

THE INTERNATIONAL JOURNAL OF BUSINESS & MANAGEMENT

Towards a Theoretical Model for Work Reorganization, Employees Welfare and Organization Performance: A Research Agenda

Opondo Jacinta Anyango

Ph.D. Student, Department of Human Resource Management, School of Business,
Kenyatta University, Nairobi, Kenya

Part Time Lecturer, Kenya Institute of Management, Nairobi, Kenya

Dr. Muathe S. M. A.

Senior Lecturer, Department of Business Administration, School of Business,
Kenyatta University, Nairobi, Kenya

Abstract :

This review of literature was based on the concepts of work reorganization, employees' welfare and organization performance. The motivation for carrying out this literature review is presented and the foregoing argument is that change is more of the norm in management of organizations today. Work reorganization places people management practices and process in the centre because workers deliver the desired objectives through individual and group effort. The objectives of carrying out this literature review include; to establish the evolution of work reorganization and employees' welfare, to find out the relevant theoretical underpinnings, to establish research gaps and to describe a methodology for studying work reorganization, employee's welfare and organization performance. The theoretical review identified Best Practice approaches, Contingency approaches, Resource Based View and Conflict theory of Ralph Dahrendorf as most relevant. An empirical literature review was done to capture on thematic issues, methodology, data collection and data analysis. Various studies were reviewed and critiqued to identify knowledge gaps. Research gaps relate to constructs, content and methodology. Conclusions were drawn and recommendations made to include all the constructs in the current study. A conceptual frame work is proposed for studying work reorganization, employees' welfare and organization performance.

Keywords: *Employees welfare, HRM practices, Job Design, Organization change, Organizational learning, Restructuring, Work reorganization*

1. Introduction

The work place is continuously dealing with changes; hence management of organizations has to contend with the dilemma of organizing their work routinely as custom or change to keep pace with changes. Before the end of the twentieth century, the set-up nature of work and associations was evolving so fast that to some a number of observers, they foresaw the 'end of work' and work places without jobs (Rifkin, 1995; Bridges, 1995; Robinson, 2007). The economy, technology and market related dynamics are largely uncertain, to cope organizations are forced to change their approaches in managing their resources and work processes. The purpose is that through restructuring activities, the firm can mitigate financial agony and enhance general execution of the business. Besides, reorganization studies are not consistent on how to order these activities and what is their efficiency in execution of change (Smith & Graves, 2005; Liou & Smith, 2007; Robinson, 2007).

This study of changing organizational forms has a long history from the 18th century when the established work rhythms and practices of preindustrial civilization gave way to the system of division of work and industrial facility arrangement of work, all the way to the more recent organizational innovations such as flexible specialization, cellular production, lean manufacturing, team based flat organizational structures, re-engineering and virtual organizations (Bratton & Gold, 2009). The precise nature of the impact of the work design strategies however remain subject to debate. For managers and other employees job and organization redesign affects work place safety, health and wellness, the need for workplace learning and the need to synchronize bundles of better HR practices and employee and collective relations to new work structures the study of the changing design of work and organizations is inseparable from the study of human resource management (HRM) hence the researcher undertook this study

The established give and take relationship between the employer and the employee, which is critical for the prosperity of business, can be eroded due to a violation of the psychological contract and most probably result in burnout (Maslach *et al*, 2001; Amgabare & Chukunenyne, 2010). The loyalty towards the employer may deteriorate and the personnel may opt to exit the organization. This is pointed out by Millward and Brewerton (2000), who also indicate lower levels of work satisfaction may result amongst the employees. Moore (2001) advocates a dynamic inclusion of employees in the work rearrangement process so as to alleviate the appearances of anxiety. The establishment of continuity and self-consistence during change can be promoted by combining past and new knowledge

(Chreim, 2002). Antonacopoulou and Gabriel (2001) emphasize the need for a “holding environment” – derived from Winnicott (1971) – that allows space for experimentation and that may involve assimilation of new concepts and transformation of old ones. This writer lays emphasis on the significance of adapting the pace of change to the individual workers.

The inclusion or non-inclusion of employees in organizational alterations has various explanations and varying importance. It is important to connect the levels of individual contribution to the sort of progress proposed (Burnes, 2000; Marchington & Wilkinson, 2008). Huse (1980) and (Osterman, 2000) contends that if the workers are to acknowledge the progressions, then more attention must be taken to “the mind set” and the identity of the person. Changes chosen by the business where the worker is not involved may cause feelings of resentment and even disgust (Pelzer, 2002, Osterman, 2000). An explanation on this from the view of the individual is that it is not easy for people to accept changes that they perceive as unacceptable, harmful or damaging. The adjustment to change must be for those working in the organization, they who will do the work (Mintzberg, 1994, Osterman, 2000). This is also pointed out by George and Jones (2001): “Organizations can only change and act through its members” and any assessment of the process of change as well as models or theories of change has therefore to be based on an understanding of change at the level of a personal view. This literature review is motivated by the need to determine the relationship between work reorganization and employees’ welfare in the current changing environment.

The difference between employees who perform well and those who perform poorly has very little to do with their pay but much to do with how they are treated. Welfare is a strategic undertaking or commitment reflected in the expressed care for employees at all levels, supporting their work and the surroundings in which the work is actually carried out (Cowling & Mailer, 1992; Amgabare & Chukunenyne, 2010). According to a recent study (Berry, Buan & Mirabito 2010), the term ‘employee welfare’ can be a sign of an approved undertaking by companies to support employees and sometimes their families with the purpose of reducing health risks, making their quality of life better and their personal efficiency increased. Employee welfare schemes as well incorporate any action addressed to the well-being and staff enhancement given beyond and in addition to standard salary and pay.

Coventry and Barker (1988) affirm that staff welfare incorporates giving social club and sporting facilities, low level management and operators’ canteens, running health clubs and savings funds; managing superannuation, annuity supports and leave awards, making advances on hardship cases; masterminding legal aid and giving counsel on individual issues; making long administration stipends; giving help to staff exchanged to another territory and giving fringe benefits (for example, as payment during sickness, lunch get-together vouchers and other indirect support. These benefits constitute a significant percentage of total cost. The common organizational objective to yield high benefits, subsumed under solid administration beliefs, which is legitimization to minimize consumption including welfare of representatives is relative. The point of interest for this study further is to determine the justification for organizations to continue incurring welfare cost.

According to Aswathappa (2004), Singh (2009) and Torrington, Hall & Taylor (2005) occupational wellbeing is inseparable from welfare, particularly when the later is seen in the expressions of Cowling and Mailer (1992) as ‘... the backing that can sensibly be normal by representatives from their bosses. It has been revealed that wellbeing and safety at working environment makes the workers casualties of job-related dangers that could discourage confidence and profitability. It is in this manner, required on businesses by law to give a harmless work environment to workers (Cole, 1996; Tyson, 2006), to build proficiency and effectiveness of laborers and to protect against allegations of carelessness emerging from accidents to workers. It has been noted, in any case, that the association between safe working environment and increased effectiveness of workers is not direct. According to the authors an intervening variable, like motivation, could be recognized. Robinson (2007) argues that there is an agreement among most scholars that capacity is correlated to motivation to increase productivity, as capacity of the workers to carry out their job does not imply that they would do it. The objectives guiding this study are: to establish the evolution of work reorganisation and employees’ welfare, to establish related research gaps and develop a conceptual framework in relation to work reorganization, employees’ welfare and organizational performance and to develop an empirical model showing the relationship between work reorganization, employees welfare, and organizational performance.

2. Literature Review

2.1. Theoretical Literature Review

The best practice or universal approach has its roots in the so called ‘excellence’ movement (Peters and Waterman, 1982; Peters 1987; Robinson, 2007) which proposed that there exists a unique set of approaches result in the successful management of people and in turn lead to improved work performance and organizational goal achievement. Peters and Waterman identified eight basic attributes of excellence which account for organizations success; a bias for action, closeness to the customer, innovation and risk taking as an accepted practice, treating staff as a source of quality and productivity, having and communicating well defined philosophies, staying close to what they knew and did well, simple structural forms and systems and operational decentralization but strong centralized control over the few, important core values. Pfeffer (1998) Contend that individuals are at the heart of business achievement and that there are seven (HR) approaches which are common to high performing associations independent of area, size, nation, item market, industry or work force. Pfeffers' seven best HR approaches incorporate; job security, special recruitment and selection, team work and decentralized administration, high payment with a motivating component connected to organization results, wide scope training, limited status differentials, developed communication system and organization learning.

The concept of universal best practice HR is also supported by configurational or ‘bundling’ approach which emphasizes the need for a particular sets of human resource management practices for an organization to be internally consistent, mutually supportive and reinforcing (MacDuffie, 1995; Huselid, 1995; Claydon & Beardwell, 2009). High-performance work practices are identified for

organizational performance. Configurational approaches argue that organizations stand to gain potentially attractive payoffs when adopting integrated clusters or bundles of HR practices. However, there is considerable diversity in the HR practices that makeup the so-called HR bundles.

Huselid (1995) identified 13 HR practices factored around two key dimensions. First, "employee skills and organization structures" included practices such as formal job design selectivity in recruitment and selection, formal training, information sharing, programmers for employee involvement, profit and gain sharing schemes, the second dimension focused on employee motivation and included practices such as promotion policies and formal performance appraisal linked to pay. Delery and Doty (1996) concluded that some HR practices always had a positive effect on performance but found support principally for three HR practices in supporting organizational performance namely; result oriented appraisal, profit sharing and employment security (Robinson, 2007). Best practice and configurational approaches have been influential in highlighting the key role of human resources in organizational performance; however, they can still be criticized on theoretical, procedural and practical basis.

Contingency approaches emphasize that different organizations face varied situations and diverse levels of environmental complexity hence their responses will vary accordingly, consequently there cannot exist a single best, universal way of organizing and managing the work force. Contingency models of change emphasize continuous environmental scanning in order to identify trends, probabilities and events that might impact on the organization and suggest that some degree of fit or integration with the company's environment, business strategy, history and other HR practices needs to be achieved (Baird & Meshoulam, 1988; Beardwell & Claydon, 2009). Vertical integration consequently guarantees a definite association between internal HR processes and policies and the external business strategy, and thus ensures that capabilities are formed which have a likelihood to be a significant source of competitive advantage (Wright *et al.*, 1994). Contingency scholars argued that HRM strategy would be more effective only when approximately integrated with a specific organizational and environmental context.

Porter (1985) argued that organizations have three basic options, price based, differentiation and focus. Taking the lead in pricing as a strategy is based on giving the lowest price possible. A differentiation strategy seeks to provide products or services that are unique in comparison to competing firms to specific groups who are prepared to pay more for a product. A focused strategy is aimed at a small niche market where a premium price may be charged for exceptional quality. An organizations' choice of competitive strategy provides the context for the range of operational policies and practices including the approach taken to managing people (Marchington & Wilkinson, 2006). The concept of strategic choice indicates that instead of organizations merely responding to situational requirements, they actually have a degree of choice over what and how to change. It is important to choose appropriate responses in terms of structure, systems, culture and style. This view is supported by the CIPD (2004) 'reorganizing for success' study which found that successful reorganizations were conservative in that they followed processes and procedures used in previous reorganizations but innovative in terms of the organization design and processes adopted for improving people related performance outcomes.

Delery and Doty (1996) noted the drawback of the contingency school, and gave a related proposition of the configuration perspective. This approach focuses on how unique patterns or configurations of multiple independent variables are related to the dependent variable, by aiming to identify 'ideal type' categories of not only the organization strategy but also the HR strategy. The significant difference here between the contingency approach and the configurational approach is that these configurations represent 'non-linear synergistic effects and higher-order interactions' that can result in maximum performance. There are varied criticisms leveled at the contingency or best-fit school, most common is that they tend to over-simplify organizational reality. In attempting to relate one dominant variable external to the organization (for example, compete on innovation, quality or cost) to another internal variable (for example, human resource management), they tend to assume a linear, non-problematic relationship. However, the reality is that that very rarely does an organization follow one strategy alone, as organizations have to compete in an ever-changing external environment where new strategies are constantly evolving and emerging (Beardwell & Claydon, 2009).

The resource based view (RBV) focuses on how optimal benefits might be achieved through innovative exploitation of distinct internal resources or capabilities. Originating with the work of Penrose (1959) this approach has been extended and developed to emphasize human and other intangible resources as a source of sustainable competitive advantage which enables the organization to take advantage of market opportunities or deal with threats in a way that competitors will not be able to match (Barney, 1991). Competitive advantage stems from organizations ability to built distinctive 'core' competencies which are superior to that of rivals. RBV is closely linked to concepts such as the learning organization and knowledge management and the organizations' ability to learn collectively and to harness that learning in a way that continuously enables the organization to adapt to its environment (Robinson, 2007)

The resource-based view of SHRM explores the ways in which an organization's human resources can provide sustainable competitive advantage. This is best explained by the VRIO framework: Value, Rarity, Inimitability, and Organization. Resources are a source of competitive advantage when they are valuable, hard to imitate and non-substitutable. Resources can be valuable when they have a significant impact on the bottom line. Resources can be rare when they are unequally distributed and difficult to obtain and not all competitors possess them Resources can be inimitable when they cannot readily be substituted. Hamel and Prahalad (1993) therefore identify that productivity and performance can be improved by gaining the same output from fewer resources (rightsizing) and by achieving more output from given resources (leveraging).

Both human capital and organizational processes can generate exceptional value and competitive advantage, but they are likely to do so more powerfully if they are dovetailed together in a mutually supportive and self reinforcing way (Boxall, 1996; Bratton & Gold, 2009) it is not enough for an organization to be able to recruit people with talent and ability; it needs to have in place processes, systems and practices to ensure that people work effectively. To ensure that the HR function can provide sustainable competitive advantage, the VRIO framework suggests that organizations need to ensure that they are organized so that they can capitalize on the

above, adding value, rarity and inimitability. This implies a focus on horizontal integration, or integrated, coherent systems of HR practices rather than individual practices, that enable employees to reach their potential (Guest, 1987; Grattan *et al.*, 1999; Wright & Snell, 1991; Wright *et al.*, 1996; Bratton & Gold, 2009) The resource-based view is not without its critics, nevertheless in relation to its strong focus on the internal circumstance of the business. Some authors have suggested that the effectiveness of the resource-based view approach is inextricably linked to the external context of the firm (Porter, 1991; Miller & Shamsie, 1996; Bretton & Gold, 2009) Conflict scholars are geared toward the investigation of social structures and establishments (Ritzer 2000; Amgabare & Chukwunenye, 2010). Two proponents Dahrendorf and Simmel advocates the social conflict model by pointing out that each group of people at each point in time affected by change. According to the researchers, numerous societal components contribute to change, nevertheless organization keep society integration through governance. Dahrendorf was the key to the two countenances of society that is; struggle and accord and the requirement for sociological idea to be part into two, to be specific conflict model and consensus model. The author thereby, built a model called conflict theory of the society and contends that the differential dispersing of power constantly turns into the deciding element of efficient social conflict. Actually, the administration and laborers are regularly pulling in opposite directions.

It always the managements' aspiration to gain maximum returns from the investment and to sustain the current market position while reducing expenditures like recurrent costs. On the other hand, the workforces through trade unions strive to make themselves indispensable. The nature of the employer-employee conflict is a quest of discordant objectives whereby the employer is at an advantage or vice-versa (Barelson & Steiner, 1985; Amabare & Chukwunenye, 2010). However even though a conflict might not lead to confrontation, the impact of the above stated scenario might not be generalized. The common settlement is for a firm to give workers advantages to a degree that they can bear the cost within the constitutional rights.

2.2. Empirical Literature Review

Work reorganization has been studied in the form of a change on how work is organized and done (restructuring) and as a change in work strategy. Previously work was organized been into jobs, Martin (1995) argues, it now had to be reconstructed into the 'competences' needed to achieve customer satisfaction. 'The future will see a world based more on skills than on organizations' (Tyson and Fell, 1995). According to a study by Hoffman (1989), he categorizes reorganization (initially, turnaround) activities into operational and strategic. He recommended that inward reasons for trouble are assaulted by operational activities and, individually, external causes by key activities. Hoffman utilizes five unique classes of activities: rebuilding of initiative and association culture, cost diminishment, resource redeployment, specified market or item strategy, and repositioning. Bibeault (1982), Robbins and Pearce (1992) and Arogyaswamy *et al* (1995) look at restructuring as comprising of decrease stemming and recovery activities. The purpose of decrease stemming activities is to balance out the financial condition. At the point when the financial condition is balanced out, recovery moves can commence (Laitinen, 2011).

Laitinen (2011) analyzed the effect of different reorganization actions on long-term financial performance of reorganizing small entrepreneurial firms in Finland. The objective of the study was to assess the effect of alternative types of reorganization actions on long-term financial performance (LTFP) of firms reorganizing in a legal context. The study included firms from different industries but most of them were manufacturing (34 percent), service (21 percent), or construction (16 percent) firms. The data for the study was based on an internet survey carried out in the beginning of 2009. The questionnaire was sent to 258 firms that had been reorganized under FCRA beginning from 2000 to 2005, until then, however internet based data is limited to situations where there exists reliable advanced technology.

A structural equation model (SEM) estimated by partial least squares (PLS) was applied to survey data from 98 reorganizing very small firms to analyze the effect of organizational change (OC), financial reorganization, management control system change (MCSC), and management accounting change (MAC) on performance. The usual method to explain reorganization success is to apply the discriminant analysis or the logistic regression approach to discriminate between successful and unsuccessful reorganizations (Routledge and Gadenne, 2000, 2004; LoPucki and Doherty, 2002; Laitinen, 2008, 2009). In addition, a number of studies have applied the survival analysis to predict reorganization success (Partington *et al.*, 2001; Wong *et al.*, 2007; Fisher, 2007).

Laitinen (2011) tested the sets of hypotheses and propositions by the Structural Equation Model (SEM) using PLS strategy (Stage *et al.*, 2004). This technique has been utilized every now and again as a part of management accounting and sociology explorations (Baines and Langfield-Smith, 2003; Luft and Shields, 2003; Smith and Langfield-Smith, 2004). PLS is helpful particularly when the sample size is small and the theory is not solid. What's more, PLS can be used for non-normal distributions because of less thorough presumptions supporting the method (Smith and Langfield-Smith, 2004). It can deal with numerous autonomous factors, notwithstanding when there are a larger number of indicators than cases and notwithstanding when indicators depict high correlation amongst explanatory variables (Tenenhaus *et al.*, 2005; Temme *et al.*, 2006).

According to Luft and Shields (2003), structural models are appropriate when the theory sets out to explain the role of variables that intervene in relationship between input and outcome variables. The size of the firm is an important contingency factor that refers to organization structure, scale effects, and the ability to use more resources in reorganization (Chenhall, 2003; Laitinen, 2011). It was measured in the study by the logarithmic number of employees to transform the skewed size distribution towards normality. The findings indicated that; Debt restructuring has a positive effect on performance. Liquidation of assets and organizational change (OC) do not show a significant direct effect but OC has a positive total effect. Management Control System Change (MCSC) has a positive effect whereas the effect of Management Accounting Change (MAC) is negative. Compatibility of reorganization actions with the confirmed reorganization plan affects positively performance.

Ryan (2012) explored the contradictions and variations of “team” and “teamwork” and their use in the NSW, Australia, and commercial cleaning industry. The study sought to provide an insight into the largely neglected area of the reorganization of work in commercial cleaning. Semi-structured interviews were carried out with twenty senior and operational managers. Questions explored working arrangements, employment relations, competitive strategy and company culture through an examination of events, attitudes and behaviors that were identified by the researcher as taking place daily. Following accepted practice in ethnographic research, “a retrospective review . . . at the end of the interview [was undertaken] to determine the underlying themes that have emerged” (Mouly & Sankaran, 1995; Ryan, 2012).

In addition, the author undertook a participant observation over the three months of the study across different cleaning sites which included; retail, industrial, office, pharmaceutical sites and a private hospital. The main objective of the participant observation was to experience firsthand the organization of work and to be able to interact with, and record the experiences, of the cleaning workforce (Friedman & McDaniel, 1998; Ryan, 2012). Detailed field notes were taken which described the setting, the people met; the work observed and took part in and how work on each site was organized. The findings of the study provide evidence for the limited uptake of the idealized form of teamwork in commercial cleaning hence they suggested that team working is another means of coordinating groups of workers.

Burke (2003) studied the role of perceived organizational support (POS), reorganization processes and stressors. Longitudinal design was applied to examine the connection if any between perceived organizational support (POS) and job satisfaction among hospital-based nursing staff survivors of significant healthcare restructuring. Further, the role of both restructuring processes and restructuring stressors in affecting POS, and the potential mediating role of POS in the relationship between both restructuring processes and stressors and job satisfaction, was considered. Data was collected from the respondents at two time points separated by three years, in his longitudinal study. By nature, longitudinal studies take time and may not be appropriate when searching for immediate explanations or solutions.

Burke (2003) used regression analysis to test the hypotheses controlling for a number of demographic and work situation characteristics. In addition, all analyses controlled for a given dependent variable at time 1. To examine the direction of the relationship between POS and job satisfaction, cross lagged regression analysis was used. Job satisfaction at time 2 was regressed on the personal demographic and work situation characteristics, job satisfaction and POS at time1. In the findings both restructuring processes and stressors had significant relationships with POS, positive and negative respectively. POS fully mediated the relationship between restructuring processes and job satisfaction and partially mediated the relationship between restructuring stressors and job satisfaction. This study was based in the health sector; related studies can be carried out in other service sectors.

Liao (2005) investigated the effects of corporate restructuring, on the financial performance and long-term competitiveness during the 1980s in a data set of manufacturing firms. He defined restructuring as divestments and/or acquisitions involving two or more major businesses. This definition is consistent with several previous studies of restructuring (Hoskinson & Johnson, 1992; Liao, 2005). For this study, an efficiency view of performance was adopted and operationalized as return on total asset (ROA). ROA was defined as earnings (excluding any extraordinary items) after deduction of interest, tax, and any preferred dividends, expressed as a percentage of total assets. ROA is a widely-used measure of business performance. It has a close correlation with other relevant performance measures such as return on sales (ROS) and return on equity (ROE).

Consistent with Hoskinson and Johnson (1992) and Brumagim and Klavans (1994), Three hundred and fifty firms in the manufacturing industries were randomly selected from Compust at PC Plus. They did not include firms in which leverage-buyouts or other major changes in the corporate ownership occurred during the 1981-1990 study period. All mergers and divestitures for the sample firms were compiled from the Transaction Rosters in Merger Stat Review and Journal of Mergers and Acquisitions. Data for prior performance, firm size, downsizing, and changes in the firm’s financial leverage during the restructuring period were collected and calculated from CompUSA PC Plus (Liao, 2005)

Hypotheses were tested using Ordinary-least square (OLS) Regression model. The study found that: (1) corporate restructuring scope had an inverse association with firms’ performance; (2) the effects of restructuring scope on changes in competitiveness offered a partial support for the hypotheses; (3) there was no support for the hypothesized relationships between restructuring scale and performance, and between restructuring scale and changes in competitiveness. In this study the effect of a mediating variable was not considered. Some theorists have noted that many restructuring programs were unsuccessful and that the performance of restructured firms varied widely (Lewis, 1990; Liao, 2005).

Simpson *et al* (2003) explored the impact of restructuring on various organizational and work practices at senior and less senior management levels. From the results, it was noted that for the majority of women managers, irrespective of level, restructuring was associated with performance pressures and long working hours especially stress and reduced social time were the common outcomes. Similar issues emerged from Worrall and Cooper’s (1997, Simpson *et al*, 2003) study where long hours led to stress and to problems in relationships with partners and children. The study should target men and women to allow for comparisons.

Kirk (2011) studied the relationship between strategic human resource management (SHRM) practices and organizational performance. The philosophical foundation of the study was positivism. The study utilized both the descriptive research design and explanatory research design which was cross-sectional survey in nature. Self-administered questionnaires were used to collect primary data. Descriptive statistics were computed to describe the characteristics of the variables in the study while multiple regression analysis was used to establish the nature and magnitude of the relationships between the independent and dependent variables.

Kirk (2011) established a significant positive relationship between training and parastatals’ performance in Kenya and compensation indicated a significant positive relationship with Parastatals performance in Kenya. Human resource capabilities partially mediated the relationship between strategic human resource management practices and parastatals’ performance in Kenya, public sector culture was

found to be an explanatory variable in explaining the relationship between organizational performance and strategic human resource management practices.

According to Osterman (2010) High Performance Work Organizations (HPWOs) took root in the early 1990s however there was an environment of organizational turmoil and restructuring, he found that adoption of HPWO practices in 1992 was associated with increased layoff rates in subsequent years and no compensation gains, the employees suffered with work reorganization. In addition, HPWO practices were linked to employment reorganization. The data source was a second-round survey of employers, conducted in 1997, that replicated and extended a survey that had been undertaken in 1992. The second round of the survey enabled the author to generate new estimates of the use of HPWO practices, examine whether employers that had these practices in place were able to sustain them over the five years between the surveys, and learn whether employees who worked in organizations that had HPWOs in 1992 experienced wage and job security gains as compared to employees in organizations that lacked these practices in 1992.

The pertinent question was whether HPWOs are in fact "mutual gains enterprises." Implicit in much of the discussion of high performance work organizations has been the view that this approach to organizing work is "win-win," in the interest of both employees and firms (Osterman, 2010) Past research has provided mixed evidence on the relationship between High-Performance Work Practices (HPWPs) and wages. Drawing from more than 1,800 interviews with the HR managers in a stratified sample of Italian manufacturing plants collected in 2008, the authors argue that the results are inconclusive unless the configurations of the HPWOs and the mechanisms underpinning employee involvement are taken into account. Their results show that HPWPs are associated with higher wages for core employees only when they align with an ideal type, and they result in higher wage equality only when they emphasize training, competence enhancement, and power delegation. The current study will seek the influence of a bundle of HRM practices changes on performance.

The world health organization (WHO) defines health as a state of complete physical, mental and social being not only an absence of disease and infirmity. Therefore, management should design and maintain a work organization that both support the organization's objectives and provide an environment that is safe and healthy for the employees. According to a recent study (Berry, Mirabito & Buan 2010), the term 'employee welfare' can be used to indicate a structured programme carried out by companies to support employees and/ or sometimes their families so that their health risks are reduced, quality of life is improved and personal efficiency is increased. Employee welfare schemes also include any action addressed to the well-being and staff enhancement given beyond and in addition to standard salary and pay. Employee welfare measures are not necessarily expressed in monetary terms, but must also include non-monetary benefits (Andriotto & Mauro, 2013) The analysis proves that *ceteris paribus*, that is if men and women could profit from the same job positions and benefits, women would be better satisfied with employee welfare schemes, of interest is to show the influence of welfare on productivity of females and males.

Corporate social responsibility studies prove that an employee is increasingly a key stakeholder for companies. Firms are starting to think about their workforce as a real opportunity to manage and improve their human and economic capital. Employee welfare and benefit schemes are particularly important in this perspective and top companies are investing significantly in this direction. (Andriotto & Mauro, 2013) Employee welfare policies make it possible to reach important benefits, both for human resources and for the company (Edmans 2012; Linz & Semykina 2012). Although advantages to personnel may be to guess, but different studies have investigated this aspect. Ganster, Fox and Dwyer (2001) observe that, as control and flexibility levels of work management increase, occupational stress decreases to a higher extent than as a consequence of a reduction in the hours spent at the office. It emerges that individuals who work for companies that pay attention to work-life balance standards take advantage of a better personal well-being. This result is confirmed by some studies that prove that the introduction of work flexibility can reduce occupational stress by about 70% (Benjaafar *et al*, 2010).

Amgabare and Chukwunenye (2010) focused on staff welfare and productivity, the research investigated (1) awareness of staff welfare components in the study area; (b) the existence of staff welfare in the study area and (c) the perceived effect of staff welfare on performance (productivity) in the study area. Productivity, on the other hand, means goods and services produced in a specified period of time in relation to the resources utilized (Singh, 2009). It is, however, contended by Cohen *et al* (1995; Amgabare & Chukwunenye, 2010) to be more than a narrow economic measure, as it also measures how well the group performs its required tasks to satisfy its customers inside and outside the organization. In effect, productivity suggests effectiveness and efficiency of the employees. The study population was reasonably small hence a census was conducted, for identifying the respective respondents for each of the parastatals, a three multi-stage random sampling method applied, the research design was primary data collection methods including interviews and focus groups sample through purposive non-probabilistic method. A random method of sample selection should be explored in the current study.

Amgabare and Chukwunenye (2010) revealed general awareness about staff welfare among the employees and ability to identify the elements of welfare. There was absence of staff welfare in the council. The working environment was poor, in terms of office accommodation and furniture, paucity of working materials, scarcely available monetary incentives and unreliable health and safety facilities, which altogether reduce morale (job satisfaction) and efficiency in job performance. The study was in the public sector, there should be a study on employee's welfare and productivity in a large-scale firm in the private sector. Jon-Chao *et al* (2006) sought to identify those employee benefit programmers which employees considered most affect for their work-motivation and productivity (these combined were indicated as work performance. Questionnaires were used for data collection

The questionnaire consisted of 27 employee benefit programmers: foreign travel subsidies; entertainment equipment and activities; transportation facilities; opportunity for further education/training; subsidies for further education/training; counseling measures; day-care service; maternity and paternity leave; group and dependent insurance; various loans; dividends; year-end bonuses; savings subsidies; traditional and emergency subsidies; pensions; vocational disease and damage compensations; child-education benefits;

individual annual vacations, national holidays, paid leave; discounted goods supply; dormitories and housing benefits; food/drink equipment and meal subsidies; barbering/hairdressing and laundry service; medical equipment and subsidies; free commuting vehicles; commuter subsidies; flexible working time; part-time working.

Jon-Chao et al (2006) indicated that the material and financial employee benefit programmers were the most influential. They also had the implications of job security, balance between work and recreation, security and hygiene, work reward, and balance between work and family. According to Andriotto & Teti (2013) the implementation of some limited cost benefits would generate higher marginal utility in employees than of other, more expensive and exclusive, benefits. They report that according to (Singh 2003; Faleye and Trahan 2011), implementation of employees' welfare schemes improves financial performances and shareholder value, showing a sale growth rate superior to the average.

According to Lawler III and O'Toole (2006) Work/family programs take a number of different forms, and most usually involve flexible work schedules, provision for childcare, part-time work or job sharing, and in some cases provision of elder care. Research on the effects of these programs on worker health and well-being is in its early stages, but there is little doubt that provision of these services for working families has grown substantially and is seen by companies as a tool for improving recruitment and retention of employees (Murphy & Sauter 2004; Lawler III & O'Toole, 2006) Attracting new talents and retaining those already existing in the organization, decreasing industrial unrest, turnover reduction and cooperative behaviors and are the main advantages companies can gain from the implementation of appropriate benefit and employee welfare schemes (Decker, Joshi & Martocchio 2007; Zhaohong, Kelly & Trenberth 2011; Andriotto *et al*, 2013). However, under conditions of work reorganization, this claim may be too broad.

Nielsen and Rendell (2007) proposed a model for evaluating Organizational-level occupational health interventions known as a process evaluation (PE) model. The model focuses on three overarching elements: initiation, intervention activities, and implementation strategy. These themes are not orthogonal: Because they are describing interlinked and complex organizational processes, issues within a theme may also interact with other issues in other themes. Organizational-level occupational health interventions involve "planned, behavioral, science-based actions to remove or modify the causes of job stress" (Mikkelsen, 2005; Ryan, 2012). In current European legislation, there is a clear emphasis on the use of such interventions (i.e., changes in the design, organization, and management of work) as the preferred way of improving working conditions and tackling problems such as work stress (EU-OSHA, 2010). Employee's welfare in less developed countries needs to be embedded in the legislative structure of less developed countries and be actively emphasized.

3. Conclusion and Recommendations

The nature and process of work is changing without a doubt. The effects of free global trade deregulation of markets, privatization and the need to improve productivity, quality and cost efficiency has resulted new work designs and job structures. Much of the rationale for new job designs and work structures was initially developed in the context of the USA and the generalized across North America and European economies. Restructuring, downsizing and turnaround have become terms synonymous with the work place today. In the process people management keeps evolving, the organization structure cannot remain the same, flatter structures are preferred and the actual methods of creating goods and services are evolving. Work system is changing the world over. Africa and specifically in Kenya must not be left behind in the process of adopting people and operations management to the change pace. The current study will be based in Kenya with the objective of generalizing the results for African countries.

Employee's welfare is part of expectations that employees have and can largely represent the organizations' support especially under conditions of reorganization to help the employees cope with changes in teams, work arrangements, new innovations and downsizing (layoffs). Employees welfare can be monetary or non-monetary. Considering the unique position of manpower as a factor of production, employees' welfare can be considered as taking care of the human nature of workers. They help employees to deal with strains of life which are not necessarily related to work like counseling, health and fitness, recreation, child care and sports.

The contribution of HRM to organization performance is not in question, however the question is the how HRM influence performance, the black box. Organization performance can be operationalised in varied terms. Common measures of performance include return on investment (ROI), effectiveness, customer satisfaction, organizational processes and finances. Further study will seek the influence of HRM on performance especially under conditions of work reorganization.

The following conceptual framework is proposed:

3.1. Proposed Conceptual Framework

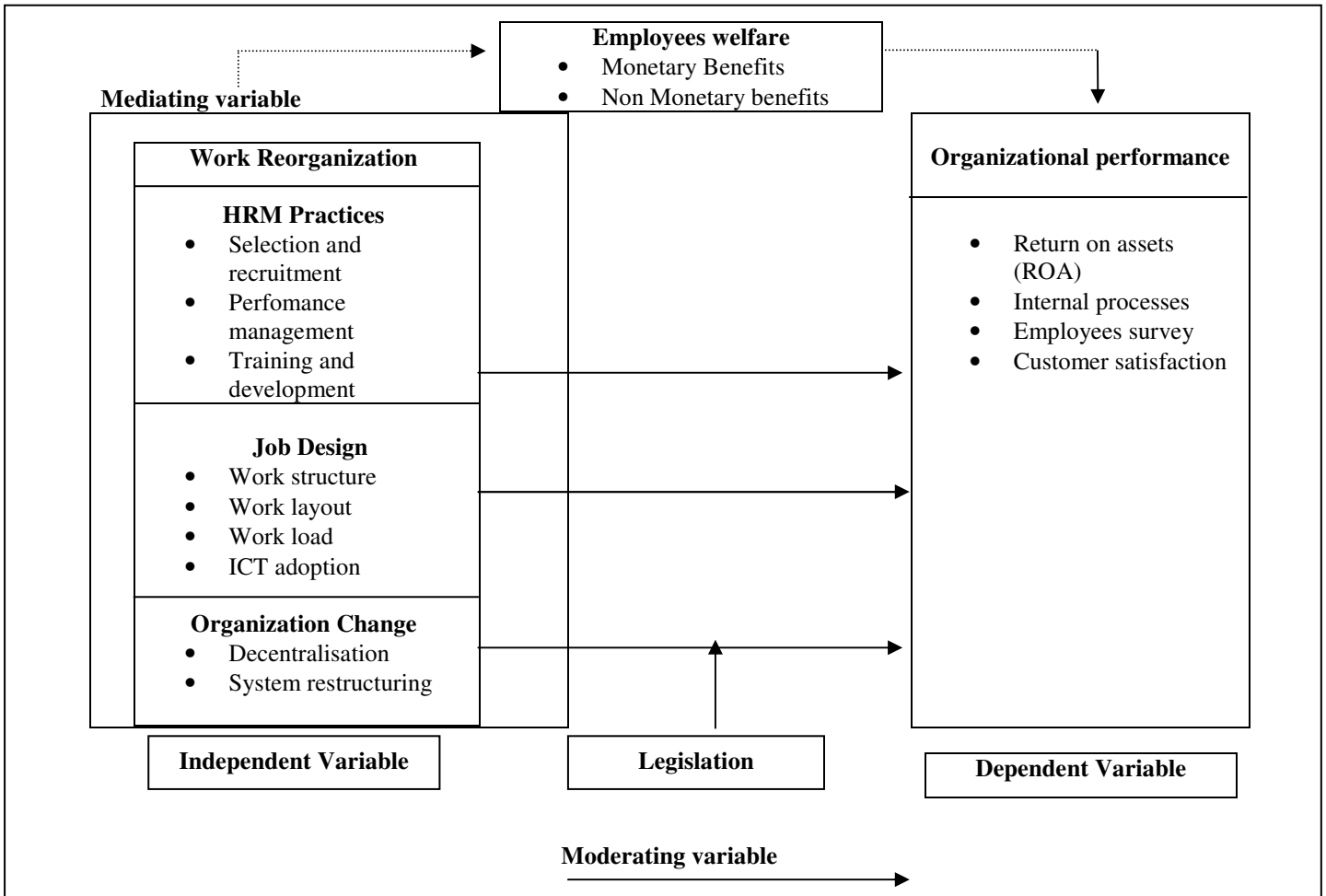


Figure 1

The empirical review brought to the fore research gaps which will be addressed in the current study. The reviewed studies indicate that most of the study has not clearly indicated the philosophical foundation guiding the studies. The current study will seek to be guided by positivism. Positivism generates hypotheses (or research questions) that can be tested and allows explanations that are measured against accepted knowledge of the real world. This philosophy creates a body of research that can be replicated by other researchers to generate the same results. The emphasis will be on quantifiable results that lend themselves to statistical analysis.

The studies reviewed have a bias towards the manufacturing and service industries in other countries other than Kenya. The current study will be based in Kenya with reference to the agricultural sector. The position of Agriculture in the Kenyan economy is very important considering the number of the population engaged in agriculture related businesses. The current will seek to establish the relationship between work reorganization, employee's welfare and performance in agriculture based industries. A cross-sectional study of Fresh produce export firms in Kenya will be carried out to explore the influences of work reorganization expected after political changes in the lead fresh produce destinations of Europe and Britain. Positivism will be the guiding Philosophy in the current study. An exploratory survey research design will be applied to satisfy the researcher's curiosity and desire for better understanding. A stratified random sample will be preferred so that the statistical methods are applicable in data analysis with the aim of achieving reliable unbiased results.

Semi structured questionnaires and interviews will be applied to collect qualitative and quantitative data. Interviews are used to probe further into issues that are unanswered by questionnaires (Gay & Airasian 2000; Muathe, 2005). Content analysis should be applied for the qualitative data and quantitative analysis will apply for quantitative data. Work reorganization will be operationalized in terms of changes in people management (HRM practices), change in job design, and organizational change. Organizational performance will be operationalized in line with Kaplan and Norton's' balanced score card approach. The perspectives for performance will be finance (ROA), customer (customer satisfaction index), internal processes (turnaround time) and employees learning and growth (job satisfaction). The method Ordinary Least Squares regression will be used to determine the relationship between various aspects of work reorganization and performance.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \epsilon \dots (1)$$

Y- Organization performance

I - Regression coefficients

X₁- HRM practices

X₂- Job Design

X₃- organization Change

ε- Error term

Employs welfare will be tested as a mediating variable between work reorganisation and organizational performance.

$$M = \alpha_0 + \alpha_1 X_1 + \alpha_2 X_2 + \alpha_3 X_3 + \epsilon \dots (2)$$

M- Employees welfare

α_i- regression coefficients X₁- HRM practices

X₂- Job Design

X₃- Organization Change

$$Y = a_0 + a_1 M_1 + a_2 M_2 + \epsilon \dots (3)$$

Y-organization performance

a_i- Regression coefficients

M₁- Monetary benefits

M₂- non_monetary benefits

According to Baron and Kenny (2005) Equations 1, 2 and 3 will be used in checking for full mediation or partial mediation.

Moderation effect will be checked by regressing legislation on work reorganisation and Performance

$$X = b_0 + b_1 L + \epsilon \dots (i)$$

X- Work reorganization

b_i- regression coefficients

L- Legislation

The significance of b₁ is checked

$$Y = d_0 + d_1 L + \epsilon \dots (ii)$$

Y- Organization performance

d_i- Regression coefficients

L-Legislation

The findings will be presented in content narratives, descriptive statistics, tables and figures.

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