmented as the network members (alters) have more resources such as education. Using non-network data, Hodson (2007) also found co-worker solidarity to have positive effects on work satisfaction. On the other hand, Brass (2002) failed to find an association between centrality in the network of a work organization and work satisfaction, although several different measurements for centrality were used.

Recent studies of social capital suggest new ideas on how networks and work satisfaction may be related (Flap, 2000). Flap and Volker (2001) argued that a network with a given structure and content will have different impact on various aspects of work satisfaction. Different network structures constitute different forms of social capital, depending on what goals the actor wants to attain. For example, when unique information is needed, a network rich in structural holes is an optimal structure, while goals like trusting each other and cooperation are best served by a closed network. They suggested that work satisfaction is likely to vary according to the network type, the network structure and the goals that the individual wants to attain.

Given that social capital is not an all-purpose good but a goal-specific one, it is plausible that particular forms of social capital are associated with particular dimensions of work satisfaction. For example, Flap and Volker (2001) found that instrumental ties are directly related to satisfaction with instrumental aspects of work (e.g., income, security, career development) and social solidarity ties are more related to satisfaction with relational aspects of work (e.g., satisfaction with co-workers).

The findings from the study suggest that the structural perspective of social capital and work satisfaction is far from straightforward. It points to the need for further empirical studies to disaggregate the content and structure of social networks and examine different structural antecedents to various dimensions of work satisfaction. A more important issue is to understand

network effects on work satisfaction in an organizational restructuring context. Assuming that social capital from an individual's embeddedness in the social structure has positive effects on work satisfaction, will the effects be amplified in a dynamic organizational context (such as in an organizational restructuring) where resources and support may be quite critical?

Despite growing interest in the structural dimensions of social capital, little attention has yet been paid to changes in structural positions as a direct result of organizational restructuring and the effects on work satisfaction. Investigating social structural changes following organizational restructuring and the association with work satisfaction will illuminate the structural implications on work satisfaction.

Employees' Satisfaction and Organizational Restructuring

One of the most crucial factors that must be examined after a restructuring is the effect on employees who still remain in the organization (survivors). Some studies of survivors' reactions have provided evidence for the potentially negative repercussions of organizational restructuring and downsizing. Studies have suggested that survivors suffer from high levels of burnout, stress, confusion, and guilt. For instance, Cascio (2003) found that more than one-half of survivors report increased job stress and symptoms of burnout following downsizing. When jobs are cut, the work to be done does not diminish, but is reallocated to the remaining employees. Trust and morale are negatively affected as workloads increase and job insecurity escalates (Fisher, 2001).

On the other hand, there are some studies that indicate positive reactions to organizational restructuring and downsizing. For instance, studies have shown that some survivors do not experience emotional distress; instead, they are energized and consider downsizing to be an opportunity for personal growth (Emshoff, 2004; Henkoff, 2004; Isabella, 2009).

Indeed, researchers have documented a range of seemingly contradictory survivor responses to downsizing. For example, following a downsizing announcement, survivors have responded by working harder, reducing their efforts, or not changing their efforts at all (Brockner, Grover, and Blonder, 2008).

Mishra and Spreitzer (2008) provided an explanation of various factors that influence different reactions to organizational restructuring. They articulated how an evaluation of the trustworthiness and credibility of management have significant effects on survivors' reaction.

Responses will be positive to the extent that they have trust in management (because management is perceived to be competent, reliable, opened and concerned about all

stakeholders). Trust in management is further reinforced by perceptions of fair and just implementation of the changes.

Additionally, survivors evaluate their capability for coping with the changes. Empowerment and the redesign of work have powerful influence on survivors' assessment of their ability to cope. With more empowerment, survivors will experience a greater sense of personal control and not feel so helpless in the face of change. Likewise, if work is redesigned to minimize overload or maximize job autonomy, then survivors are more likely to respond positively.

Brockner (2007) suggested that the work environment, which he referred to as the context, plays a significant role in affecting survivors' reaction and subsequent performance (Brockner, et al., 2007). Contextual factors include perceived justice and outcome variability (Brockner et al., 1994), job content and the nature of work (Brockner et al., 2007), and social ties with employees who lost their jobs or left the organization as a result of organizational changes (Brockner et al., 2007).

From the perspective of social network scholars, network turnover may be a significant factor in explaining employees' satisfaction with organizational changes. The loss of close colleagues within one's social networks may negatively affect one's attitudes and perceptions of the changes. Shah (2000) found that survivors' responses to a layoff vary depending upon the extent to which their networks are altered. The loss of friends has a negative impact on survivors' attitudes regarding their organization. When layoff victims are friends, survivors experience the turmoil and stress of the layoff from the victim's perspective, resulting in greater negative feelings towards the organization.

The findings of the study suggested that social networks may have important bearings on micro-level attitudes and reactions. Shah (2000) did not investigate turnover in survivors' trust networks. Although Krackhardt and Porter (2005, 2006) investigated turnover in networks, they did not focus specifically on advice and trust networks under conditions of change such as in an organizational restructuring context. An investigation of the effects of trust and advice network turnover on satisfaction with changes may enhance our understanding of why employees adopt different reactions to organizational restructuring

Trust Networks Following Organizational Restructuring

Trust is defined as the willingness to take risks and to be vulnerable to the actions of the *other, based on the assumption that the other will act in a manner beneficial to the trustor* (Gilbert and Tang, 2008). Will trust relations be affected when they are tested under changed

circumstances? Studies have shown that organizations appear to suffer a deterioration of trust and an increase in fear during processes of change (Buch and Aldridge, 2001; Cascio, 2003).

Trust relations are likely to be affected when there are organizational changes accompanied by greater uncertainty and vulnerability, particularly if the change generates a sense of job insecurity and perceived competition (Buch and Aldridge, 2001). In the aftermath of organizational restructuring, there will be increased volatility and heightened sense of uncertainty. There is likely to be more volatility in organizational and work-group membership in terms of new entry of staff members and inevitable departure of existing members. Trust relations that are severed when individuals leave the organization may not be easily rebuilt (Lewicki and Bunker, 2006).

Whether trust relations develop will depend on a favorable cognitive evaluation of the other party's trustworthiness and will be strengthened by positive experiences arising from social exchanges (Blau, 2004). Placed in a context with unfamiliar work group members, trust relations or trust ties development will require a period of positive exchanges before it may be built (Lewicki and Bunker, 1999).

From the social exchange view of trust (relationship perspective), trust is based on expectations of reciprocity. In the absence of prior dealings with another party, the expectation that the other party will act in a manner beneficial to oneself is not easily made. The length of a relationship between individuals may affect the level of perceived mutual trust.

For example, a trust tie between two parties is more likely to develop in a relationship of longer duration than a relationship of shorter duration due to the level of knowledge and familiarity acquired. Lewicki and Bunker (2006) suggested that deeper levels of trust 'develop over time, largely as a function of the parties having a history of interaction.' Length of a relationship is one proxy for the extent of interaction. Drawing from this proposition, newly hired staff members will need to have a length of time before they are willing and able to form trust relations with existing members.

Additionally, there could be changes to workflow, departmental coordination and role responsibilities in a major restructuring. In such a context, there will be an initial phase of uncertainty and a lack of familiarity with the changes. If there is increased ambiguity and uncertainty in the context of organizational restructuring, relationships of individuals working together are subject to greater stress on their relationships (Lazarus and Folkman, 2004). Increased demands on communication and coordination between departments whose tasks are interdependent may further stress trust relations if one party does not meet the expectations of the other. With the loss of trust relations when friends and colleagues leave the organization, trust ties between individuals in the organization may decrease following organizational

restructuring. This is because trust ties that are lost through inevitable resignations will not be easily rebuilt over a short time. It is therefore anticipated that centrality of individuals in the trust network structure will decline.

Advice Networks and Organizational Restructuring

Research in the social network tradition has demonstrated the importance of personal connections in the construction and acquisition of information (Burt, 2002, Granovetter, 2005). To determine what people get from other people when they turn to them for information or advice, Cross (2000) conducted in-depth interviews with forty managers in a global consulting organization. The findings indicated that solutions and meta-knowledge are exchanged in advisory interactions. A distinction is made between declarative knowledge (know-what) and procedural knowledge (know-how). Cross (2000) in his study, found that out of the 68 interactions in which solutions are shared, only 9 are valued for know-what and 59 are valued for know-how. The findings suggested that more of procedural knowledge is shared than declarative knowledge.

Other than solutions, he also found that meta-knowledge is exchanged within advisory interactions. The social interactions help to uncover information about where to find answers that are needed (meta-knowledge). The parties may learn of the location of important information (if in a database) or expertise (if in a person).

The advice network has been widely used in network studies to facilitate instrumental outcomes like innovation involvement, work performance and promotion (Ibarra, 2003; Burt, 2002; Baldwin, 2007; Sparrow et al., 2001). The knowledge that is shared in an advisory relationship will not only benefit the advisee, but the advisor will also gain from knowing firsthand the technical problems that are faced in the advisees' work situation.

Employees after organizational restructuring need help in adapting to their new work environments and the many changes that ensue. An advisor plays a key role in helping employees to redefine their organizational roles and to provide role modeling and help in job-related problems (Siegel et al., 2004). Advisory support could come in the form of both technical help that are job-related and emotional support through counseling during periods of rapid transition and stress (Siegel, 2000). Advisors can also support individuals' notions of competence and confidence in their careers.

Clawson (1996) noted that as organizations flatten and bureaucratic pyramids transform into ovals and circles, individuals turn increasingly towards their peers for guidance and support. Siegel (2000) showed that individuals turn to their peers to cope with organizational changes particularly during periods of uncertainty. When organizational restructuring increases employee

uncertainty about changes to work and work context, peer relationships can mitigate the expected negative effects of the changes. This was found in a recent study that tested the effects of perceived environmental uncertainty on personal networking activities. The findings showed that as the level of perceived uncertainty in the environment increased, so did the frequency of internal networking (Sawyerr, McGee and Peterson, 2003).

An individual who is very central in an advice network is one whose opinion and advice are sought by many others. He or she is also likely to have many direct contacts and negotiated relationships with many other individuals in the organization. An individual who occupies a central position in the advice network within the organization is likely to be respected for his or her competence, experience, know-how as well as his or her access to resources.

For employees seeking work-related advice, highly central individuals in advice networks are likely to be more obvious choices than those in the periphery. Existing and new employees who turn to these centrally-located individuals in the advice network will result in the increase in centrality of these individuals over time.

It is plausible that new advisory relations may be formed in a context of change and confusion after organizational restructuring. Under these circumstances, the need for technical consultations will arise. Advisory ties between individuals already in the organization will increase following organizational restructuring. The number of ties may also be added upon by new staff members who enter the work context.

Therefore, it is expected that the centrality of individuals in the advice network structure will increase after a major restructuring.

Burt (1992, 1997, and 2007) argued that social capital is a function of brokerage opportunities in a network. With the expected increase in advisory relations in an organizational restructuring context, the opportunities for the development of structural holes in the advice networks will also increase. In a major redesign of the organization towards a more cross-functional organization (as opposed to specialized functional organization), interdependency between traditional work boundaries will increase. This is expected to create greater interaction opportunities for individuals who are otherwise unconnected to each other before the organizational restructuring. The need for consulting others outside of one's traditional work or task boundaries, particularly in areas of work and tasks that are unfamiliar, will arise.

Furthermore, there will be opportunities for structural holes to be created when more people are admitted into the existing advice network within the organization, particularly if there is task interdependency in the new organizational setup.

Changes Due to Organizational Restructuring

Changes in an organization are marked by high levels of uncertainty and chaos (Tombaugh and White, 2004). Organizational restructuring will bring some uncertainty, especially initially, due to unfamiliarity with new administrative structures and work systems. Social networks within the organization will play an integral role in helping organizational members to cope with the uncertainties (Shah, 2000).

For instance, an individual who is enmeshed in social networks will have a source of psychosocial support that may be important in dealing with the stresses and strains of a restructured context (Ibarra, 2005).

In a dynamic change context such as in an organizational restructuring context, it is likely that the social networks of trust (expressive) will be important for friendship and social support, and advice (instrumental) for supporting work performance.

In a major restructuring of an organization, it is anticipated that both trust and advice networks will concurrently be altered. Survivors (remaining employees in the organization) will need to adjust to their loss of ties, forge new ties, and seek social cues for adapting to changes in their organization.

ORGANIZATIONAL RESTRUCTURING AND ITS IMPLICATIONS FOR HR PRACTITIONERS

Organizational restructuring has consequences on the work environment. Downsizing particularly, leads to disruptions in the work environment, which can affect the bonds that have developed between a worker and an organization. The allegiance between worker and organization is somewhat de-emphasized, as organizational leaders grapple with methods to deal with the uncertainty and change. The psychological contract between a worker and an organization is therefore undergoing fundamental changes that leave workers unsure of their role and place in organizational systems.

Thus, the HR practitioners must recognize that in some cases there may be viable alterna1tives to downsizing and must be prepared to help management locate such alternatives and implement them. As stated, rightsizing involves layoffs; otherwise called downsizing and also new recruitment. In carrying out a downsizing exercise, HR practitioners must equally realize that although layoffs may sometimes be necessary, but they can always be done better or worse. Some of the thoughts generated by Robert T. (1999), a researcher in this field, on what are to be avoided and/or emphasized when carrying out a downsizing exercise are:

Open Communication

All possible efforts should be made to avoid putting employees kept in the dark. Pre-*announcement dynamics should not be deliberately restricted to a small elite working* under conditions of secrecy and perhaps conspiracy, if not deep cover. Substantial information programs targeted to all major stakeholders especially the workers and unions should be the prime vehicles supporting downsizing efforts. The point stressed is that HR practitioners must endeavour to encourage openness in communication and involve a participatory process in any given downsizing exercise.

Enlarge the Range of Adverse Personnel Actions

Fitting personnel actions to the situation has much to recommend it. Specifically, "downsizing" usually refers to reductions in total employment, but some downsizing goals may be achieved in terms (for example) of a lowering of an organization's job or skill profile. Consider a marketing organization that decides to reduce its managerial cadre–given reduced sales, or a desire to upgrade salesperson's jobs.

Demotion of such managers is seldom relied upon, but evidence suggests the shortsightedness of relying on only dismissal or early retirement in such cases. Thus, the chance to accept demotion may be viewed as a good faith response to a job once done well enough, but no longer seen as useful. Moreover, demotion also retains a pool of possibly-promotable should the situation change.

Set and follow Standards

HR practitioners must look at all issues involved in downsizing, the rational, the objectives to be met, needed strength of workforce reasonable to keep the wheel of production going, etc and then set standards or criteria that will be adopted in disposing the excess baggage without hurting the business. HR officers must set the standards to follow in achieving this: useful questions must be asked; such as: is age the only relevant criterion for lay off; will past performances and competencies be evaluated; what of bad records; should a staff that has severe bad record be left at work just because he is 40 years while a 55 year old valuable staff of tremendous asset to the organization is laid-off; and are medical records going to be examined to ascertain those staff whose medical status are no longer helpful to achieving quality and maximum output, etc?

Examining all the factors will help the HR practitioner to arrive at the necessary criteria to be adopted in deciding on which worker to be dropped or who to retain. Having set the standards, these standards must strictly be followed and seen to be followed. Any deviation will

send the wrong signals and will cause upheavals in relationships between management and the organization's relevant stakeholders especially the labour unions.

Involve the Stakeholders

There is need to collaborate closely with the relevant stakeholders of the organization especially the in-house trade unions in working out modalities of carrying out a hitch free exercise. They must be carried along on the various issues of concern. The argument that cutting the workforce is basically a management function is not altogether plausible. Though the decision is a management prerogative, the decision process must involve the stakeholders to sustain industrial harmony.

Align Process with Legal Imperatives

Downsizing has to take cognizance of legal contracts guiding the employer and the employees. Such matters as compensation rights and entitlements should be secured. It should be seen that other social contract requirements between the worker and the employer have been duly observed and followed during the disengagement process. It is the responsibility of HR practitioners to ensure organizational compliance with this important requirement. HR practice has also gone beyond the process of effecting cut in staff strength as and when the need arises to preparing staff for such inevitable changes in life. Organizations that are deemed to be employee friendly prepare their workers for post retirement life. Such preparations take usually the form of seminars, workshops and re-skilling development. These preparations help the staff concerned to fit into and be useful in the larger society after the leaving the organization. The act of getting this done is solely an HR function. HR practitioners may therefore wish to take cognizance of the enormous goodwill that this service garners for the organization and the empowerment value, which it renders to employees.

Rightsizing, Not Just Downsizing

As has been stated earlier, rightsizing is not just about downsizing. There is the element of inter-departmental postings, using the extra hands in a bloated department to fill up an under staffed department. To successfully effect such organizational reshuffling and still maintain performance at maximum efficiency and capacity, the staffs that are to be transferred to other units may necessarily need to be re-trained or re-skilled to perform the new roles expected of them.

Another aspect of rightsizing involves new recruitment. HR practitioners function to identify need areas for staff recruitment, competences required, and the selection procedure

and processes to be undertaken to fill such vacancies. As in the case of downsizing, standards must be set and followed. Equally the selection procedure and processes should be transparent, fair and objective. Another implication of effecting new recruitment lies with staff development. The new staff necessarily needs to undergo some form of orientation and development to fit into the organization. It is the function of HR practitioners to ensure that this is carried out.

Restructuring, Not Just Rightsizing

It must be stressed that restructuring is not all about downsizing or rightsizing as the case may be. Emphasis may have been unduly laid on these factors because of the sensitive nature and the prime role that HR practitioners play in this management function. However, restructuring also involves the dynamics of successfully carrying mergers and acquisitions. The role of the HR practitioners in organizational development continues to expand and organizations depend on knowledgeable HR practitioners to play some critical roles in making a success of mergers and acquisitions. Critical roles that HR practitioners take on to achieve success in this area include initial strategy and planning, due diligence checks and analysis that affect the integration process.

It is therefore the role of the HR practitioners to ensure that there is an effective and efficient planning of jobs and people with a view to balancing demand against supply with the right number of employees at the right time and at the right place. Strategic and integrated motivational devices to productivity ensure job satisfaction, through job enlargement, job rotation; participation, networking and team working as well as feedback circle are essential ingredients in modeling and streamlining the HR practitioners' responsibility to duty.

In the implementation process, the human resources practitioners also have onerous task of providing clear focus and direction to the organization while at the same time creating incentive strategies for members of the organization to adapt to the changing situation. With restructuring in the oil and gas industry, the human resources practitioners are challenged to spearhead the change, manage the change and monitor the change to ensure successful implementation and achievement of the new vision of the organization.

ORGANIZATIONAL PERFORMANCE AND RESTRUCTURING ORGANIZATIONS

High Commitment

This model embraces workforce commitment and identification with the organizations values and goals. The main features of high commitment model are:

Development of career ladders and emphasis on trainability and commitment as highly characteristic of employees at all levels in the organization; a high level of functional flexibility with the abandonment of potentially rigid job descriptions; the reduction of hierarchies and the ending of status differentials; heavy reliance on the team structure for dissemination of information (team building) structure work and problem solving; job design as something management consciously does in order to provide jobs which have a considerable level of intrinsic motivation; A policy of no compulsory layoff or redundancies and use of permanent employee with possible use of temporary workers to cushion fluctuation in the demand for labour; new forms of assessment and pay system and more specifically merit pay profit sharing and a high involvement of employees in the management of quality.

According to this model, organizational commitment reflects at least three general themes.

i. Affective commitment to the organization
ii. Continuance Commitment
iii. Normative Commitment.

Affective Commitment

It's the employees' emotional attachment to, identification with and involvement in the organization. Employees with a strong affective commitment continue employment with the organization because they want to.

Continuance Commitment

The individual commits to the organization because he/she perceives high costs of losing organizational membership including economic costs (such as pension accruals) and social costs (friendship ties with co-workers) that could be incurred. The employee remains with the organization because he/she "has to".

It refers to an awareness of the costs associated with leaving the organization. The potential cost of leaving an organization include the threat of wasting the time and effort spent acquiring non transferable skills, losing attractive benefits, giving up seniority, based privileges or having to uproot family and disrupt personal relationships. It also develops as a result of lack of alternative employment opportunities. Employees in this category remain because they need to.

Normative Commitments

This refers to a feeling of obligation to continue employment. Employees in this category remain in the organization because they feel they ought to.

Organization can develop normative commitment by providing reward in advance e.g. paying college tuition. Normative pressures may also make an individual feel that they ought to remain within the organization. Acknowledging these investments makes employees feel a sense of obligation to reciprocate by committing themselves to the organization until the debt has been paid.

One important point is that not all forms of employee commitment are positively associated with superior performance (Meyer & Allen, 1997). For example, an employee who has low affective and normative commitment, but who has high continuance commitment is unlikely to yield performance benefits. The main reason such an employee remains with an organization is for the negative reason; the costs associated with leaving are too great.

O'Reilly and Chatman (1986) developed their multidimensional framework on the basis of the assumption that commitment represents an attitude towards the organization. For them, commitment takes on three distinct forms, which they labeled as:

Compliance

This occurs when attitudes and corresponding behaviors are adopted in order to gain specific rewards. e.g. being very considerate towards people so that you get that promotion.

Identification

This occurs when an individual accepts influence to establish or maintain a satisfying relationship.

Relationship / Internalization

This occurs when influence is accepted because the attitudes and behaviors one is being encouraged to adopt are congruent with existing values. Employees thus become committed to organizations which they share value e.g. an organization that encourages integrity is likely to win the commitment of an individual who believes in integrity.

DEVELOPING HR PRACTICES THAT ENHANCE COMMITMENT

According to Armstrong (2005) the following ten (10) practice contribute to increase of employee commitment:

- Advise in methods of communicating the values and aims of management and achievements of the organization, so that employees are more likely to identify with it as one they are proud to work for.
- Emphasize to management that commitment is a two way process employees cannot be expected to be committed to the organization unless management demonstrates that it is committed to them.
- Impress on the management the need to develop a climate of trust by being honest with people, treating them fairly justly and consistently, keeping its word and showing willingness to listen to the comments and suggestions made by employees.
- Develop a positive psychological contract by treating people as stakeholders rely on consensus and cooperation rather than control and coercion and provision of opportunities for learning and career progression.
- Advise on and assist in the establishment of partnership agreements with trade unions which emphasize unity of purpose, common approaches to working together and the importance of giving employees a voice.
- Recommend and take part in the achievement of single status for all employees so that there is no an “us and them “culture.
- Encourage management to develop a policy of employment security and ensure steps are taken to avoid involuntary redundancies.
- Develop performance management process that provide for the alignment of organizational and individual objectives.
- Advice on means of increasing employee identification with the company through rewards related to organizational performance (profit sharing or gain sharing).
- Develop job engagement: identification of employees with the job they are doing through job design process that aim to create higher levels of job satisfaction.

High Performance

The concept of the high-involvement organization stems from the principles of employee involvement. The creation of a high-involvement organization is the result of a change in the entire design of the organization through implementation of employee involvement strategies. Employee involvement was introduced as a new philosophy of organizational management at a time when mass acceptance of the traditional bureaucratic style began to erode (Lawler, 1986). Used interchangeably with the terms “empowerment” and “participative management”, employee involvement has replaced the phrase “quality of work life” that originated in the 1950s.

The goal of employee involvement is to enhance organizational performance and workers' well being through increasing decision-making power at all levels of the organization (Cummings & Worley, 2001). Workers are involved in reaching business goals. This is based on the belief that employees will take more pride and interest if they are allowed to make meaningful contributions to their work and influence decisions made about it (Aubrey and Felkins, 1988).

The high-involvement organization is one of the major applications of the philosophy and practices of employee involvement (Cummings and Worley, 2001). Some of the hallmarks of the high-involvement model are as follows: challenging the structures and values of traditional organizations, locating the right mix of power, information, rewards, and knowledge (also known as PIRK) at all levels, encouraging employee commitment to the success of the organization, and utilizing an employee-centered approach as opposed to a control-oriented approach to management (Lawler, 1986; Lawler, 1991; Lawler, 1992).

The high-involvement approach is devoted to the belief that value must be added at all levels of the organization. Value is added by allowing individuals more autonomy; they control their own work, thereby reducing the need for many layers of management (Lawler, 1991). In the traditional paradigm, the assumption was that organizations should add value primarily at the top because that was where all key decisions were made. A tall hierarchy was advocated in order to properly control employees. In the new paradigm, a flatter organization is required in which work is organized around small groups that have their own customers and accountability (Lawler, 1996).

Because there are fewer layers of management, power distance is much smaller in than in traditional organizations. Influence and decision-making are shared among individuals who are otherwise unequal, provided managers are willing to distribute the power that is typically associated with upper level positions (Kim, 2002). The flatter structure also facilitates communication between managers and their subordinates. Important business information is more easily communicated because there are less hierarchical layers to penetrate. Furthermore, job expectations and objectives seem to be communicated to employees more effectively with fewer managerial layers.

Since it has been shown that task clarity and an understanding of organizational objectives are a significant determinant of job satisfaction, effective communication appears to be an important advantage of participative management (Kim, 2002).

When employees are given the appropriate combination and amount of PIRK, which are the four key elements that promote employee involvement, the organization is on the verge of creating a high-involvement organization. The idea is to ensure that significant amounts of PIRK are located at all levels of the organization, and is moved down through the ranks to the lowest

level. The farther these elements are moved downward throughout the organization, the greater the employee involvement. When employees are given the power to make decisions about work that impacts the organization, up to date information about the company in order to make effective decisions, an opportunity to build upon existing skills and learn new skills, and rewards that that are linked to performance outcomes, they are involved in their organization. This, according to Lawler (1986, 1992) will yield employees that care more about their workplace and that put more effort into helping their business succeed.

The high-involvement approach encourages employee commitment to the success of the organization. Employees are more motivated to make a business successful if they are involved in their organization. According to Lawler, (1991) “over the last four or five decades, most large corporations have lost a sense of employee involvement. If employees do not understand the business that they are a part of, they will not care about the business, and their behavior reflects that.” People who do not have psychological and financial ownership in their company don't put in the extra effort required to help the business succeed (Lawler, 1991). Again, the degree to which an employee is given PIRK is a large determinant of their involvement in the organization, and therefore also a determinant of their commitment or loyalty.

RECOMMENDATIONS

- Organizational restructuring is a process that requires a great deal of change management. It is for that reason that communication should become one of the cornerstones of a successful organizational restructuring. Effective communication with employees plays a vital role during the restructuring period of any organization as it helps to properly inform the employees about the changes. This helps to remove the uncertainty and allay fears amongst employees and therefore may overcome any resistance that may result thereof.
- Organizational restructuring necessitates changes in the culture of the organization as well. When two or more organizations merge, they come into the merger with different dominant cultures. The organization cannot function properly with two dominant cultures. One dominant culture should therefore have to be adopted for the new organization. The culture that will be adopted in a merger will depend on the nature of the merger. The new organization may adopt more cultural features of the bigger party in the merger or a combination of all the merging parties as its dominant culture. This process of cultural change should to be managed very carefully.
- Every effort must be made to ensure that all the elements of fairness such as trust, openness and respect do exist during organizational restructuring. Organizational justice is one of the key considerations in any restructuring process, particularly when job losses are

inevitable. Employees will always make their own judgments about the fairness of the decisions taken during a restructuring process. Such perceptions do have serious impacts on the behaviour and attitudes of employees. When employees feel that they were not treated fairly, they may sabotage the restructuring process and vice versa. Research has shown that employees will regard their workplace as fair when trust, openness and respect exist. Fairness also decreases the levels of stress amongst employees, enhances performance, job satisfaction and commitment to an organization. It also promotes organizational citizenship behaviours that help in assisting fellow employees to carry out their jobs as well as positive attitude towards the organization. Top management must always bear in mind that, when it comes to restructuring, the first concern that employees raise is whether the process was fair to them.

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