

**CHANGE MANAGEMENT PERCEPTION AND EMPLOYEES'
PERCEPTION OF WELLBEING IN THE GHANA REVENUE
AUTHORITY**

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DECLARATION

This is to certify that this thesis is the result of research undertaken by Genevive Korkor Mensah towards the award of the MPhil degree in the Department of Psychology, University of Ghana. All references made to previous studies have been duly acknowledged. I further declare that this study has never been presented in part or whole for any degree in any other institution.

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DEDICATION

This work is dedicated to my children Dela Kwame Adoboe and Sedinam Abena Adoboe.



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I wish to acknowledge the contribution of all who helped in diverse ways to make this work a success. First and foremost, I wish to thank the Almighty God for His mercies and kindness which have brought me this far.

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May God richly bless you all.



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LIST OF ABBREVIATIONS / ACRONYMS

APA	American Psychological Association
CATA	Commonwealth Association of Tax Administrators
CEPS	Customs Excise and Prevention Service
CSS-G	Commissioner General
DTRD	Domestic Tax Revenue Division
GRA	Ghana Revenue Authority
IRS	Internal Revenue Service
M&A	Mergers and Acquisitions
MOFEP	Ministry of Finance and Economic Planning
OECD	Organization for Economic Co-operation and Development
SS	Support Services
VAT	Value Added Tax
WHO	World Health Organization

ABSTRACT

The changing nature of work these days has brought about issues of psychological wellbeing of employees affected by organizational restructuring. In this regard, the present study investigated the mediating effects of pay satisfaction and employability on the relationship between perceived change management and employee wellbeing among some 274 employees of a recently integrated/merged revenue agencies into the Ghana Revenue Authority (GRA). A multi-stage quota and convenience sampling techniques were employed to collect cross-sectional data from employees. Independent t-test, Multiple Regression and Mediation Analyses were conducted on the data. Results indicated that employees who perceived change management to be positive had better wellbeing than those who perceived it to be negative with pay satisfaction mediating. This implied that the effect of perceived change management on employee wellbeing is significantly dependent on the level of satisfaction employees have with their current pay. The mediating role of perceived employability was not significant. Results are discussed with reference to the frameworks of individual perceptions of events and latent deprivation theories that seek to explain why individuals show lowered wellbeing when their welfare is compromised during the process of organizational change management.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Mergers and Acquisitions (M&A) are a way of life in the world of business (Wiley, 2009) and following from the 2008 global economic meltdown, this phenomenon took full swing. The occurrence of mergers and acquisitions is based on the premise that bigger is better. It is a strategy by corporate organizations to strengthen and maintain a leadership position in the competitive market and thus increase profits. It is also often a response to the need for companies and institutions to be prudent and efficient during times of austerity thus, for instance the financial crisis that followed the 2008 global economic meltdown heralded a spate of M&As. The financial crisis in 2008 has also had its impact on tax and customs revenue as well. It has had its toll on revenue administrations, especially in Sub-Saharan Africa, as they have been under great pressure to meet the same revenue targets as before the crises (Yasui, 2009). According to Antwi-Asare, Cockburn, Cooke, Fofana, Tberti, Twerefou, Abosi, Akoena and Issahaku (2010), tax revenues in Ghana were below targets in 2009.

The establishment of autonomous revenue agencies in Sub-Saharan Africa has been reported as a means to revenue improvement. Ghana is reported to have been the first Sub-Saharan African country to have followed this model when in 1986, the Customs, Excise and Preventive Service (CEPS) and the Internal Revenue Service (IRS) were taken out of the Civil Service and made semi-autonomous self-accounting public sector institutions with separate Boards to govern them (De Wulf, 2005).

In the last decade, one significant thing which has happened in some tax administrations of the Commonwealth Association of Tax Administrators (CATA) member countries is the integration of Revenue Agencies. Ghana joined the trend toward integration in 2009 when the then President, John Evans Atta Mills, (a former Commissioner of the erstwhile Internal Revenue Service) gave his assent to an Act of Parliament (Act 791) to pave the way for the integration of the three (3) main Revenue Agencies, namely The Internal Revenue Service (IRS), The Customs, Excise and Preventive Service (CEPS) and the Value Added Tax (VAT) Service, into the Ghana Revenue Authority (GRA). According to Organization for Economic Co-operation and Development (OECD) Reports (OECD, 2009), the Revenue Authority (RA) model is characteristic of two main essential natures; semi-autonomy and integration.

The semi-autonomy status of a RA, as an independent agency or affiliated to the Ministry of Finance and Economic Planning (MOFEP) in the case of Ghana, is vested with a greater degree of autonomy than the Civil Service. With this integration, there is a higher amount of some features of political, financial and managerial autonomy. Integration means that revenue-related administrations at the national level are merged into a single government organization (see Figure below on next page). The diagram in Figure 1 presents a visual impression of the formal hierarchy and related operational structures within the new consolidated revenue agency. From the organizational chart, there is a GRA Board which is the governing body made up of government representatives, experts in tax administration, and representatives from the three main divisions.

There is a Commissioner General (C-G) who is the Managing Director or Chief Executive Officer of the authority. Three divisional commissioners report directly to the

C-G. They are: (1) the commissioner for Domestic Tax Revenue Division (DTRD), (2) the commissioner for the Customs Division, (3) the commissioner for the Support Services(SS) Division. There are also specialized departments that report directly to the C-G such as audit, legal, internal and public affairs.

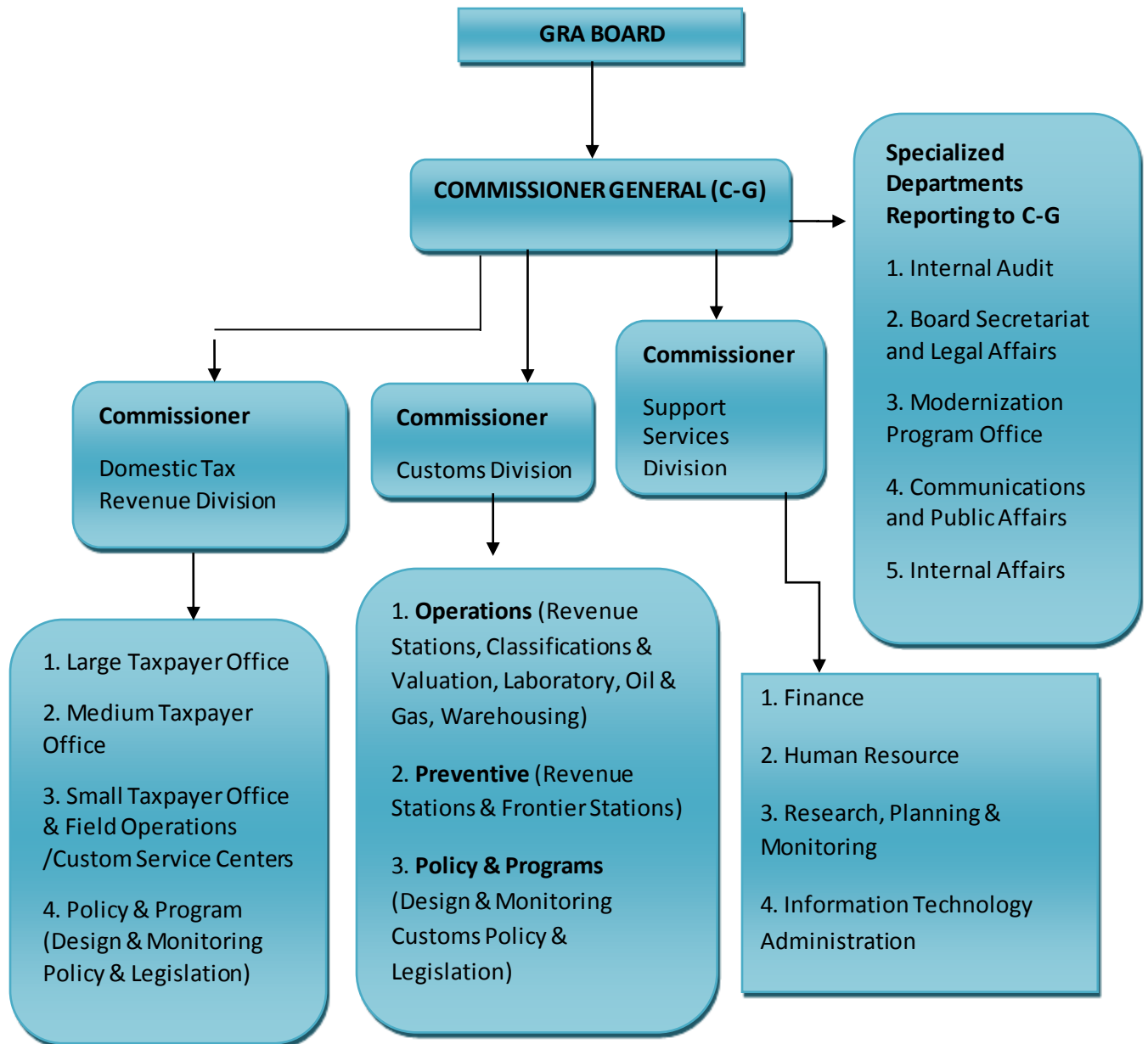


Fig.1: ORGANISATIONAL CHART OF GRA

Source: GRA News (2011, December)

Additionally, it has been observed that a greater degree of autonomy would produce more efficiency in the public sector (Jenkins, 1994). There is for instance, political autonomy which enables RAs to avoid political interference in day-to-day operations; financial autonomy which contributes to more flexible budget allocation; and managerial autonomy for independent human resource management. According to Kamakura (2007), the benefits of integration include enhanced efficiency, strengthened effectiveness by making better use of information, and improved service to taxpayers. Taliercio (2004) provided evidence that performance improved more in cases where the RAs had comparatively more autonomy or autonomy was stable. One of the ingredients of efficiency and effectiveness of revenue collectors is their level of professionalism and integrity as most of them are vulnerable to temptation to corruption in the public sector. It is therefore argued that revenue collectors should be well remunerated in order to maintain skilled and professional staff with a high degree of integrity.

In order to enhance effectiveness and efficiency during the integration, it is necessary to focus greatly on the people who get things done in the organization. According to Demers, Forrer, Leibowitz and Cahill (1996), some organizations tend to be very good at planning and executing the technical and structural aspects of change, but poor at guiding and supporting the human side of the change. Undoubtedly, any organizational change has the tendency of impacting people from both a personal and professional perspective. For instance, organizational change could have a potentially negative impact on management relationships, job security, job position and promotion, communication, performance standards and some elements of relationships.

Wiezer, Nielsen, Paahkin, Widerszal-Bazyl, de Jong, Matial-Holappa and Mochatto (2011) also emphasize that restructuring can have a profound effect on the psychological health and well-being of employees. Yet majority of research into restructuring focuses on the effects on the health and well-being of employees who have been laid off as a result of the change. The big question is what happens to the ‘stayers’ or survivors or in the case of GRA, where there was no downsizing? The integration that gave to GRA created huge changes. Before the integration, the entire unified work force had separate Human Resource Department responsible for dealing with Human Resource (HR) issues but as can be seen from the organizational chart of the GRA, there is now a unitary Human Resource Department in charge of all human resource issues throughout the Authority. There are likely to be problems of accessibility of adequate HR services to all organizational members. Research indicates poor human resource management effects on employees after a change process (Sanda & Adjei-Benin, 2010).

1.1.1 Perceived Change Management

One important point to note is that integration, merger and restructuring are similar terms referring to organizational change and so are used interchangeably in this study. The integration of different entities into one single entity is always a very challenging and daunting task. In addition to the economic factors, success is affected by human feelings and their input. More often than not, the focus of the change is to increase profitability. Less attention is paid to the needs of the employees. If an organization has no personnel strategy incorporated into change or following from the change, employees tend to develop their own ideas, expectations and interpretations about what is to be done and

how it should be properly done. Employees often form attitudes that can prove to be negative for the company.

When companies merge or integrate, there are always preconceived ideas about how the merger will be carried out and how the operations are meant to proceed. It is against this background that communication is regarded as one of the effective tools to a successful change management (Bartels, Pruyn & de Jong, 2009). Previous researchers on communication during and after a merger concur that communication is crucial and emphasize the need to communicate the truth to employees (Demers, Giroux & Chreim (2003). According to Kilfoil and Groenewald (2005), the information should give a realistic picture of the situation, even if it is bad news. Indeed, communication is critical because organizational members need to understand the thinking behind certain decisions.

Theoretically, organizational change is a process of continually renewing the direction, structure, and capabilities of an organization in serving the ever-changing needs of customers (Moran & Brightman, 2001). Ash (2009) states that implementing organizational change strategies include people changing themselves. It simply means that change cannot happen until people decide to change. Change strategy should rapidly implement change and result in higher levels of performance as envisioned when the decision to make the change was made. Optimal performance is achievable first and foremost when organizations overcome resistance to change. Change management initiatives recommended by the literature for higher change performance include shared change vision, management support, organizational culture, employee participation,

rewards, structure, communication, training and feedback mechanisms (Colletti & Chonko, 1997; Proctor & Doukakis, 2003; cited in Isa, Hin & Yunus, 2011).

Employees who are the victims of change need to be managed or integrated well during and after. According to Pollack (2003), they go through emotional reactions such as shock, denial, anger, bargaining, depression, testing and acceptance. Managers of change must legitimize these feelings, to make it easy for the person to express and to listen with understanding. The eventual success of the merger probably depends on how well change, integration and attitudes are managed to give people a sense of belonging to the new environment if necessary.

Marshall (1999) in his book *Building trust at the speed of change: The power of the relationship-based corporation* argues that building trust is also key to managing change. It involves giving people attention and support and communicating all the relevant information honestly. Incorporating merger or integration with human needs helps to build trust. There is a need to accept that people are the most valuable asset and a significant variable in business success especially during a merger. What people want and need at work is to be trusted, respected, honoured, and acknowledged and this is the aspect of human factors in any change process. A relationship-based incorporation is a framework for leading and managing a business that honours the fundamental needs of the individual, builds trust and creates a work environment that can tap into the full potential, and energy of the workforce, so they are able to produce outstanding results (Marshall, 1999).

How employees analyze the change is dependent on their perceptions which are the realities succeeding from the change (Syrjala & Takala, 2007). If change is perceived as a

loss of some kind, individuals will react to it quite differently than if it is perceived as a positive occurrence ripe with new opportunities. Even a promotion can be negative if the individual does not perceive himself as having the skills, resources, and support necessary for success in a new role or environment. Psychologically, perception is the subjective interpretation of events or situations. Essentially, perception relates to one's state of mind about an issue or phenomenon like management of change within a certain organization. In short, perceptions may well be defined as the persons' view of reality and not an objective view of reality and subsequently influence employees' well-being. Perception is a cognitive process that lets a person make sense of stimuli from the environment. Deshpande (2012) notes that the perception of employees must be taken into consideration regarding the change. Therefore, change management is the process, tools and techniques to manage the people side of business. This study therefore is intended to explore employee perception of change management at GRA.

1.1.2 Perceived Employee Well-being

Findings have indicated that organizational change is negatively related to job, organizational attitudes and employee health and well-being (de Cuyper, Oettel, Berntson, Witte & Alarco, 2008). The literature on organizational change and health indicate that any restructuring has a negative effect on health and increases risk factors that lead to poor health (Westgaard & Winkel, 2011). Previous studies have found restructuring related to increased sick leave and self-rated health (Kivimäki, Vahtera, Pentti, Thomson & Cox, 2001); psychological distress (Kivimäki, Vahtera, Elovainio, Pentti & Virtanen, 2003) and increased drug prescription (Kivimäki, Honkonen, Wahlbeck, Elovainio, Pentti, Klaukka, Vietanen & Vahtera, 2007). Others found

restructuring to be related to poor quality sleep (Campbell-Jamison, Worrall & Cooper, 2001) and to cardiovascular mortality (Vahtera, Kivimaki, Pentti, Linna, Virtanen, Virtanen & Ferrie, 2004).

Evidence has also been found that downsizing is related to poor health behaviour, such as increased use of alcohol (Frone, 2008). According to Ayinde, Ajila and Akanni (2012), the health-care costs of downsizing to organizations have risen dramatically during the past decade. Thus, employers have to pay attention to the collective health of their employees. The simple fact is that physically healthy workers are more productive and resilient, and do not incur the myriad costs associated with physically unhealthy workers. In view of this, some employers have seen the need to implement wellness programmes in order to boost general well-being of its workers. There is a wellness programme at GRA known as Employee Well-being Programme and Policy. Its objective is to enhance the health status of GRA employees and their families and provide them with social protection. It is also aimed at educating personnel on their health needs as well as to afford them the opportunity to be screened for some of the most common diseases. It is important to investigate the effect of the restructured GRA on well-being of employees. The body of knowledge regarding wellness is evolving into a broader concept that includes but goes beyond simple physical health, to treating the whole individual. This integrated “well-being” approach typically includes several components:

- physical health (enhancing one’s physical fitness);
- mental/emotional health (resources to balance one’s self, situations and others);
- financial health (tools to attain financial freedom and success); and

- spiritual health (defined as one's strong sense of self or purpose through beliefs, principles, values and ethical judgments).

The conceptualization of well-being in this study shall adopt the World Health Organization's (WHO) 'Mental Health' concept which defines it as: "*Mental health is not just the absence of mental disorder, but rather a state of well-being in which every individual realizes his or her own potential, can cope with the normal stresses of life, can work productively and fruitfully, and is able to make a contribution to her or his community*" (WHO, 2011). The change in GRA has not been in existence long enough to impact on employee well-being; hence the interest is in perceived well-being. That is, how employees perceive that they are in optimal psychological health. For this reason, well-being dimensions related to the work known as Work-related Well-being or Workplace Well-being (work ability, stress, emotional exhaustion, cynicism, but also the positive side: satisfaction, dedication/engagement) and more general well-being (sickness absence, self-rated health and mental health) are investigated. Additionally, human behaviour is complex and brought about by not only one or two factors but multiple interrelated factors; hence other factors may have an influence on the degree of this relationship by either moderating or mediating the relationship.

1.2 Moderators and Mediators of Perceived Change Management-Perceived Employee Well-being Relationship

Restructuring in the form of integration of revenue collection agencies may be one of the most complex changes to take place in the public sector in Ghana and so must be taken seriously and handled extremely carefully in order not only to limit the negative outcomes of it but also the negative health impacts associated with it. Evidence on the

health effects on survivor employees shows that productivity, job and organizational commitments and psychosocial well-being of employees are affected by the way the restructuring is managed or perceived to be managed (Kieselbach, Nielsen & Triomphe, 2010). Mattilda-Holappa et al., (2011) in their numerous studies on Well-being at Work in four different European Union (EU) countries, identified the moderators and mediators of the organizational restructuring - employee well-being relationship and classified them as:

- Job Characteristics: skill discretion, task autonomy, job demands, task dependency, emotional and cognitive demands, internal and external contacts;
- Organizational/Social factors: supervisory support, co-worker support, conflicts (supervisor, co-worker, employer), and unwanted behaviour (internal/external), participation in decision-making, information provision, adaptive culture;
- Job insecurity: perceived risk of job loss, worrying about job loss;
- Personal factors: age, gender, education, contract type, contractual working hours, supervisory position, self-efficacy (sense of coherence and sense of competence), employability.

In a study to explore the effects of prolonged restructuring on well-being of survivor employees, Wiezer, de Jong, Hokberg, Roozeboom, Kraan and Joling (2011; cited in Wiezer et al., 2011) found that prolonged restructuring has a negative impact on well-being. Specifically it also has a negative impact on job characteristics, job insecurity and social factors which partly explains the negative impact of restructuring on well-being. Employability and age were found to buffer or moderate the negative effects of restructuring on well-being. Mattilda-Holappa et al. (2011) also found that personal

resources like sense of coherence and sense of competence moderate the effects of organizational change on well-being. According to them, increase in task autonomy, role clarity, support from the organization and supervisor, opportunities to participate in decision making and stronger sense of competence mediated the relationship between positive change and well-being by reducing cynicism, exhaustion, stress and increasing work ability. What this means is that improvement in the job position after the change followed by support from the organization and supervisor giving employees more autonomy, role clarity and stronger sense of competence result in better well-being of employees.

1.2.1 Pay Satisfaction as a Moderator/Mediator between Perceived Change Management and Perceived Employee Well-being

Employee's satisfaction with pay has interested many organizational behaviourists. Earliest studies on job satisfaction emphasized the critical role pay or compensation plays on employee's reaction to organizational change (Currall, Towler, Judge & Kohn, 2005). Previous pay satisfaction researchers focused on the antecedents of pay satisfaction and this focus has resulted in several theoretical models of pay satisfaction. On the other hand, pay dissatisfaction has been indicated to have undesirable impact on employee outcomes. It is therefore relevant to explore pay satisfaction especially, in the context of perceived change management and well-being of employees.

Undoubtedly, change of any kind in the organization may result in salary adjustment since job position, work load and responsibilities may have to be adjusted. It is therefore essential to offer incentives and rewards in recognition of people's performance and their

value to the organization. Pay satisfaction is determined by two perceptions. The first perception is based on how much pay the employee believes he should receive, and the second perception is based on how much pay is actually received. According to Law and Wong (1998), employees are satisfied if the two perceptions are identical. Pay is a reward, and that satisfaction is a function of how much is received and how much the individual feels should be received (Ivancevich, Konopaske, & Matteson, 2011).

Even though there are many studies that explored the link between job satisfaction and organizational change, such studies only inferred their conclusion to imply a relationship between pay satisfaction and change management outcomes. Meanwhile, changes in the reward system will affect various work attitudes and behaviours such as performance, organizational citizenship behaviours (OCB), organizational commitment (OC), job satisfaction and turnover (Wang, 2006). Moreover, higher wages were found to be associated with higher job satisfaction and higher job anxiety (Bryson, Barth & Dale-Olsen, 2010). Nielsen, Wissing and Hansen (2011; cited in Wiezer et al., 2011) referred to pay satisfaction as 'effort-reward balance' and regarded it as a psychosocial moderating factor in job insecurity and well-being relationship. These studies lack the conceptual clarity of the Pay Satisfaction construct and therefore need further understanding, specifically in a Ghanaian Public Sector that has undergone integration.

The importance of pay satisfaction has less empirical evidence in the literature, owing to the fact that it has always been implied in the Job Satisfaction construct. Despite the relevance of pay satisfaction as key to work performance and management of human

capital, only a few researchers focused attention on this variable. They did not treat it as a focal variable. For example, some researchers took it into consideration when their major efforts were on other variables such as Organizational Commitment, Job Satisfaction, among others (e.g. Wang, 2006). The findings about pay satisfaction in these studies are not only few but are just by-products of the research. It was difficult to find literature linking pay satisfaction to change management and its consequent reactions. Would improved or positive change management evoke better well-being in individuals for whom the pay satisfaction is high? Because pay is a significant determinant of behaviour and attitudes, this study proposes that pay satisfaction would act as a moderating factor in the Perceived Change Management and Well-being relationship.

1.2.2 Perceived Employability as a Moderator/Mediator in the relationship between Perceived Change Management and Perceived Employee Well-being.

There has been ongoing discussion about the relative importance of situational and individual factors for the perception of situations. According to individualists, perception of situations only reflects people's dispositions and not the situation (Watson, Pennebaker, & Folger, 1987). Based on this, some individual characteristics are found to moderate or mediate the relationship between organizational change and well-being. Matilda-Holappa and colleagues for example found that age of employees was a significant moderating factor in the restructuring-well-being relationship. Thus, the impact of restructuring on well-being is more pronounced among older employees. Because perceived employability concerns the individual's beliefs about his or her

possibilities of finding employment, it is regarded as self-efficacy which concerns how individuals evaluate themselves. It is the extent to which people possess the skills and other attributes to find and stay in the kind of work they want.

The changing nature of work these days has had so much influence on individuals, their careers and their work-related attitudes. Over the years, the focus of researchers has been described as managerialist; in that they heavily concentrated on its negative impact on individuals' attitudes to work and commitment to the employing organization, but to the neglect of psychological well-being of workers. According to Bernston (2008), employability is related to well-being of employees. Therefore, a study interested in exploring the effect of change management and well-being must include employability of the employees. It is against this background that this study investigates employability of employees as a moderator in the relationship between Perceived Change Management and Perceived Well-being.

1.3 Statement of the Problem

Organizational changes in Ghana mostly occur in the Private Sector. Examples include the acquisition and merger between Ghana Breweries Limited and Guinness Ghana Limited in the year 2004, and that between Vodafone Plc and Ghana Telecom in the year 2008. In the year 2007, the Bank of Ghana (BOG) took steps to increase the minimum capital requirements of banks by advising local banks operating in the country to consider mergers, inter-bank acquisitions or enlistment on the stock market as ways of raising enough capital to meet the BOG's capital base requirement of GH¢60 million. The Public

Sector however, experiences only a few of such changes. At best the need to enhance cooperation and coordination among public sector agencies usually results only in restructuring or integration of units; rather than corporate acquisitions or takeovers. An example of such a process within the public sector is the GRA, which is the target of this study.

A merger or integration of public agencies is faced with many challenges. The challenges include the improper integration of culture, management of the change process, the technological and business intelligence requirement, the regulatory and compliance requirements, as well as the human element. More often, efforts are made to forestall some of the technical challenges but little or no attention is given to the human side of change which is vital to maximizing profitability (Gunther, 2001; Schuler, Tarique & Jackson, 2004). Though some failure can be explained by financial and market factors, a substantial number of such failures are attributed to the neglect of human resource issues in the course of the organizational change processes (Schuler & Jackson, 2001). Numerous studies (for example: Antila & Kakkonen, 2008; Bjorkman & Soderberg, 2006; Guerrero, 2008; Kavanagh & Ashkanasy, 2006) have also affirmed the need for organizations to systematically address human resource issues and activities in their change processes.

Employee well-being and its relationships to perceived change management is a topic of global interest. The human being is a valuable asset to the organization. Employee well-being during organizational restructuring is extremely important because health-related costs are reported to be increasing. The situation results in organizations losing substantial/invaluable resources, knowledge and business. Perceived well-being may be

directly or indirectly influenced by how the change is perceived to have been managed to meet individual expectations, pay satisfaction and level of employability. Poorer health rate can lower the quality and quantity of services provided by an organization. The situation can also result in high turnover leading to increase in cost of personnel recruitment and training (Wang, 2006).

The aim of this study, therefore, is to bridge the knowledge gap in organizational change by investigating whether organizational change at GRA is perceived to be managed positively thereby improving employee well-being.

1.4 Research Aim and Objectives

The main aim of the present study is to explore the relationship between perceived change management and perceived employee well-being among all levels of employees of GRA.

Specific objectives are:

1. To assess whether the integration was perceived to be positive or negative and whether differences in perception influence perceived well-being;
2. To investigate the extent to which perceived change management contributes to the explanation of employee wellbeing, controlling for socio-demographic variables
3. To find out whether pay satisfaction moderates the relationship between perceived change management and perceived employee well-being;
4. To find out whether perceived employability moderates the relationship between perceived change management and perceived employee well-being.

1.5 Relevance of the Study

Even though much is known about the consequences of organizational restructuring, several questions still need to be answered. The aim of this research project is to give more insight into the effects of organizational restructuring, and also into the factors that can influence these effects. This insight should help identify preventive strategies to protect the well-being of employees. Many empirical studies have suggested that future studies of organizational change and well-being should examine existing study results in different industries, regions, countries, or cultures. It was also suggested that focus should be put on particular type of restructuring and to make a distinction between long-term and short-term effects. Although some studies have discussed related topics, this study will comprehensively explore the relationships among perceived change management, perceived employee well-being, pay satisfaction and employability in a Ghanaian Public sector organization that has undergone integration.

The study provides a theoretical and empirical basis for research into integration of public sector agencies in Ghana. A review of the literature reveals that little attention has been given to the investigation of perceived change management after an organizational change and their relationships with the well-being of Ghanaian workers in general and revenue collection agencies in particular. Thus, some practical and potential strategies for improving workplace well-being in the tax administration organizations may have been overlooked. The current theoretical model may also be used as a basis for similar studies in other organizations.

In a nutshell, increased competition and tougher economic conditions especially in tax administration have led governments to engage in strategies that reduce cost but enhance

effectiveness. Any change is thought to result in stress but how it is managed has the tendency to help organizational members cope with the stress. Poor well-being resulting from improper change management puts the organization in a financial burden. There is an inevitable loss of experience, knowledge and commitment that contribute to the overall work place environment. Therefore, understanding the interrelationship between perceived change management, employee well-being, employability and pay satisfaction and other socio-cultural factors that contribute to the development of these relationships can help facilitate appropriate policies in pursuance of workplace effectiveness and efficiency. As a result, organizational costs due to real or perceived employee ill-health could be reduced by meeting employee expectations during any change process.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

The previous chapter looked at the general introduction on Change Management Perception and Employee's Perception of Well-Being. This chapter is about the review of current literature on the key study variables as well as the relationships and theories underlying them. Theoretical foundations and their relevance to the various variables are explained and critical analysis of related studies presented.

2.1 Theoretical Framework

Understanding employees' perception and attitudes underlies a common theoretical framework for perceiving situations within the work environment. Change management and employability may not be seen as a situation *per se*, but a conceptual model for perceiving situations within which they emerge is useful in understanding their perception and their relationship with other variables being explored in the present study. Pay satisfaction is determined by two perceptions. The first perception is based on how much pay the employee believes he should receive, and the second perception is based on how much pay he actually receives. Employees will be satisfied if the two perceptions are identical. Evolving from this pay satisfaction perception is Adams (1963) equity theory. Perception and Equity theories are therefore deemed appropriate to explain the relationships among the study variables.

According to Otara (2011), one limitation identified in research on organizational change is that researchers have failed to take adequate account of the perceptions and responses

to organizational change by members of different groups and of the intergroup nature of organizational change. The present study is concerned about the perceived attitudes evolving from the change process among different categories of organizational members.

2.1.1 The Theory of Perception (Wilhelm Wundt, 1897)

Psychological investigation of human behaviour began with the study of perception in the late 19th Century. Perception is considered as significant in understanding human behaviour based on the fact that no two people experience and interpret sensations, situations, or their own feelings the same way. In the psychological literature, many scholars believe that individuals act on their perceptions rather than on actual events. According to Geishecker (2010), it is an individual's perception of reality rather than objective features of reality that determine behaviour and attitudes. For instance, any given objective situation could be described in terms of physical, biological, and socio-cultural parameters, giving rise to cognitive, emotional and behavioural outcomes. Linking this reasoning to the concept of employability, objective employability may then be seen as relating to how easy (or difficult) it may be, in reality, for an individual to get new employment, and perceived employability would concern how easy (or difficult) people believe it would be for them to get new employment. Clearly, as the objective situation is interpreted differently, the consequences thereof cannot be the same for all employees. Employees are complex human beings whose interests may not necessarily coincide with that of an organization (Bolo & Ruguru, 2011). According to Njoroge (2003), perception in an organization is crucial to researchers as employees are the driving force behind the success of an organization. There is the need for managers to be

aware of the perceptual difference between themselves and that of the employees, which may give rise to organizational conflict.

For this reason, perception is closely linked with the human factor. The human factor in organization has been a subject of debate for some time now. Its origin can be traced back to the early works of Elton Mayo (1880-1949). According to Cole (2002), Elton Mayo's study addressed the issue of the worker in the work place rather than the work itself. Abraham Maslow (1970; cited in Bolo & Ruguru, 2011) also demonstrated that hierarchy of needs could influence behaviour in an organization and that it is the unfulfilled needs of an individual that act as motivators. Basically, what employees perceive as reality within the organization influences the motivation process. According to Cole (2003), individual effort and productivity is determined by the perception of the situation. Hence, building positive employee beliefs, perceptions and attitudes is critical for successful change management (Eby, Adams, Russell, & Gaby, 2000) and increasing well-being.

Attitudes and perceptions are developed over time and can change as new information and experiences are acquired. So, depending on what experiences employees are made to go through after the integration, their change management perception is influenced consequently. It is important that managers understand the process of perception in order to ensure that employees and managers perceive organizations' objectives in a similar manner, appreciate workers grievances and complaints from their point of view and improve communication between managers and their subordinates by interpreting things the same way. This will ensure a favourable perception of change management and improve well-being.

In today's economy, employees are a critical asset in ensuring that an organization has a competitive edge in the marketplace. An appreciation of what would affect their current and future well-being is therefore of great concern. Unlike other resources in a firm, employees have to be motivated to be effective and efficient in their work. Policies and structures must also be able to generate commitment and enhance individual and group performance. A critical factor that can greatly influence performance in that respect is how employees perceive various initiatives to enhance effectiveness and efficiency. A critical initiative is strategic change management, aimed at making implementation of business strategies more effective. Clearly, the perceptions of employees do not only influence their involvement in the strategic change management but even after the end of the change process. This involvement leads to a higher rate of success in the implementation and to improved effectiveness.

Employee perception can be seen to affect most of the other factors influencing change management. Employee perception leads to either resistance or acceptance of change. It also determines the level of teamwork, the type of corporate culture that is created, and how allocated resources are utilized as well as the success of the organizational leadership (Bolo & Ruguru, 2011). No matter the amount of effort made in meeting the needs of all employees, it is interpreted differently by each individual employee. It is therefore important to explore individual perceptions in relation to change management and its individual well-being outcomes. Individuals again differ on their level of employability and it is proposed that perceived employability will moderate the effects of perceived change management on perceived well-being.

2.1.2 Adams' Equity Theory (1965)

Adams (1965, cited by Wang, 2006) proposed an equity theory which stated that pay satisfaction is determined by an employee's perceived input-outcome balance. Employees feel satisfied when payment is equitable and feel dissatisfied if an inequity exists. In other words, pay satisfaction is determined by the perceived ratio of what employees receive from the job compared to how much they put into the job.

In 1968, Locke presented a discrepancy theory to explain satisfaction. According to Locke's theory, satisfaction is determined by the difference between what the person desires and what is actually received (as cited in Lawler, 1971). Lawler (1971) built the Model of the Determinants of Pay Satisfaction. This model emphasized the importance of social comparisons and proposed that pay satisfaction is basically determined by the difference between perceived pay and the person's belief about what his pay should be. Lawler (1981; cited by Wang, 2006) identified two factors: (a) perceived amount that should be received, and (b) perceived amount received. When $a = b$, the employee feels satisfaction. When $a > b$, or $a < b$, the employee feels dissatisfaction. The perceived amount that should be received (a) consists of the following factors:

- Perceived personal job input, which includes skill, experience, training, effort, age, seniority, education, company loyalty, past performance, and present performance;
- Perceived input and outcome of referent others; and
- Perceived job characteristics, which include level, difficulty, timespan, and amount of responsibility.

The perceived amount received (b) consists of the following factors:

- Perceived pay of referent others; and
- Actual pay received.

Based on this model, the researcher proposes that pay satisfaction will moderate the relationship between perceived change management and employee well-being so that higher perceived pay satisfaction reduces the detrimental effects of poorly perceived change management on perceived well-being.

2.2 Review of Related Studies

2.2.1 Change Management Perception and Outcomes

Although previous studies focused on the effects of a merger on employees organizational attitudes, only a few of them investigated its influence on psychological health. Generally, mergers involve important decisions regarding the displacement and re-engagement of employees. Organizational justice theory provides important theoretical insights regarding how these decisions can affect the perceptions and behaviours of surviving employees. Though there was no job loss in the organization which is the subject of the present study (GRA), the integration outcomes like job re-assignments, transfers, and negotiations impact substantially on the organizational climate and subsequently on employees' attitudes, behaviours and psychological health. This is because employees who perceive their new job characteristics and job environments to be worse than their previous jobs will feel uncertain and anxious about their new tasks and responsibilities, a situation that affects their psychosocial well-being. Such new stress could result in employees developing various mental and physical illnesses with an

underlying consequence on their motivation (Cartwright & Cooper, 1996; Ivancevich et al., 1987).

According to Buono and Bowditch (1989), it takes longer for employees to be culturally and psychologically adjusted following a merger. This is because the stabilization of employees' new job characteristics may have an enduring effect on their job satisfaction and commitment, especially if they perceive the characteristics of their new jobs to be worse than those of the previous ones (Hackman & Oldham, 1975). The implication is that when employees develop negative perceptions about organizational changes and also distrust those managing the changes, their job satisfaction and commitment will also be negatively affected. If this perception is not adequately managed, it could prolong employees' anxiety and uncertainty, with negative consequences on not only productivity and organizational performance but also on their psychological health.

Sanda and Adjei-Benin (2011) investigated employees' satisfaction with organizational change as a result of merger and its impact on productivity. These researchers emphasized that human resource issues are important aspects of organizational change and if such issues are not well handled, they may impact negatively on employees by reducing their level of satisfaction with consequent repercussions on productivity. Using a total sample of 200 from two mining firms that had undergone a merger in 2004 in Ghana, they concluded that employee satisfaction with merger changes could be enhanced by instituting effective communication systems and using participatory approaches in job redesign processes. By implication, they indicated that changes during a merger have human factor challenges that other organizations embarking on mergers

need to consider. Though this study was carried out in Ghana, it focused on private enterprises hence its implications may be different from an integrated public sector organization responsible for revenue collection since there are different organizational elements at play in the two sectors.

Managing change in a public organization can be considered as more challenging than any other organization due to some 'unique' characteristics of those organizations and the employees. In Ghana, there is a common 'government work' ("abandjuma") attitude to work as well as how the system is run; mostly as a result of political influences. GRA enjoys some autonomy but not entirely from the government. Thus, the biggest challenge for the management is to simultaneously manage both change and the people successfully.

Isa, Hin and Yunus (2011) explored the relationship between change management initiatives and job satisfaction among salespersons in a selling industry at Malaysia. Using a sample of 238 out of a total of 690 questionnaires distributed, their results showed that out of a total of six change initiatives, only shared change vision and training and up line support indicated positive influence on job satisfaction. Their study adds to the literature by showing the importance of change management initiatives on change success. It also provides some theoretical contributions to sales management practices in the competitive environment of selling industry. To increase the chances of having satisfied employees with their jobs, management must manage change initiatives that focus more on a shared vision, training and support. This is because when employees are satisfied, they perform well to the achievement of an organization's objectives.

In a study to examine employees' perception of strategic change in two insurance companies in Kenya, Bolo and Ruguru (2011) set out to investigate whether employees' perception affects the success of change management. As a case study, two companies were selected for purposes of comparison and to eliminate bias. A sample of 60 respondents was administered with a 5-point Likert scale questionnaire. Correlation analysis using Spearman r_s on 56 returned cases (93.3% response rate) showed that people who perceived the implementation process positively indicated their satisfaction with the results it yielded and vice versa.

From the foregoing, it is evident that any organizational change that is managed effectively leads to successful implementation and attainment of positive results. Effective change management is linked to work satisfaction, commitment and involvement of employees. These studies do not only lack ecological validity but are carried out mainly in private sector organizations. As indicated, there are major differences regarding the factors that influence management and implementation of change in the two sectors. The present study focuses on a public organization that has undergone integration since 2010. It again shifts focus from the extensively researched work attitudes such as satisfaction and commitment to organizational and individual factors.

2.2.2 Relationship between Change Management Perception and Employee Well-being

Despite the great research interest in restructuring in terms of productivity and innovation, investigations of the effects of organizational change on employees' well-being have received less attention. In November 2009, a two-year European research project was aimed at examining the effects of restructuring on employees' psychological health and well-being. The project was a collaboration between the National Institutes of Occupational Health in Finland (FIOH), the Netherlands (TNO), Poland (CIOP) and Denmark (NRCWE). The study was in three empirical phases: 1) Quantitative analyses of existing databases in Denmark, Finland and the Netherlands and the development and testing of a restructuring questionnaire piloted in the Netherlands and Poland, 2) Qualitative analyses of the mechanisms behind the quantitative results and 3) National workshops in each of the participating countries where key stakeholders were invited to report on their experiences with good practice during restructuring processes.

Results from the Danish Work Cohort Study (DWECS) were based on a study to examine the impact of new organizational ownership (caused by outsourcing or privatization, buy-out, merger or acquisition and selling-off) on job insecurity and range of health and well-being outcomes. The design was a longitudinal study spanning 2000 and 2005. The study included a sample of 5,436 employees who were administered with questionnaires using both, web-based interventions and personal interview methods. It was found that new ownership related significantly with poor well-being and high job insecurity. Results suggested that after some time the negative effects on health and well-being may no

longer be detectable, but feelings of job insecurity remain strong. Previous studies have shown that job insecurity is a significant source of stress but high levels of job insecurity occur only during an uncertain period of change (Cartwright, Tytherleigh & Robertson, 2007). The results of the current analyses, however, indicate that even years after restructuring, feelings of job insecurity were observable among employees.

Another study examined the impact of a merger within a forestry industry in Finland in terms of the effects of employee health and well-being, including the mediators and moderators of such relationships (Vaananen, Koskinen, Kivimaki, Vahtera, Kouvonen & Jäppinen, 2008). It used a cohort study involving 4,618 samples. It found out that good pre-merger well-being anticipates the experience of a positive change during merger which in turn is linked to good well-being after merger. This means that when the merger is perceived as positive it will lead to better well-being among employees. The results suggest that organizational changes may be positive for some employees while they are negative for others, depending on the consequences of the change for one's own situation at the workplace. Employees who felt that their job position had declined during the merger had reduced well-being and, conversely, those who experienced improvement in job position had better well-being.

Based on two longitudinal datasets from the Netherlands Working Conditions Cohort-study (NWCCS) and Cohort-study on Social Innovation (CSI) (Kraan, Hoofman, & de Jong, 2009; 2011), the impact of restructuring on employee health and well-being were examined including their mediators and moderators. NWCCS (Bossche, van den Koppes, Granzier, Vroome, de & Smulders, 2008) data was collected from 6,105 samples whiles

the CSI data was collected from 1,936 samples. Each dataset was reorganized according to employees who experienced one or more organizational change in the past two years versus employees who did not experience change. Using ANCOVA to compare groups on outcome measures, results indicated main significant effect of prolonged restructuring on the degree of Emotional Exhaustion, Dedication, Sickness Absenteeism, and Job Satisfaction. Simply put, the employees who perceived the changes during an organizational merger as negative were in high risk of negative psychological health effects. The positive experience of the change due to the merger is related to positive development in psychological health.

It is evident that restructuring is a process which affects the well-being of employees across national borders. The consequences of restructuring can be direct or indirect, but they are notable. The results of the studies demonstrated a clear connection between restructuring and reduced well-being of employees. However, it also revealed that organizational changes may also benefit the well-being of those employees whose position at the workplace improved due to the organizational restructuring. The evidence gained from the Dutch case highlights the negative consequences of prolonged restructuring. The research question studied was whether the cumulative impact of several organizational changes leads to reduced well-being or whether previously experienced organizational changes would protect employees from the adverse well-being effects of the restructuring events (because employees would get used to them). The results indicated that prolonged restructuring had a negative impact on well-being but no evidence was found that having undergone organizational change before would have a protective function.

These studies provide a picture of the effects of different types of restructuring in four countries on employee psychological health and well-being. Apart from employing appropriate research designs and statistical tools, the studies have increased understanding of the effects of organizational change on not just general well-being but several components of well-being. The present study however, did not employ these most suitable research designs because of the high financial and time costs involved in undertaking longitudinal and cohort studies.

In their study to examine the well-being and perceptions of organizational change of 1,560 UK and 1,414 Australian managers using the conceptual frame of psychological contract theory, Lindorff, Worrall and Cooper (2011) hypothesized that change, particularly hard change which includes cost-cutting and redundancies, has the potential to breach relational psychological contracts, thus causing reduced well-being for managers, reduced employee job security and loyalty, competence loss, reduced effectiveness, profitability and performance for organizations. The results support these hypotheses revealing that change is most detrimental to not only the individual but the organization as a whole. Directors are more positive than lower level managers about their job and organization, and are more positive about change. Also, negative effects of change are strongest in the public sector and Australian managers are more satisfied than UK managers with their job and the organization they work within. These outcomes have practical implications for human resources in organizations.

In sum, these studies make a strong case for the association between perceived change management and employee well-being. Undoubtedly, all change is difficult to manage especially in a public sector. The detrimental effects of change on well-being cannot be

underestimated either in the GRA. With most of the studies reviewed above being conducted in developed economies of Europe and USA, exploring not only perceived change management effects on well-being but also other interrelated factors that moderate or mediate their relationships in the Ghanaian socio-cultural context will contribute useful and practical insights to the extant literature.

2.3 Moderating/Mediating Effects of Pay Satisfaction and Employability on the Change Management Perception-Employee Well-being Relationship

De Jong *et al.* (2011) have indicated as a direction for future research that attention should be paid to more intervening factors related to restructuring and well-being. For instance, involvement in decision making was noted to mediate the relationship between restructuring and well-being. Since change management and well-being are based on subjective evaluations, there is the need to pay more attention to individual variables that may moderate or mediate the relationship. Not many studies were found relating perceived pay satisfaction and organizational change.

Using linked employer-employee Workplace Employment Relations Survey data from some sectors of the British economy, Bryson *et al* (2010) found that job satisfaction and job anxiety were negatively correlated but higher wages were associated with higher job satisfaction and higher job anxiety. On the other hand, the positive association between wages and pay satisfaction and the positive association between wages and job anxiety were both robust to the inclusion of effort measures and rich job controls. Mean wages of co-workers were positively associated with pay satisfaction but there was no significant association with job satisfaction or job anxiety. Thus there is a positive spill-over to

workers from being in a high-wage workplace and there is no support for the proposition that within-workplace wage differentials are a source of job anxiety.

It is believed that well-being is determined partly by an individual's absolute wage and partly by the individual's relative wage but Brown, Gardner, and Oswald (2008) showed that well-being is gained partly from the individual's ranked position of a wage within a comparison set (say, whether the individual is number 4 or 14 in the wage hierarchy of the company). This follows from the range-frequency theory propounded within psychology. These outcomes are based on an experimental study and an analysis of a survey of 16,000 employees' wage satisfaction ratings. The outcomes support the rank-dependence in workers' pay satisfaction.

Omar and Shittu (2005) conducted a study of pay satisfaction among supermarket employees in the U.K. The researchers used a non-experimental, quantitative design of employees who worked for leading food retail organizations in the U.K. They reviewed literature and compared theories about pay satisfaction and job satisfaction. Their sampling plan resulted in a return of 457 surveys, which represented a response rate of 45.7%. A Likert-type rating scale was used to measure pay satisfaction. The questionnaire measured from a range of "extremely dissatisfied" to "extremely satisfied" by seven scales, and data collection procedures were clearly described. Findings indicated that only 32% of employees were satisfied with their pay and over 55% of employees were dissatisfied, very dissatisfied or extremely dissatisfied using three-way analysis of variance. Their study presented a high level of data quality, data analysis, and

clearly defined procedures allowing replication. But the researchers did not test any hypothesis or verified reliability and validity, which made their results only descriptive.

The results of Vaananen et al, (2008) further suggest that well-being, support from the organization and personal resources predict the experience in the change in one's own job position during the merger. There also seems to be certain groups of employees who are more vulnerable than others to the adverse well-being effects of restructuring. Employees at risk are those whose well-being was already low before the organizational changes or whose personal resources and employability are weaker. The employees who did not experience high levels of job insecurity despite changes in the organization's ownership were those who had high autonomy in their jobs, who saw their work as rewarding and were confident in their ability to address problems. In the case of prolonged restructuring, increased sickness absenteeism as a consequence of restructuring was mainly among older employees and employees with low employability. This could be due to the fact that older employees are more susceptible to health problems in general. Restructuring might be an extra stress factor leading to absenteeism. With regard to employability, a possible explanation might be that less employable employees experience more job insecurity because if they lose their job they would have more difficulties to find a new job. Job insecurity in turn leads to extra stress and sickness absenteeism. In the merger situation, some groups of employees also seem to be in a more vulnerable situation. Older employees and employees with poor well-being and few personal resources are relatively more often the ones who report a decline in their job position. Conversely, the merger situation seemed to lead to improvement in job position and improved well-being for

employees with good personal resources who had already received support from the organization before the organizational change. This suggests that the organizational change processes may help employees with good resources to take advantage of the situation.

The analyses about the mediating factors indicated several paths between restructuring and well-being. According to Vaananen et al (2008), the prolonged restructuring is followed by increased job demands and emotional demands, more conflicts at the workplace, less support from supervisor and colleagues, less adaptive culture and less participation in decision making. These factors in turn lead to less job satisfaction and dedication, more exhaustion and sickness absenteeism. Employees who experience a decline in job position during the merger suffered from similar impairments at their workplace. The positive development in well-being for employees whose position improved during the merger was linked to the same kind of resources: increased support from the organization, more opportunities to participate in decision making, more autonomy and an increased sense of competence. They also tested whether the appraisals of organizational treatment during restructuring are connected with the well-being of employees. They found that each of the measures of organizational treatment is significantly related to almost all well-being indicators. In other words, employees whose work-related well-being was higher, that is higher job satisfaction, work ability, engagement, innovative behaviour, performance and lower stress and exhaustion:

– could count on *good communication and support from top management*: meaning that management informed them clearly about the goals and the state of change, took into

account the personnel's point of view, ensured that there were sufficient change support services for the whole staff;

– could count on *good communication and support from the direct supervisor*: meaning that the direct supervisor informed his employees clearly about the goals and the state of change, clarified the new roles of employees, solved problems that emerged during the change process;

– are *involved in the process of restructuring*: meaning that employees were given the opportunity to air their views on the changes before they were implemented;

– had *trust*: meaning that employees believed that the leader of the change knew what he or she was doing, was well informed and had good reason for change.

In addition, sickness absenteeism is associated with *information/support from management*: the better the communication between top management and employees, the lower the number of absent days. Intention to leave is associated with a low score on communication between top management and employees, and between direct supervisor and employees. On the other hand, the lower the trust in management, the higher the intention to leave.

In sum, literature revealed the moderating and mediating roles of more organizational factors that relate with restructuring than psychosocial factors like perceived pay satisfaction and perceived employability. The assertion that these psychosocial factors play a very important role in assessing individual risk to organizational change and its consequent outcomes cannot be overestimated. Level of perceived pay satisfaction and perceived employability are proposed to be significant determinants of well-being in an organizational restructuring situation. They are likely to have positive or negative effects

on both the individual and the organization. It is thus plausible to posit that pay satisfaction and employability moderate the relationship between perceived change management and employee well-being such that high perceived pay satisfaction or employability reduces the negative impact of poorly perceived change management on well-being.

2.4 Statement of Hypotheses

The following hypotheses were tested based on the theoretical models and literature reviewed.

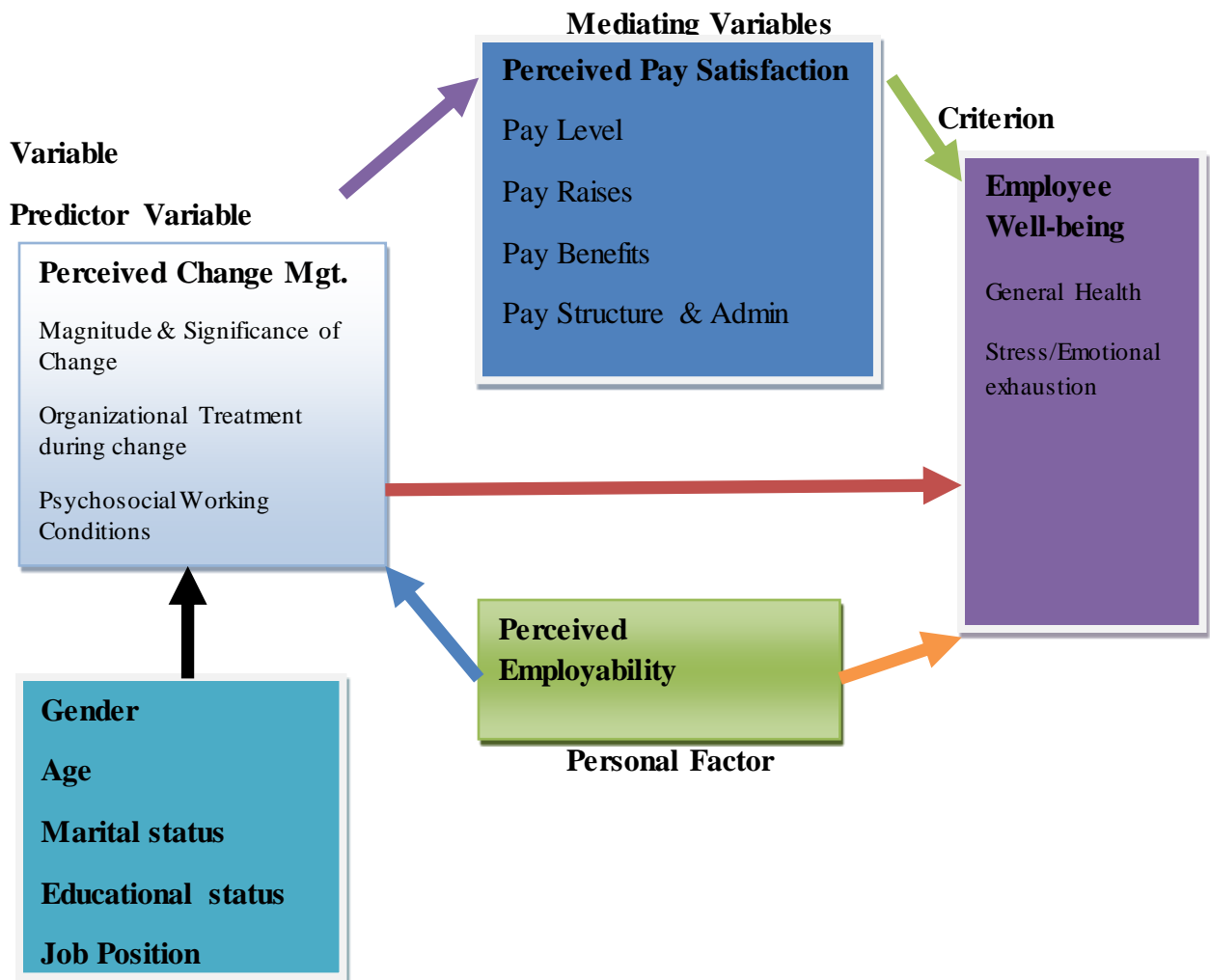
1. Employees who perceive change management to be positive would have better well-being than those who perceive it to be negative.
2. Perceived change management would account for a significant variance in employee well-being, controlling for demographic factors.
3. Perceived pay satisfaction would mediate the relationship between perceived change management and employee well-being.
4. Perceived employability would mediate the relationship between change management perception and employee well-being.

2.5 Key Variables of the Study

- ✓ Perceived Change Management (Main Independent Variable)
- ✓ Employee Well-being (Main Dependent Variable)
- ✓ Pay Satisfaction (Mediator Variable)
- ✓ Employability (Mediator Variable)

- ✓ Age, Gender, Marital status, Educational attainment, Job Position (Controlling Variables)

The model in Figure 2 below shows the relationship between independent and dependent variables; taking into consideration the mediating variables.



Controlling Variables

Fig.2: *Summary of Hypothesized Relationships between the Predictor, Mediator and Criterion Variables in the Study*

2.6 Definition of Terms

Perceived Change Management: Employees' cognitive appraisal of how the integration of GRA was managed to meet their subjective expectations

Pay Satisfaction: Employees' perception of how much pay they believe should be received, and how much pay is actually received (Wang, 2006)

Employee Well-being: A state of well-being in which the employee fulfills his or her own potential, can cope with the normal stresses of life, can work productively and fruitfully, and is able to make a contribution to his or her community (WHO, 2011).

Employability: Employees' perception of their ability to keep the job they have or to get the job they want (Rothwell & Arnold, 2004)

Age: Age range of 18-59years. This represents the legal employable age range within the public sector in Ghana.

Job Position: Employees in Junior Staff, Senior Staff and Management Staff positions within the GRA.

Marital status: Employees who are married, single or divorced/separated/widowed

Educational attainment: Educational attainment from Middle School/Senior High School level to the highest level of education of employees.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

The review of the relevant literature in the previous chapter provides evidence that there has been very little research conducted on Change Management Perception and Employees' Perception of Well-Being in Africa and Ghana is no exception. Hence, this study explored the relationship among perceived change management, pay satisfaction, perceived employability and employee well-being. Under this section, the description of the target population, sample, sampling techniques, and research design used in the research are discussed. This chapter describes the instruments used for data collection and the scoring of the data, how the questionnaires in the study were piloted and the psychometric properties of the scales established. Finally, it describes the data collection procedures in the study.

3.1 Population/Sample

The population consisted of employees of the Ghana Revenue Authority (GRA). It included all employees affected by the integration of all revenue collection agencies into one revenue authority in 2010 known as GRA. Data was collected from all four main divisions of GRA; namely Commissioner General's Secretariat (CG), Domestic Tax division (DTR), Customs division (Customs) and Support Services (SS) division. The total population of GRA as at September 2012 was 6,659 but more than 60% of the employees are within the Accra and Tema areas of operation. The CG Secretariat and SS division are located in the headquarters in Accra but DTR and Customs divisions are

scattered throughout the country (Ghana). Within the Accra-Tema area, the Domestic Tax Revenue division has one (1) large scale, seven (7) medium scale and 16 small scale offices. This scale is dependent on the category of businesses served. Customs division has its employees located mainly at the airport, harbours and frontiers or border posts within Ghana. For Management level, the population in the Accra-Tema operation area is one hundred and seven (N=107), Junior staff employees is 1,296 and Senior staff employees is 1,584. Samples were drawn in proportion to these population sizes. The study was carried out specifically at the GRA Head Office and the Domestic Tax Division offices at Kaneshie, Circle, Madina and Adenta. The Customs Division offices were Customs Head Office, Tema Harbour and James Town. These offices were chosen due to the time frame for the study and the representativeness of this sample of the entire GRA employee population in Ghana.

3.2 Sampling and Sampling Technique

Having to limit the study to the Accra-Tema area, a quota sampling technique was used to assign specific numbers of respondents to the divisions based on proportions corresponding to the population sizes of Management, Junior and Senior staff. As a result of this, the ratio 1:10:13 was used respectively. The convenience sampling technique was however used to collect the data. This is the most practicable sampling technique that could be employed in this survey study since accessibility to employees was constrained by the nature of employees' work. The job of most employees, especially under the Domestic Tax Revenue and Customs divisions, involves a lot of movement in and out of offices. With convenience sampling, it was more practicable to reach as many employees as are available and willing to participate within the short time of doing this study. Other

socio-demographic characteristics were taken into consideration in the selection of participants. These characteristics offered the researcher the opportunity to describe the sample of the study. In addition, these socio-demographic characteristics such as gender, marital status, educational level, job position and tenure could influence the relationships being explored hence, needed to be statistically controlled to ensure internal validity of the study.

A total of 320 questionnaires were distributed to management, junior and senior staff employees following the stated ratio. Based on the population size of the divisions, 50 questionnaires were sent to CG, 90 to Customs, 80 to DTR and 100 to Support Services. Out of the total of 320 questionnaires distributed, 280 were returned but a total of 274 were usable. This constituted a return rate of 85.6%. Based on the population size job level, 20 questionnaires were distributed to management staff but 15, representing 75% response, were used in the final analysis. For senior staff, 210 questionnaires were distributed but 178, representing 84.8% response rate, were used in the final analysis. Finally, 90 questionnaires were sent to junior staff but 81, representing 90% response rate was used in the final analysis.

Participants were chosen based on the convenience sampling technique; where participants who were available and willing to fill the questionnaires were used. This sample size met Glenn's (1992) suggestion that in order to obtain a validity of a population estimated at 6000 at 95% confidence level, at least 253 participants are required. This sample size used for the study is also appropriate for the use of multiple regression analysis which also requires that minimum returned sample size for a population of 6000 with a margin of error of .05 should be 119 with continuous data

(Bartlett, Kottrlik & Higgins, 2001). Sample sizes based on total number of employees in the three job levels and under the divisions were as presented in Table 3.1.

Table 3.1: Sample Sizes by Job Level and Divisions

JOB LEVEL	DIVISIONS				TOTAL
	CG SECRETARIAT	CUSTOMS	DTR	SS	
MGT	3	4	4	4	15
SENIOR	24	51	48	55	178
JUNIOR	11	25	19	26	81
TOTAL	38	80	72	84	274

In the study, data was collected on the following variables: sex, age, tenure, job level, marital status and educational level in order to provide a general description of the sample as obtained from the responses to the questionnaires. This is presented in Table 3.2.

Table 3.2: Frequency Distribution of Demographic Characteristics of Respondents

Demographic Variables	N	Percentages (%)
Gender		
Male	164	59.9
Female	110	40.1
Age (NR=1)		
Between 25 and 34 years	57	20.9
Between 35 and 44 years	80	29.3
Between 45 and 54 years	109	39.9
55years and above	27	9.9
Job Level		
Management level	15	5.5
Senior Level	178	65.9
Junior Level	81	29.6
Tenure (NR=8)		
Between 7 and 12years	80	30.1
Between 13 and 18years	60	22.6
Between 19 and 24 years	64	31.6
Between 25 and 29 years	35	13.2
Above 30 years	7	2.6
Educational Level (NR=5)		
Postgraduate	71	26.4
First (University) degree	106	39.4
Tertiary Diploma/Certificate	69	25.7
JHS/SHS/MSLC	23	8.6
Marital status (NR= 2)		
Married	206	75.7
Single	48	17.6
Divorced	13	4.8
Widowed	5	1.8

NB: NR= No response, n=274

The sample included more males (59.9%) than females (40.1%); reflecting the gender distribution of employees in GRA. From the pilot study conducted, more participants did not indicate their actual age or tenure, hence in the main study, age and tenure were

categorized. Age distribution indicated that about equal percentages of respondents were below and above 45 years. Simply put, 50.2% of them were up to 44 years while the rest (49.8%) were 45 years and above. In terms of job level, only 5.5% were within the management level while 65% were within the senior level and the remaining 29.6% were in the junior level. This reflects the population size of employees within the levels in the Accra-Tema areas. Organizational tenure indicated that a little above 50% had job tenure up to 18 years while 47% had it above 18 years. Over 50% had postgraduate or first degrees. Finally, more than three quarters (75.7%) of the respondents were married. Only 0.36% of them were single while the remaining 6.6% were divorced or widowed.

3.3 Research Design

The present research was a cross-sectional survey because data was collected on the study variables during a particular period with a questionnaire for analysis. This is because though the study involved only one particular organization, the respondents' socio-demographic factors like sex, age, tenure and job positions differed. Self-reported questionnaires were used as a primary data collection procedure. Questionnaires were used to gather data on the variables in the study. Specifically, data was gathered on the following variables: *Perceived Change Management* (main independent variable); *Perceived Pay Satisfaction*, *Perceived Employability* (moderator variables); and *Perceived Employee Well-being* (main dependent variable). In addition data was collected on the following variables: *Sex*, *Age*, *Tenure*, *Job level*, *Marital status* and *educational level* in order to describe the sample of the study. In addition, the effects of these demographic factors on the relationship among variables were controlled.

3.4 Instruments/Measures

In order to evaluate the hypotheses, survey questionnaires involving self-reports assessing each of the constructs were administered. Questionnaires and surveys are probably the most widely used research tools within the Social Sciences (Breakwell, Hammond & Fife-Schaw, 1995). Questionnaires are limited by the fact that respondents must be able to read the questions and respond to them. They are however still appropriate for this research because, surveys are available for researchers to collect original data, directly observing, analyzing and describing a large population (Babbie, 2004). In addition, surveys are also good at measuring behaviors, attitudes and perceptions. Their low cost, minimal resource requirements and potentially large sample-capturing abilities make them an attractive research method for academics and practitioners. Questionnaires do not require as much effort from the questioner as verbal or telephone surveys, and often they have standardized answers that make it simple to compile data.

The questionnaire was made up of five (5) sections; A, B, C, D and E. Section A gathered data on Perceived Change Management, Section B on Pay Satisfaction while Section C gathered information on Employability. Section D was on Perceived Employee Well-being; and Section E was on the demographic variables such as sex, age, work tenure, level of education, marital status and job level. All the instruments used were pilot tested on the present population as described below.

Section A: Perceived Change Management Scale:

The instrument used to measure this construct was a combination of items relating to magnitude and significance of change, organizational treatment during change and psychosocial working conditions after the change. The Psychological Health and Well-being in Restructuring: Key Effects and Mechanisms (PSYRES) Questionnaire developed by Wiezer et al. (2011) was adapted. This questionnaire had 67 items but most of the items were not relevant to the context of the present study. Questions about the type of change were eliminated since the change specific to GRA is known. Some items relating to components such as changes as a consequence of the change, planning and implementation of the change, and present job characteristics were sampled. In this vein, relevant items were selected from sub scales such as the Copenhagen Psychosocial Questionnaire (COPSOQ) short version items by Kristensen, Hannerz, Hogh and Borg (2005) and the HYVIS-Finnish project by Leppanen et al. (2010; cited in Wiezer et al, 2011).

Following from the pilot study, the 26 item scale which though yielded a high reliability of .83 was reduced to 21 items because five (5) items yielded corrected item-total correlation below .3 and according to Tabachnick and Fidell (2007), low values less than .3 means that the item is measuring something different from the scale as a whole hence should be modified or removed. The remaining 21 items were anchored on a 5-point Likert scale and the scale yielded a higher Cronbach alpha of .84 for the main study. Components of the final scale were magnitude of change as a consequence of the merger, evaluation of planning and implementation of the change, employee involvement and justice perception during change, and finally, work demands, influence at work and social

support. Though analyses based on these components could have yielded deeper understanding, scores on each were combined to form a composite perceived change management score. This is because the composite scores would have yielded the outcomes the researcher expects to be able to test hypotheses. Sample items on some of the components were: 'Your task at work', 'Recognition you receive at work'. Responses vary from 'No' (0) to 'Yes, significantly got better' (4). 'How often do you have unevenly distributed workload so it piles up?', 'Does your work put you in emotionally disturbing situations?' Responses on this vary from 1= always to 5= never. (see Appendix A).

Items 15, 16, 18, 19, 20 and 21 were reverse scored in order to reduce response bias and to compute composite scores where higher scores on the scale indicated positive change perception. Since there were 21 items, minimum and maximum total scores ranged from 21 to 105. A median score of 52.5 was used to categorize respondents into those who perceive the change to be positive and those who perceive it to be negative. Thus scores below this median score would reflect perception by respondents who most often rated the magnitude of change as worse or a bit worse, evaluated the planning and implementation of changes as poor or neither poor nor well, disagreed or are in-between as per their involvement and justice perception during the change and showed that they often or sometimes have high work demands and/or never have any influence or social support at work. Thus, those who perceive the change to be positive would have higher scores on the perceived change management scale.

Section B: Pay Satisfaction Scale:

Sixteen (16) items consisting of the dimensions of satisfaction with pay level, raises, benefits and rewards were adapted from the Job Satisfaction Survey by Spector (1997) used in Wang's (2006) study. The Job Satisfaction Survey (JSS) is a 36-item, nine-facet scale which was developed by Spector (1997) to assess employee attitudes toward the job and other aspects of the job. Each facet is assessed with four items, with six choices per item ranging from "strongly disagree" to "strongly agree." The nine facets are pay, promotion, supervision, fringe benefits, contingent rewards, operating procedures, co-workers, nature of work, and communication. Pay, promotion, fringe benefits and contingent rewards were selected to measure pay satisfaction. Wang (2006) reported reliability coefficients for all nine dimensions to range from .60 to .91. Reliability coefficients for pay, promotion, fringe benefits and contingent rewards were .75, .73, .73 and .76 respectively. With response categories on Likert scale, higher scores indicated higher pay satisfaction. The reliability for the entire scale in this study was .74. Sample items were: 'I feel I am being paid a fair amount for the work I do'; 'Those who do well on the job stand a fair chance of being promoted. Items 2, 4, 7, and 12 were reverse scored. Total minimum and maximum scores ranged from 16 to 80 with higher scores indicating better or higher perceived pay satisfaction.

Section C: Perceived Employability Scale

Rothwell and Arnold (2004) developed and validated 11 items to assess self-perceived employability. In a similar vein, the perceived employability scale was used to assess the employability construct. Rothwell et al. (2004) reported high psychometric properties and

recommended that future researchers consider using both internal and external employability scales consisting of the 11 items. The reliability for this scale in this study was .76. The present study used this scale as it was validated across cultures and reported to be highly reliable. Response categories ranged from strongly disagree (1) to strongly agree (5) with higher scores indicating higher or better perceived employability. Sample items are: 'I could without problems get an equivalent job in another company/organization', 'My personal qualities make it easy for me to get a new (equivalent or better) job in a different company/organization'. Only item 8 was reverse scored. Total scores ranged from 11 to 55 with higher scores indicating higher perceived employability.

Section D: Perceived Employee Well-being Scale

The 12-item version of the General Health Questionnaire (GHQ-12; Goldberg, 1979) was used in addition to the emotional exhaustion and burnout items derived from the well-being scale from the PYRES Questionnaire developed by Wiezer et al (2011). The GHQ-12 was developed for detection of non-psychiatric disorders, and has previously been used in research conditions. It was also used in occupational setting covering levels of self-confidence and ability to enjoy oneself. On a Likert type scale format, it is anchored with response alternatives depending on the item from 1 (better than usual, or not at all, or more so than usual) to 4 (much less than usual, or much more than usual). The respondents were, for example, asked to indicate how often in recent times they had "Lost much sleep over worry", "Felt capable of making decisions about things" and "Been feeling unhappy and depressed". In order to increase the reliability and validity of the employee well-being scale used in this study, 7 emotional exhaustion items were

selected from 'Feelings' subscale of PYRES Questionnaire. Responses were anchored on a 4-point Likert scale ranging from Never (1) to Everyday (4) in contrast with the 7-point response format of the original scale. This was to ensure that the entire scale modified for this study is uniformed in terms of response categories. The entire scale yielded a reliability of .84, having been modified following its low reliability of .57 during the pilot study. Item 19: "I feel happy when I am working intensely" was reverse scored. Since there were 12 and seven (7) items all anchored on four (4) points, possible total scores could range from 19 to 76 with lower scores indicating better employee well-being. Having validated this scale to accurately measure employee wellbeing, it was used as a composite score for analysis. There was no need to separate them since the items for both scales seemed to measure the same construct.

Section E: Demographic Information (Control Variables)

To ensure that the research results are not subject to alternative explanations, some control measures were instituted statistically. Thus data was collected on a number of variables which could be found capable of providing alternative explanations to the findings. Data on demographic variables such as sex, age, work tenure, job level, marital status, and educational level was collected. The demographic information also enabled a vivid description of the sample used for the study. These demographic variables contributed to explain a significant variance in employee well-being hence were controlled.

3.5 Procedure for the Pilot Study

A pilot study was carried out to establish the procedures and parameters, clarify instructions, determine the appropriate levels of the independent variable, and also to determine the reliability of the instruments. The pilot study helped test the reliability of the various measures and their appropriateness on the GRA sample. The sample for the pilot study consisted of 33 employees of GRA at the Kotoka International Airport as well as the Domestic Tax Revenue office at Legon. The sample included 18 males and 15 females and employees of management job level (7), senior level (16) and junior level (10). Generally, participants did not express difficulty in responding to the items on all the scales. However, many did not respond to portions where they were supposed to indicate their age and tenure. Hence, these portions were rather categorized in the main study so that participants did not have to indicate their exact age or tenure.

Apart from the employee well-being scale, the Cronbach's alpha for all other scales were high. The Perceived Change Management scale was .83 whilst a Cronbach's α of .89 was observed for the perceived pay satisfaction scale. The perceived employability scale had a Cronbach's α of .67. Though reliability for Perceived Change Management scale was high, the corrected item-total correlations for items 20, 21, 24, 25 and 26 were very low and hence were removed. The final 21 item scale which was used in the main study yielded a higher reliability. The reliability for the employee well-being scale was low ($\alpha = .57$) showing that more than 50% of the items on the scale had very low corrected item-total correlation. This implied that the items were measuring something different from the construct the scale as a whole is measuring. This warranted the removal of most of the items and modifying the exhaustion and burnout items as well as adding the General

Health Questionnaire (GHQ-12); yielding .84 Cronbach alpha in the main study. All the scales were scored on a 5-point Likert scale. Minimum and maximum total scores for the various scales were: Perceived management scale= 26-130, Pay Satisfaction scale = 16-80, employability= 11-55 and employee well-being scale=15-75.

3.6 Procedure for Main Study

An institutional approval was obtained from the Institutional Review Board of Noguchi Memorial Institute for Medical Research (NMIMR-IRB). A letter of Introduction from the Department of Psychology was sent to the Head of Support Services of the GRA who also sought approval from management and this was finally granted after a week. Another introduction letter from GRA was then sent to Divisional Heads in charge of where data was to be collected. At every division, an officer (employee) was asked to act as a liaison officer by introducing the researcher to the employees and asked to brief respondents on the purpose, objectives and relevance of the study to employees. The convenience sampling technique was used, in that officers who were around and willing to participate were given questionnaires to fill. The researcher left the questionnaires with the liaison officers and two weeks were allotted for the data collection, but this took more than five weeks. This procedure was used for senior and junior staff. For the management staff, there was a one-on-one encounter with selected management staff. This was very tasking though, as it involved constant reminder as most of them could easily forget to fill the questionnaires. The level of cooperation from other organizational members was high. However, due to some bureaucratic procedures and unavoidable delays from some respondents, the data collection period lasted six weeks, instead of the 3-4 weeks intended. Out of a total of 320 survey questionnaires distributed, 280 were

returned but 6 had some incomplete sections and were therefore excluded from the study. This resulted in an overall sample size of 274, representing a 87.5% response rate.

3.7 Research Ethics Considered in the Study.

According to Brewerton and Millward (2001), organizational research must consider ethical implications as part of the research process. It is possible that although a study is feasible on practical grounds (i.e. the design is sound, the research question is specific and appropriate methods are available for investigation), it remains unacceptable due to its ethical implications. Professional bodies such as the American Psychological Association (APA), Society of Industrial and Organizational Psychologist (SIOP) and the British Psychological Society's Division of Occupational Psychology outlined a common set of principles and standards upon which psychologists should build their professional and scientific work. These guidelines are intended to provide specific standards to cover most situations encountered by psychologists and in this case, those encountered specifically by occupational or industrial and organizational psychologists. A paramount guideline irrespective of the specific discipline is the welfare and protection of the individuals and groups with whom psychologists work.

In the conduct of this study, key ethical guidelines that concern the handling of data were considered.

A careful evaluation of the ethical acceptability of the research was undertaken by analyzing the potential impact of the research. Participants were informed of all features of the research which might influence their willingness to participate. Informed consent

which was solicited, addressed both the research procedures and the publication of results.

Research data was treated as confidential. No respondent was induced to participate in the study. To ensure confidentiality and anonymity of responses, participants were instructed not to write their names on the questionnaires or mark the questionnaire in ways that would reveal their identity. In addition, envelopes were used to package the questionnaires in order to conceal individual responses.

Finally, contacts (email addresses and phone numbers) were made available to participants on the questionnaire so that participants could contact the researcher in case they wanted to ask question(s) or clarify any issues pertaining to the research. However, no such contacts were received by the researcher; further confirming that ethical concerns were adhered to. In a nutshell, this study ensured that practical measures were instituted to guarantee that ethical boundaries were not traversed.

CHAPTER FOUR

RESULTS

4.0 Introduction

This chapter discusses in detail the findings of the previous chapter in line with the objectives of the study and existing literature on the subject matter. This allows for valid conclusions to be drawn regarding the hypothesis raised. All data analyses were performed using SPSS version 16.0. Data from the current study were gathered from surveys of selected GRA employees within Tema-Accra areas of operation of the Ghana Revenue Authority (GRA) within a limited period. A total of 302 surveys were distributed. Out of the total of 280 questionnaires returned, 6 had some sections left incomplete and were therefore excluded from the study. Of the remaining 274 surveys, 8 had four or less missing items. These items were scored based on the mean score for the missing item. This resulted in an overall sample size of 274 for the analyses. In order to create the categories of participants who perceive the change management as positive and those who perceive it as negative, data was coded so that individuals scoring below the median on the change management scale were given a value of 1, and individuals scoring above the median were given a value of 2. The above procedure resulted in 142 participants classified as negative change management perceivers and 132 as positive change management perceivers.

Other descriptive analyses are presented in preliminary analyses followed by statistical tests of the hypotheses proposed.

Preliminary Analysis

In order to use some statistical tools, preliminary analyses were conducted to check whether assumptions for the use of these statistical tests were met. These analyses included analysis of the normal distribution of the variables and correlation matrix of key continuous study variables. Parametric tests were mainly used for the analyses of the research data in the present study. Parametric tests make assumptions about ratio or interval scale of measurement, normality of distribution, homogeneity of variances and independent errors. According to Tabacknick and Fidell (2007), a multivariate study involving regression test requires the assumption of multivariate normality. In this study, each variable and all linear combination of variables were normally distributed. In order to test this assumption regarding regression analysis, preliminary analyses in the form of statistical and graphical methods were conducted to assess the fit between variable distributions and their acceptability (Appendix B). Two main components of normality are skewness and kurtosis. Normality of a variable is established when skewness and kurtosis values fall within the acceptable values of ± 1 . Statistical test of normality in this study showed that all the variables are normally distributed (see Table 4.1 below).

From the table, perceived change management which is one of the main independent variables of this study yielded a high internal reliability of .84. Out of a maximum total composite score of 105, there was an average score of 53.92 (SD=12.21); indicating that only a little over 50% of the respondents felt that the change was positive.

Table 4.1: Summary of descriptive statistics, reliability analysis, skewness and kurtosis of the variables in the study

Variables	Mean	SD	Skewness	Kurtosis	Cronbach's α
Perceived change mgt	53.92	12.21	-.01	-.29	.84
Pay satisfaction	43.38	10.54	.25	-.81	.74
Perceived employability	36.75	7.84	-.23	-.15	.76
Employee Wellbeing	41.41	10.30	.33	-.05	.84

Total Number of Responses (n) = 274

The adapted and modified employee well-being scale measured general well-being and mental exhaustion of employees following the organizational change at GRA. The 19-item scale anchored on 4-point Likert scale had total scores ranging from 19 to 76 with lower scores indicating better employee well-being. The average score for the entire sample was 41.41 (SD=10.30); showing that more of the employees sampled had lower wellbeing.

Reliability test conducted indicated that all the scales used were consistent internally. The acceptable level of internal scale reliability has been varied among different researchers but it normally ranges between 0.6 and 0.7 as absolute minimum (Kline, 1993; cited in Brewerton & Millward, 2001). All the scales used in this analysis yielded acceptable results of Cronbach's alpha coefficients. Additionally, checking for normality, linearity, homogeneity of variances indicated no violation of the assumptions regarding the use of regression analyses.

The final step in the preliminary analysis was the computation of Pearson Product Moment Correlations Coefficient (r) among key continuous variables. This is in line with the assumption that at least there should be a relationship between the predictor and criterion variable before moderation or mediation regression analysis can be performed (Field, 2005).

Table 4.2: Correlation Matrix for key study variables

Variables	1	2	3	4
1. Perceived change mgt	-			
2. Pay Satisfaction	.416**	-		
3. Perceived employability	.186**	.150**	-	
4. Employee Wellbeing	-.214**	-.293**	-.120*	-

* = $P < .05$, ** = $P < .01$, $N = 307$

From the correlation matrix above, the correlation coefficient between any two variables is statistically significant. Perceived change management did significantly and negatively relate with employee well-being ($r = -.214$, $p < .05$). Pay satisfaction also related significantly and negatively with employee well-being ($r = -.293$, $p < .05$). Perceived employability also related significantly and negatively with employee well-being ($r = -.120$, $p < .05$). Perceived change management also related positively with pay satisfaction ($r = .416$, $p < .01$) and perceived employability ($r = .186$, $p < .01$). Finally, the relationship between perceived employability and pay satisfaction was positive and significant ($r = .150$, $p < .01$). These significant correlations satisfy the assumption that a

significant relationship exists among the perceived pay management, pay satisfaction, perceived employability and employee well-being before a mediation analysis could be carried out.

4.1.1 Hypothesis Testing

The study was aimed at examining how the relationship between change management perception and employee wellbeing are influenced by intervening variables like pay satisfaction and perceived employability. Specifically, the study sought to investigate how perceived change management – employee wellbeing relationship is strengthened or weakened by the intervening variables. In view of this, moderating effect was proposed but analysis indicated no significant moderation effect of pay satisfaction and perceived employability. Mediation effect was therefore tested. Analyses of hypotheses consisted of the use of t- test and Regression analysis using Baron and Kenny's (1986) mediation analysis for interpretation.

Hypothesis One

The first hypothesis compared negative and positive change management perceivers on employee well-being. It was stated as follows:

1: Employees who perceive change management to be positive would more likely have a better well-being than those who perceive it to be negative'.

This hypothesis was tested using the Independent t-test. Table 4.4 is a summary of the results.

Table 4.3: Summary of Independent t-test showing the influence of perceived change management on employee well-being

PCM in Groups	N	Mean	SD.	df	t	p
Positive perceivers	132	38.66	9.00	272	-4.376	.000
Negative perceivers	142	43.96	10.79			

The t-test above was significant [$t_{(272)} = -4.38, p < .05$]. Scoring on the well-being scale was such that lower scores indicate better employee well-being. Hence, positive change management perceivers ($M = 38.66, SD = 9.00$) had better well-being than negative change management perceivers ($M = 43.96, SD = 10.79$). Therefore, the hypothesis that ‘Employees who perceive change management to be positive would more likely have a better well-being than those who perceive it to be negative’ was supported by the data.

Hypothesis Two

The second hypothesis explored the extent to which perceived change management predicted employee well-being. This was done to find out the variance accounted for by perceived change management in employee well-being, controlling for the effects of organizational tenure, marital status, sex, educational level, job position and age. It was stated as follows:

2: Perceived change management would account for a significant variance in employee well-being, controlling for demographic factors.

Hierarchical regression was used. The results are presented in Table 4.6

Table 4.4: Results of Hierarchical Multiple Regression Analysis on the relationship between Perceived Change Management and Employee Well-being.

	Unstandardized coefficient		Standardized coefficient	p	F	R ²	ΔR ²
	B	SE	Beta (β)				
1				.47	.93 ^{ns}	.02	.02
Constant	34.12	6.16					
Sex	.13	1.35	.01				
Age	.75	1.14	.07				
Educational level	.33	.84	.03				
Marital status	1.25	1.03	.08				
Job position	2.06	1.52	.11				
Organizational tenure	-.75	.95	-.08				
2				.01	2.62*	.07	.05
Constant	45.73	6.86					
Sex	-.23	1.32	-.01				
Age	.84	1.12	.08				
Educational level	.16	.83	.01				
Marital status	1.30	1.01	.08				
Job position	1.74	1.49	.09				
Organizational tenure	-.90	.93	-.10				
Perceived change mgt.	-.18	.05	-.22*				

$R^2 = .022, .068$ for steps 1 and 2, $\Delta R^2 = .046$ for step 2, * $p = .05$

Table 4.6 shows that the control variables in step one did not significantly predict employee well-being [$F_{(6, .259)} = .93, p = .47$]. However, having held their effects constant, perceived change management predicted employee well-being significantly [$F_{(6, 259)} = 2.62, p = .01$]. The unique contribution of perceived change management when the effects of the control variables were removed was still significant ($\beta = -.22, t = -2.54, p = .00$). This implied that positive perceived change management, i.e. higher perceived change management scores were associated with increased employee well-being. It however, explained only about 5% of the variance in employee well-being. Therefore, the hypothesis that 'Perceived change management would account for a significant variance

in employee well-being' was supported by the data. It must be emphasized that a large portion of the variance in employee well-being (95%) was accounted for by other variables since only 5% was explained by perceived change management.

4.2 Mediation Effects of Pay Satisfaction and Perceived Employability

Additionally, the study examined how the relationship between change management perception and employee well-being are influenced by intervening variables such as pay satisfaction and perceived employability. Specifically, the study sought to investigate how perceived change management-employee well-being relationship is strengthened or weakened by the intervening variables. In view of this, the mediation effect of pay satisfaction and perceived employability were explored. The hypothesis tested was as follows:

Hypothesis 3

Perceived pay satisfaction would mediate the relationship between perceived change management and employee well-being.

Pay satisfaction and perceived employability were designated as mediating variables. The mediation analysis proposed by Baron and Kenny (1986) was used. According to Baron et al., there are four main steps in mediation analysis: **Step 1:** The regression of the criterion on the predictor, ignoring the mediator, is significant; **Step 2:** The regression of the mediator on the predictor is significant; **Step 3:** The regression of the criterion on the mediator, controlling for the predictor, is significant; **Step 4:** Regression of the criterion on the predictor controlling for the mediator is non-significant and nearly-zero.

With the variables of the study, the steps simply mean that, using regression, perceived change management (PCM), the predictor, should significantly predict the criterion, which is employee well-being (EW). PCM should significantly predict the mediator(s), pay satisfaction (PS) or perceived employability (PE). The mediator(s), PS and PE should predict the criterion, (EW) when PCM is controlled. This is done by conducting a multiple linear regression analysis using PCM and PS or PE as predictors and EW as the criterion variable. If PS or PE is a complete mediator of the relationship between PCM and EW, the effect of PCM when controlling for PS or PE should be zero. If PS or PE is only a partial mediator, the effect will only be reduced, not completely eliminated.

Following these steps for analyses of both Hypotheses 3 and 4, the results for Hypothesis 3 is presented in Table 4.9 as follows:

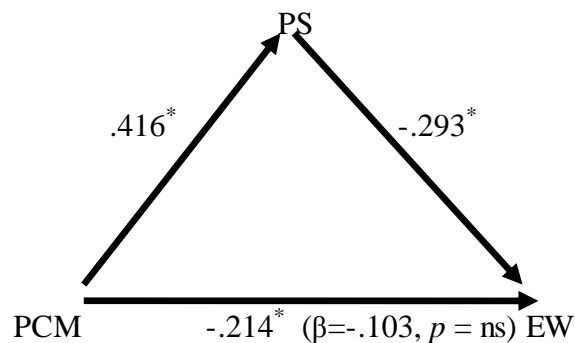
Table 4.5: Mediation model for the effect of pay satisfaction on perceived change management-employee well-being relationship.

	R²	ΔR²	β	B	t	p
Step 1:						
Employee well-being on Perceived change mgt.	.046		-.214*	-.181	-3.601	.000
Step 2:						
Pay satisfaction on Perceived change mgt.	.173		.416*	.358	7.527	.000
Hierarchical regression						
Step 3: Employee well-being on pay satisfaction	.086		-.293*	-.293	-5.023	.000
Step 4: Employee well-being on perceived change mgt.	.094	.008	-.103 ^{ns}	-.103	-1.581	.115

Note: * = $p < .05$, ^{ns} = not significant.

From Table 4.9, Step 1 of the mediation model indicated that the regression of EW scores on PCM scores, ignoring the mediator (PS), was significant, $b = -.181$, $t_{(272)} = -3.60$, $p = .000$. Step 2 showed that the regression of the PCM scores on the mediator, (PS) scores was also significant, $b = .358$, $t_{(272)} = 7.53$, $p = .000$. Step 3 of the mediation process showed that the mediator (PS), controlling for the PCM scores, was significant, $b = -.293$, $t_{(272)} = -5.02$, $p = .000$. Step 4 of the analyses revealed that, controlling for the mediator (PS), PCM scores were no longer a significant predictor of employee well-being, $b = -.09$, $t_{(272)} = -1.58$, $p = .115$; indicating that there was a significant mediation effect. A Sobel test conducted found full mediation in the model ($z = -3.20$, $p = .001$). Therefore, the second hypothesis that, ‘Perceived pay satisfaction would mediate the relationship between perceived change management and employee well-being’ was supported by the data. Thus, positive change management perception was not only directly associated with better well-being but through the indirect effect of higher pay satisfaction. Perceived change management though independently influenced employee well-being; it depended on pay satisfaction to influence employee well-being to a greater degree.

This result is graphically presented in Figure 4.1.



Note: * = $p < .05$, ^{ns} = not significant.

Figure 4.1: A summary of a graph depicting the mediation model for the effect of Pay Satisfaction (PS) on the relation between Perceived Change Management (PCM) and Employee Well-being (EW).

Hypothesis 4

Perceived employability would mediate the relationship between change management perception and employee well-being.

Mediation analysis was used following the steps previously stated. Table 4.6 presents a summary of the mediation results for the hypothesis.

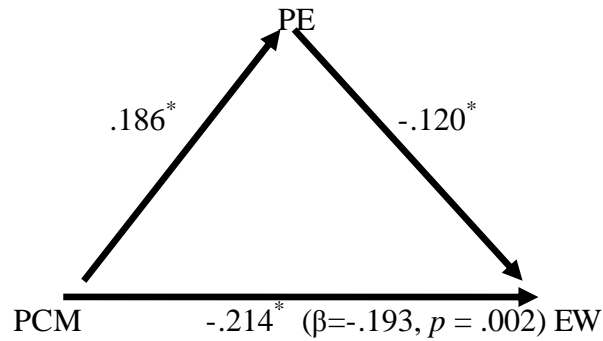
Table 4.6: Mediation model for the effect of perceived employability on perceived change management-employee well-being relationship.

	R^2	ΔR^2	β	B	<u>t</u>	<i>p</i>
Step 1:						
Employee well-being on Perceived change mgt.	.046		-.214*	-.181	-3.601	.000
Step 2:						
Perceived employability on Perceived change mgt.	.035		.186*	.120	3.112	.000
Hierarchical regression						
Step 3: Employee well-being on perceived employability	.014		-.120*	-.158	-1.978	.049
Step 4: Employee well-being on perceived change mgt.	.051	.036	-.193*	-.164	-3.180	.002

Note: * = $p < .05$

Step 2 from table 4.10 showed that the regression of the PCM scores on the mediator, perceived employability (PE) scores was significant, $b = .120$, $t_{(272)} = 3.11$, $p = .002$. Step 3 of the mediation process showed that the mediator (PE) on EW, controlling for PCM, was significant, $b = -.158$, $t_{(272)} = -1.978$, $p = .049$. Step 4 of the analyses revealed that, controlling for the mediator (PE), PCM scores were still a significant predictor of EW, $b = -.164$, $t_{(272)} = -3.180$, $p = .002$. It indicated that the regression coefficient is substantially reduced at the final step, but remains significant; hence, there was partial mediation. This means that part of the effect of perceived change management is mediated by perceived employability but other parts are either direct or mediated by other variables not included in this model.

The test statistic for the Sobel test ($z = -1.25$, $p = .106$) was not significant. The results indicate that the association between perceived change management and employee well-being is reduced by perceived employability in the model but the insignificant Sobel test showed that there was no evidence of full or partial mediation. This means that the third hypothesis that '*Perceived employability would mediate the relationship between change management perception and employee well-being*' was not supported by the data. It implied that the direct effect of perceived change management on employee well-being was not mediated by perceived employability. This output is graphically presented in Figure 4.2



Note: * = $p < .05$,

Figure 4.2: A summary of a graph depicting the mediation model for the effect of Perceived Employability (PE) on the relationship between Perceived Change Management (PCM) and Employee Well-being (EW).

Summary of findings

Three (3) main hypotheses were examined in this study. Two hypotheses were supported whereas the remaining one was not supported.

The first hypothesis examined the influence of perceived change management on employee well-being and was supported. It indicated that employees who perceived change management to be positive had better well-being than those who perceived it to be negative. Having controlled for the effects of organizational tenure, marital status, sex, educational level, job position and age, perceived change management accounted for a significant variance in employee well-being.

The next major finding was that pay satisfaction mediated the relationship between perceived change management and employee well-being showing that the effect of perceived change management on employee well-being was through the indirect effect of

pay satisfaction. The final hypothesis which explored the mediation role of perceived employability in the perceived change management-employee well-being relationship was not supported. This implied that the effect of perceived change management on employee well-being was not through the indirect effect of perceived employability.

CHAPTER FIVE

DISCUSSION

5.0 Introduction

The present study investigated the impact of perceived change management on the psychological well-being of employees of the Ghana Revenue Authority (GRA). Specifically, it aimed at finding out the mediating roles of pay satisfaction and employability on the relationship between perceived change management and well-being. The study found a significant negative relationship between perceived change management and employee well-being. Bearing in mind that employee well-being was measured such that lower scores indicate better well-being; the results indicated that employees who perceived change management to be positive had better well-being than those who perceived it to be negative. In addition, a significant negative relationship between pay satisfaction and employee well-being and between employability and employee well-being were obtained. Of particular importance to the purpose of this study is the finding that pay satisfaction significantly mediated the relationship between perceived change management and employee well-being. However, perceived employability did not mediate the relationship between perceived change management and employee well-being. In effect, perceived change management and employee well-being did not significantly vary irrespective of perceived employability.

Based on the results of the study, the proposed conceptual model was revised with specific reference to the main significant findings and is presented in Fig 5.1.

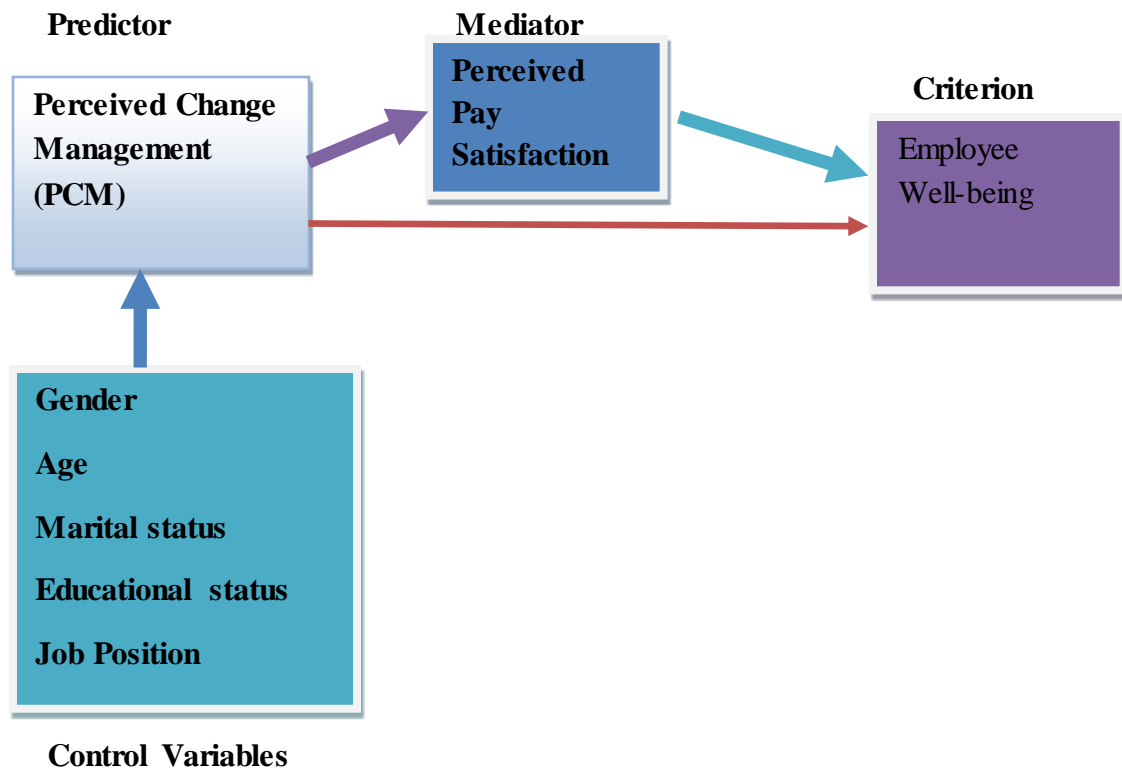


Figure 5.1: A Revised Model for the Hypothesized Relationship Indicating the Mediating Effect of Pay Satisfaction on the Perceived Change Management- Employee Well-being Relationship.

The key findings are discussed in this chapter followed by a discussion of the contributions and limitations of the current study, recommendations for future research, implications for practice and concluding remarks. The findings are discussed with reference to the objectives of the study and how they relate to literature in the discipline.

5.1 Discussion of Findings

5.1.1 The Relationship between Perceived Change Management and Employee Well-being

The first hypothesis which was supported in the study corroborates findings from previous studies which have found bad or poor organizational change management to increase psychological distress among employees (Kraan, et al., 2009; Nielsen et al., 2011; Vaananen et al., 2008). These studies provide a picture of the effects of different types of organizational change on employee psychological health and well-being in four countries. These results emerging from a consortium of researches were presented at a symposium. The present outcome is also consistent with the findings of Lindorff et al (2011) who found that negative change has the tendency of breaching the relational psychological contract, and of causing reduced well-being for employees, reduced employee job security and loyalty, competence loss, reduced effectiveness, profitability and performance for organizations.

The second hypothesis in the same vein found that change management perception predicted employee wellbeing significantly. This provides empirical evidence to support the main proposition of a negative relationship between perceived change management and employee well-being. This suggests that organizational change might increase job demands or other negative job characteristics and that this in turn reduces the well-being of employees. Sometimes, just the division of tasks associated with the change becomes unclear and employees are not sure what their tasks are and this too can increase the perceived job demands thereby leading to psychological distress. The organizational

change which took place in GRA in 2010, though did not involve downsizing, could have had an effect on what Sverke (2006) calls 'qualitative job insecurity' which involves losing significant job features. Employees not only worry about the fact that they might lose their job, they also worry (perhaps even more) about the changes in their current job and these could reduce employees' well-being.

In support of this finding, further descriptive analyses indicated that more than 50% of the employees sampled showed that their task, supervisor, workload, recognition, career progression and conditions of employment got worse after the change. This is in support of the fact that when employees feel that supervisor or management support declines during a change process, it has significant consequences for the well-being of employees involved. However, this is not the case for employees who perceived that the change was positive thereby perceiving that the task, supervisor, workload, recognition, career progression and conditions of employment got better as a result of the change process. Such employees would feel stronger support not only from their supervisor, but also from the organization as a whole. This perceived support leads to a better well-being for these employees.

This outcome could be explained from the Perception Theory perspective. How people perceive the situation they are in affects the way they act, feel, and think. Indeed, several theoretical models are based on the assumption that people predominantly act on their perceptions rather than on the actual situation (e.g. Geishecker, 2010). Among stress theories, it is commonly assumed that people's perceptions of situations can greatly affect their mental and physical health as well as their well-being (Lazarus & Folkman, 1984). According to Lazarus and Folkman's (1984) appraisal theory, people first appraise a

situation as either threatening or challenging and, secondly, they appraise what possibilities they have for coping with the situation. When it comes to management of change, there are several reasons why it may have a positive or negative effect on well-being.

It is evident from the findings that a lot of the employees rather felt the change had worsened their employment conditions. They did not see much in terms of opportunities for advancement, fairness in management decisions, effective communication, training, meaningful fringe benefits or balance between work and family. This condition creates breach in the relational psychological contract which focuses on socio-emotional exchange, with improved job enrichment in exchange for loyalty as core elements. For instance, radically changing work conditions for employees such as increasing work load, longer working hours, focus on value-added contributions, less clear strategic direction due to sudden strategic reorientation, and intangible benefit reductions or what is referred to as qualitative job insecurity might breach the psychological contract. While such breaches might entail several consequences, it also creates psychic distortions in employees thereby reducing their well-being.

Arguing from this, the results also indicated that perceived pay satisfaction and perceived employability significantly related positively with employee well-being. This is based on the fact that pay satisfaction and employability are rooted in employees' perception of the organization as an important source of meeting their psychosocial needs of income, prestige, respect and dignity, recognition and other tangible benefits. These factors are in no doubt, critical to the psychological well-being principles. For example, good working

conditions, adequate work amenities, job satisfaction, secured employment status, supportive organizational climate, receipt of socio-emotional resources (e.g. self-esteem, recognition, honour etc.) and higher perceived employability could greatly increase well-being. This implies that employees' perception of available psychosocial resources when faced with organizational change challenges would be less distressed than when the resources are lacking.

5.1.2 The Mediating Role of Pay Satisfaction on the Perceived Change Management-Employee Well-being Relationship

Hypothesis 2 investigated the mediating effect of pay satisfaction on the relationship between perceived change management and employee well-being. Noteworthy is the finding that pay satisfaction mediates the relationship between perceived change management and employee well-being. This mediating effect provides a more powerful conceptual model and theoretical framework that has high predictive and explanatory ability enabling a better understanding of how perceived change management increases or reduces employee well-being. In this context, according to the Mediation Hypothesis (Baron & Kenny, 1986), the positive effect of employees' perception of better change management on well-being is through the effect of pay satisfaction. This simply means that positive change management perception is not only directly associated with better well-being but is also positively related to higher pay satisfaction. This suggests that the role of pay satisfaction as a mediator is very important in the organization. On the other hand, a direct negative relationship between perceived change management and well-being increases when pay satisfaction is controlled. Thus, when employees perceive

change to be negative, it reduces well-being. Inversely, the effect of higher perceived pay satisfaction acts to increase well-being.

Apart from previous studies which have found good personal resources to protect well-being during organizational change, this outcome buttresses the need for improvement in organizational factors in order to increase well-being among employees during organizational change. This outcome also supports findings from previous studies like that of Vaananen et al (2008) who reported the protective effects of organizational factors such as job position, personal resources, job autonomy, task clarity, and supervisor and management support against poorer well-being during times of organizational change. Thus pay satisfaction, which according to Currall et al. (2005) plays a critical role on employees' reaction to organizational change, has the tendency to facilitate better well-being, even when the change management is perceived as negative. The logic that supports the expectation that pay satisfaction in particular would be related to perceived change management and employee well-being is derived from previous studies reviewed. Undoubtedly, change of any kind in the organization may result in salary adjustment since job position, workload and responsibilities may have to be adjusted. It is therefore, essential to offer incentives and rewards in recognition of people's performance and their value to the organization.

Unlike previous studies which have found significant relationships among pay satisfaction and work attitudes such as performance, organizational citizenship behaviours, organizational commitment, job satisfaction and turnover (e.g. Wang, 2006), a study by Bryson et al. (2010) found that higher wage/pay is associated with higher job satisfaction and higher job anxiety. This means that higher pay does not necessarily

increase well-being. The job satisfaction literature is replete with outcomes that pay is one important job attribute. It is evidently clear that pay satisfaction is of fundamental importance to most employees and it therefore stands to reason that following from organizational change, employees who are satisfied with their pay would be more satisfied with their job and have positive affective reactions; and therefore have better well-being than employees who are less satisfied. This supports Vroom's (1964) theory that extrinsic rewards are very important to job satisfaction and job satisfaction leads to enhanced employee well-being.

The incidence of increased employee well-being as a function of perceived change management and pay satisfaction is a result of the impact of the pay or salary as meeting the needs of the individual employee as well as the family and other dependents, considering the extended family system in Ghana. This is in line with Probst and Lawler's (2006) finding that although individualist and collectivist cultures reported generally equivalent outcomes under conditions of perceived organizational change, collectivists reacted more negatively to the announcement of organizational transition, exhibited more negative job attitudes, and reported higher job-related stress levels when their pay security was low compared to their more individualist counterparts. Previous studies rarely examined the relationship between pay satisfaction and employee well-being; hence, this result of the study adds to the literature on pay satisfaction and employee well-being as it confirms that pay satisfaction completely explained the process by which perceived change management influences employee well-being.

5.1.3 The Mediating Role of Perceived Employability on the Perceived Change Management-Employee Well-being Relationship

The mediating effect of perceived employability on the relationship between perceived change management and employee well-being was not significant. The results nonetheless showed that controlling for the effect of the mediator employability, the effect of perceived change management on employee well-being was reduced. This non-significant mediation means that only a negligible part of the effect of perceived change management on employee well-being is mediated by perceived employability. Indeed, significantly greater parts of the effect of perceived change management on employee well-being are either directly mediated by other variables not included in the study. Though not significant, this outcome offers a further understanding of the mechanism by which perceived change management increases or reduces employee well-being. In the present context, the outcome simply means that positive change management perception is not only directly associated with better well-being; it also reflects in the indirect effect of higher perceived employability to a limited extent. Similarly, when employees perceive change to be negative and thus have reduced well-being, the indirect effect of higher perceived employability acts to increase well-being to a certain degree but not completely. The implication is that other indirect effects could (and probably should) be examined and tested empirically for clearer empirical understanding. Thus, conclusions of this insignificant mediation only served as the basis for further theoretical advances with regards to employee well-being during organizational change as they suggest the

plausibility of additional mechanisms by which perceived change management influences employee well-being.

Two contrasting reasons may explain why employability may have a positive effect on the relationship between change management and well-being to a negligible degree. Firstly, people with high levels of employability, who are thought to enjoy all the positive effects of having a job to a greater extent, did not have better well-being than those with lower levels of employability. For example, being employable is not an assurance that an individual would have a job that satisfies latent needs; lack of which results in experience of impaired health and well-being (Jahoda, 1982). On the other hand, it is plausible that those who experience higher employability may be more likely to view various organizational events as challenging in nature rather than threatening, and consequently also report better well-being. Moreover, if exposed to threatening situations, those who perceive themselves to be employable are better suited for coping with such events (Lazarus & Folkman, 1984).

From the findings, employability did not completely explain the way by which perceived change management influences employee well-being. It is however, possible that when individuals believe in their ability of finding other employment, such belief would affect how they evaluate themselves and the organizational change process. It is the extent to which the individual possesses the skills and other attributes to find and stay in the kind of work he/she wants that determines whether the individual would be distressed or be in optimal well-being. This outcome partially supports the finding by Bernston (2008) which indicated that employability related to well-being of employees is not significant after an organizational change process.

In a study conducted to investigate the relationship between employability and work engagement and general well-being, De Cuyper et al. (2008) also found a positive relationship between employability and employees' well-being, a negative relationship between employability and job insecurity, and a negative relationship between job insecurity and employees' well-being, so that job insecurity mediates the relationship between employability and employees' well-being. From this finding, it is conclusive that employability may be good enough to secure one's labour market position but not enough to increase well-being entirely.

Contrary to the current finding, Gafar, Roziana and Oladipo (2013) suggest that employability is an important coping resource during organizational change as it helps mitigate the negative effects of job insecurity on affective commitment to change. However, previous studies have found other variables not explored in this study such as age, social support, and socio-cultural factors among others, to play intermediary roles between employability and well-being. Hence, the present outcome is inconclusive until other relevant factors have been explored and the relationship completely mediated.

5.2 Contributions and Implications for Future Research

The study was able to establish a mediating role of pay satisfaction on the perceived change management-employee well-being relationship. This study provides an insight into the issue of change management in a public organization following from a specific change. The main finding that pay satisfaction completely mediated the relationship

between perceived change management and employee well-being means that issues that enhance an organization's extrinsic motivation and management support perception must be paramount in an organizational search for change management strategies. This approach ensures that job characteristics and work environment, as well as personal and family support, are perceived by the employee as a composite. The study contributes to the pool of knowledge already existing, from which organizational theorists can draw the current established links.

Specifically, this study contributes to change management research on the employees of GRA, since it has been established that pay satisfaction helps to mitigate the psychological distress associated with negative perception of the change management process. This outcome should lead to further research in the area since there is limited information in the area of how pay satisfaction and employability impact employee well-being in the context of organizational change. This would improve the physical and emotional health of employees and improve productivity.

5.3 Implications for Practice

The findings of this study have a number of implications for change agents, and organizational development practitioners, in forming a good change management procedure, in that employee concerns during change have implications for their health which could affect productivity. It is worthy of note from this study and previous ones that perception is very critical during the change process hence the factors that improve positive perception of the change management and well-being must be enhanced. In this case, factors that enhance job enrichment may be considered during and after the change

process. Nielsen et al (2011) note that communication, good information and possibilities for participation are important as much as supervisor and management support in improving well-being for employees working in organizations that have gone through restructuring. The practical implication is that it is incumbent on organizations to communicate, support employees directly and indirectly, get employees involved in the process of change and build trust in employees through their HR practices and policies in order to increase employee well-being.

In practical terms, this study shows that GRA has a long way to go in terms of its human resource management (HRM) practices and how to communicate and implement them, as well as the promotion of well-being among its employees after the change. In addition, this research highlights the importance of monitoring the practices implemented in order to monitor the perceptions of management decisions after the change, which may not always be congruent with the best prescribed practices, and the impact their implementation can have on well-being. The HRM practices may have opposite effects on employees to those expected, since the results seem to indicate a negative relationship between the change management perception and well-being at work.

5.4 Limitations of the Study

Due to limited researches in this area, especially on the newly integrated GRA, literature that links all the three variables together was very difficult to obtain. This study may provide an opportunity for further research to scholars as well as practitioners in tax administration as well as health psychology. The study was limited geographically to the Accra and Tema areas of operation under GRA. Therefore it was difficult to generalize

the findings to all employees of the GRA throughout the country. Therefore, future research is needed to test the generalizability of the results beyond this current sample and across multiple samples and settings.

The study was a cross-sectional design. As a result, longitudinal data is missing and causal relationship could not be drawn. Even though the hypotheses are backed by theoretical arguments, longitudinal or quasi experimental data collected on employees before, during and after the change could further strengthen the conclusions. Another restriction was seen in the self-reported survey that could cause biased relationships due to common-method bias. For instance, it is plausible that some participants misunderstood the questioning or may have not been wholly honest in their responses. However, the hypothesis drawn from the perception theory implies that only the employee himself/herself can perceive whether a change is managed positively or negatively depending on the effect it has on the individual employee. Therefore, self-reported statements were necessary to evaluate what individual mechanisms lead to the perception of change management. Still, to reduce the potential risks of the common method bias, the suggestions on questionnaire design formulated by Podsakoff, MacKenzie, Lee, and Podsakoff (2003) were followed. This was done by carefully constructing the survey, assuring anonymity to the participants and instructing them that there is no right or wrong answer. In conclusion, attempts were made to conduct this study using appropriate scientific procedures which makes the findings empirical and replicable. This implies that despite the above weaknesses, the study is useful for its intended purpose. The purpose of this study was to better understand interrelationships among change management perception, employee well-being, pay satisfaction and

perceived employability in the GRA population; and this has been accurately accomplished.

5.5 Recommendations for Future Research

Future research could address this study's limitations through the use of cross-sectional surveys than employ self-assessment in addition to other convergent non-self-report measurement. For instance, employees could be followed throughout the early stages of the change process using self-reports in addition to independent ratings to obtain longitudinal information about the variables underlying employee well-being during this frame of time. The use of mixed research methods in addition to questionnaire use could also be employed in order to gain more insight into the nature of employee well-being especially during organizational changes. Furthermore, advanced statistical analyses involving other mediators and moderators as well as experimental research designs could shed light onto the mechanisms through which other demographic and psychological factors impact employee well-being, change management, employability and pay satisfaction and suggest what causal relationships might exist for these variables. Future research could investigate the complex and interwoven contextual and personality variables related to employee well-being for this peculiar population. This work contributes to the literature of employee health in organizations and strengthens the fact that organizational variables have a potential impact on, and should be included in, the models of well-being and interventions at work.

Due to the difficulty in covering a wider regional and geographical area in researches in order to accommodate the characteristics that may be due to the particular geographical

areas, effort must be made to either raise money, which would enable prospective researchers to travel to various areas or counter balance to take care of such counteractions.

5.6 Recommendations for Practitioners

In practice, this study points to a number of aspects that are amenable to intervention and promotion of well-being at work. The results of this study reinforce the idea, already present in the literature, that to tackle the negative dimensions does not mean to promote the positive aspects of well-being and vice versa. This work has contributed to an important move towards the establishment of the relationship between perceptions of human resource management practices and well-being at work especially an organizational change process. Human Resource (HR) is playing a prominent role in reorganizing and restructuring of organizations worldwide; thus, HR in GRA should become a strategic partner with the change. HR people must have the capabilities to recruit the right candidates to the right positions and help managers build leaders and careers in employees.

The perception-based view of this study suggests that humans do not always make rational choices or that people differ on their appreciation of things. For example, the commonsense belief that fear of the known and/or unknown consequences of a change will promote employees' psychological distress is not correct for every employee. The finding that employees differ in how they perceive the change to have been managed is valuable for firms or managers of change as it demonstrates that it impacts their well-being and ultimately the performance of work. This occurs because employees may use

their perceptions, and perhaps, another way of thinking when analyzing how the change was managed. However, the potential benefits of identifying employees' perceptions and attitudes during organizational change and predicting their future well-being in the organization are considerable.

Similarly, for those providing advice to firms on change management strategies or organizational change in general, the findings of this study may help in showing that they should systematically monitor employees' perceptions and attitudes during an organizational change process. With a perceptions-detection mechanism in place, consultants will be able to understand how employees feel, and have an opportunity to devise change management strategies that will change employees' perceptions as the ones desired in a timely manner. This will certainly help increase the likelihood that change will meet their objectives, and deliver the desired outcomes; and therefore increase their well-being.

5.7 Conclusion

The study used a cross-sectional survey method approach to investigate the influence of change management perception on employee well-being and how the effects of negative perception of the change management on employee well-being is mitigated by the employee's level of satisfaction with pay and employability. From the results obtained, it was revealed that pay satisfaction plays an important role in reducing negative perception of change management and its consequent reduced employee well-being. The results implied that pay satisfaction is a significant contributing factor in the relationship between change management perception and employee well-being. Perceived

employability's contribution to the relationship however, was negligible and not statistically significant.

Organizations in Ghana need to be sensitized to embark on HR related intervention policies leading to improved welfare in order to avoid the negative reactions associated with organizational change. This is because it is the employees who would be used to maximize productivity and build a good public image which eventually will bring the needed profits after the change. It ultimately will boost their psychological well-being and consequently reduce health costs, absenteeism, suicide, drug abuse, alcoholism, domestic violence and even avoidable death.

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APPENDICES

Appendix A: Research Instrument for Main Study

Department of Psychology

University of Ghana

To whom it may concern

Dear Respondent,

Research Questionnaire

This study is in partial fulfillment of a Master of Philosophy (MPhil) in Industrial and Organizational Psychology

My research is to assess the perception of change management at GRA and how it impacts on the level of your well-being.

This questionnaire is to be filled by employees who were on the job before the integration

All responses would be treated with the strictest of confidentiality.

Participation is completely voluntary. There are no right or wrong answers. It is the expression of your real thoughts and feelings that is important

Your cooperation is most valued and appreciated and I take this opportunity to thank you in advance for your participation.

All further enquiries concerning this research may be forwarded to:

Principal Researcher

Genevive Korkor Mensah

Tel. 0242 680 021

E-mail: gennykormens@yahoo.co.uk

SECTION A: This section is about how you think or perceive the change that brought about GRA has been managed. Please circle the number that correspond to your most appropriate response

What have been changed as a consequence of the merger resulting in GRA?		No	Yes, significantly got worse	Yes, got a bit worse	Yes, got a bit better	Yes, significantly got better
1	Your task at work	0	1	2	3	4
2	Your superior	0	1	2	3	
3	Quantity of work/Workload	0	1	2	3	4
4	Your influence within GRA	0	1	2	3	4
5	Recognition you receive at work	0	1	2	3	4
6	Your personal career prospect	0	1	2	3	4
7	Conditions of employment	0	1	2	3	4

How do you evaluate planning and implementation of changes resulting in GRA?

Management has:		Very poorly	Rather poorly	Neither poorly nor well	Rather well	Very well
8	informed clearly about the goals of change	1	2	3	4	5
9	clarified new roles of subordinates	1	2	3	4	5
10	has taken into account personnel's interests and point of view while making decisions	1	2	3	4	5
11	made sure that there are sufficient change support services for whole personnel	1	2	3	4	5
12	actively solved problems that have emerged during the change process	1	2	3	4	5
Employee involvement and Justice perception during change		Strongly disagree	Rather disagree	Somewhat disagree/somewhat agree	Rather agree	Strongly agree
13	I had opportunity to give my views about the change before it was implemented	1	2	3	4	5
14	Management has made a great effort to involve employees in the change process	1	2	3	4	5
15	The way things worked in this organization were not fair	1	2	3	4	5
16	Most of the people who work here would say they were often treated unfairly	1	2	3	4	5

Work Demands, Influence at work and Social support:		Always	Often	Sometimes	seldom	Never
17	How often do you have unevenly distributed workload so it piles up?	1	2	3	4	5
18	How often do you complete your work tasks?	1	2	3	4	5
19	Does your work put you in emotionally disturbing situations?	1	2	3	4	5
20	Do you have any influence on what you do at work?	1	2	3	4	5
21	How often do you get help and support from your colleagues/superiors?	1	2	3	4	5

SECTION B: This section is about how satisfied you are with your current pay.

Instruction: Please circle the one number for each item that comes closest to reflecting your opinion about it.

1 = strongly disagree, 2 = moderately disagree, 3 = neither disagree nor agree, 4 = moderately agree, 5 = strongly agree

		Strongly disagree	Moderately disagree	Neither disagree nor agree	Moderately agree	Strongly agree
1	I feel I am being paid a fair amount for the work I do.	1	2	3	4	5
2	There is really too little chance for promotion on my job.	1	2	3	4	5
3	I am satisfied with the benefits I receive.	1	2	3	4	5
4	Salary increases are too irregular	1	2	3	4	5
5	The benefits we receive are as good as most other organizations offer.	1	2	3	4	5
6	Those who do well on the job stand a fair chance of being promoted.	1	2	3	4	5
7	I feel unappreciated by the government when I think about what they pay me.	1	2	3	4	5
8	I feel that the work I do here is appreciated.	1	2	3	4	5

9	I am satisfied with my chances for promotion.	1	2	3	4	5
10	People get ahead in their career as fast here as others do in other places.	1	2	3	4	5
11	I feel my efforts are rewarded the way they should be.	1	2	3	4	5
12	There are benefits we do not have which we should have.	1	2	3	4	5
13	The incentives we get in GRA is equitable.	1	2	3	4	5
14	There are enough available rewards for those who work here.	1	2	3	4	5
15	I feel satisfied with my chances for salary increases.	1	2	3	4	5
16	When I do a good job, I receive the recognition for it that I should receive.	1	2	3	4	5

SECTION C: This section is about how you think you are employable should you lose or resign from your current post

Please tick the box corresponding to the number for each question that comes closest to reflecting your opinion about it.

1 = strongly disagree (SD)

2 = moderately disagree (MD)

3 = neither disagree nor agree (NDNA)

4 = moderately agree (MA)

5 = strongly agree (SA)

		SD	M	NDNA	MA	SA
		D				
		1	2	3	4	5
1	I could without problems get an equivalent job in another company/organization					
2	My personal networks in this organization will help me in my career					
3	I am aware of the opportunities in this organization though they are not related to my current schedule.					

4	My personal qualities make it easy for me to get a new (equivalent or better) job in a different company/organization					
5	I am easily retrainable to make myself more employable elsewhere					
6	I am aware of opportunities for me outside of this organization even if they are quite different to what I do now					
7	Among the people who do the same job as me, I am well off in this organization					
8	If I needed to, I could not easily get another job like mine in a similar organization					
9	I could easily get a similar job to mine in almost any organization					
10	Anyone with my level of skills and knowledge, and similar job and organizational experience, will be highly sought after by employers					
11	I could get any job, anywhere, so long as my skills and experience are reasonably relevant.					

SECTION D: This section is about your well-being regarding the work you do now.

Please tick response that corresponds to your most appropriate choice.

General health				
1. Have you been able to concentrate on whatever you are doing?	Better than usual	Same as usual	Less than usual	Much less than usual
2. Lost much sleep over worries?	Not at all	No more than usual	Rather more than usual	Much more than usual
3. Felt that you were playing a useful part in things?	More so than usual	About same as usual	Less so than usual	Much less than usual
4. Felt capable of making decisions about things?	More so than usual	About same as usual	Less so than usual	Much less than usual
5. Felt constantly under stress	Not at all	No more than usual	Rather more than usual	Much more than usual
6. Felt you couldn't overcome your difficulties?	Not at all	No more than usual	Rather more than usual	Much more than usual
7. Been able to enjoy your normal day-to-day activities?	More so than usual	About same as usual	Less so than usual	Much less than usual
8. Been able to face up to problems?	More so than usual	About same as usual	Less so than usual	Much less than usual
9. Been feeling reasonably happy, all things considered?	More so than usual	About same as usual	Less so than usual	Much less than usual
10. Been feeling unhappy or depressed?	Not at all	No more than usual	Rather more than usual	Much more than usual
11. Been losing confidence in yourself?	Not at all	No more than usual	Rather more than usual	Much more than usual
12. Been thinking of yourself as a worthless person?	Not at all	No more than usual	Rather more than usual	Much more than usual

Emotional exhaustion/Burnout		Never	A few times a week	A few times a day	Every day
13	I feel emotionally worn out from my work	1	2	3	4
14	I feel fatigued when I have to wake up in the morning to face another day's work	1	2	3	4
15	Working with people all day is really demanding	1	2	3	4
16	I feel completely exhausted by my work	1	2	3	4
17	I have become less enthusiastic about my work	1	2	3	4
18	I just want to do my job and be left in peace	1	2	3	4
19	I feel happy when I am working intensely.	1	2	3	4

SECTION E: DEMOGRAPHICAL INFORMATION

Please indicate or tick the following appropriately as it applies to you

1. Sex Male Female
2. Age : 25-34yers
35-44years
45-54years
55+ years
3. Highest Level of Education: JHS/SHS/MSL Certificate
 Tertiary Certificate/Diploma
 Degree
 Masters/Professional Certificate
4. Marital status: Married Single Divorced
 Widowed
5. Job Level: Management staff
 Senior Staff
 Junior staff
6. How many years have you been with the GRA?
1. 7-12years
2. 13-18years
3. 19-24years
4. 25-29years
5. 30+ years

Thank you very much for your participation!!

Appendix B

Research Instrument for Pilot Study

Department of Psychology

University of Ghana

To whom it may concern

Dear Respondent,

Research Questionnaire

This study is in partial fulfillment of a Master of Philosophy (MPhil) in Industrial/Organizational Psychology

My research is to assess the perception of change management at GRA and how it impacts on the level of your wellbeing.

All responses would be treated with the strictest of confidentiality.

Participation is completely voluntary. There are no right or wrong answers. It is the expression of your real thoughts and feelings that is important

Your cooperation is most valued and appreciated and I take this opportunity to thank you in advance for your participation.

All further enquiries concerning this study may be forwarded to:

Principal Researcher

Genevive Mensah

Tel. 0242 680 021

E-mail: gennykormens@yahoo.co.uk

SECTION A: PERCEIVED CHANGE MANAGEMENT SCALE

Please circle the number that correspond to your most appropriate response

What have been changed as a consequence of the merger resulting in GRA?		No	Yes, significantly got worse	Yes, a bit got worse	Yes a bit got better	Yes, significantly got better
1	Your task at work	0	1	2	3	4
2	Your superior	0	1	2	3	
3	Quantity of work/Workload	0	1	2	3	4
4	Your influence within GRA	0	1	2	3	4
5	Recognition you receive at work	0	1	2	3	4
6	Your personal career prospect	0	1	2	3	4
7	Conditions of employment	0	1	2	3	4

How do you evaluate planning and implementation of changes resulting in GRA?

Management has:		Very poorly	Rather poorly	Neither poorly nor well	Rather well	Very well
8	informed clearly about the goals of change	1	2	3	4	5
9	clarified new roles of subordinates	1	2	3	4	5
10	has taken into account personnel's interests and point of view while making decisions	1	2	3	4	5
11	made sure that there are sufficient change support services for whole personnel	1	2	3	4	5
12	actively solved problems that have emerged during change process	1	2	3	4	5
Employee involvement and , Justice perception during change		Strongly disagree	Rather disagree	Somewhat disagree/somewhat agree	Rather agree	Strongly agree
13	I had opportunity to give my views about the change before it was implemented	1	2	3	4	5
14	Management has made a great	1	2	3	4	5

4	effort to involve employees in the change process					
1 5	the way things worked in this organization were not fair	1	2	3	4	5
1 6	most of the people who work here would say they were often treated unfairly	Strongly disagree	Rather disagree	Somewhat disagree/somewhat agree	Rather agree	Strongly agree
Work Demands, Influence at work and Social support:		Always	Often	Sometimes	seldom	Never/hardly ever
1 7	Is your workload unevenly distributed so it piles up?	1	2	3	4	5
1 8	How often do you not have time to complete all your work tasks?	1	2	3	4	5
1 9	Does your work put you in emotionally disturbing situations?	1	2	3	4	5
2 0	Do you have a large degree of influence concerning your work?	1	2	3	4	5
2 1	Do you have any influence on what you do at work?	1	2	3	4	5
2 2	How often do you get help and support from your colleagues?	1	2	3	4	5
2 3	How often do you get help and support from your immediate superior?	1	2	3	4	5
Task clarity		To a very large extent	To a large extent	Somewhat	To a small extent	To a very small extent
2 4	Does your work have clear objectives?	1	2	3	4	5
2 5	Do you know exactly which areas are your responsibility?	1	2	3	4	5
2 6	Are contradictory demands placed on you at work?	1	2	3	4	5

SECTION B: PERCEIVED PAY SATISFACTION SCALE

Instruction: Please check the one number for each question that comes closest to reflecting your opinion about it.

1 = strongly disagree, 2 = moderately disagree, 3 = neither disagree nor agree, 4 = moderately agree, 5 = strongly agree

		Strongly disagree	Moderately disagree	Neither disagree nor agree	Moderately agree	Strongly agree
1	I feel I am being paid a fair amount for the work I do.	1	2	3	4	5
2	There is really too little chance for promotion on my job.	1	2	3	4	5
3	I am satisfied with the benefits I receive.	1	2	3	4	5
4	Raises are too few and far between.	1	2	3	4	5
5	The benefits we receive are as good as most other organizations offer.	1	2	3	4	5
6	Those who do well on the job stand a fair chance of being promoted.	1	2	3	4	5
7	I feel unappreciated by the organization when I think about what they pay me.	1	2	3	4	5
8	I feel that the work I do here is appreciated.	1	2	3	4	5
9	I am satisfied with my chances for promotion.	1	2	3	4	5
10	People get ahead in their career as fast here as others do in other places.	1	2	3	4	5
11	I feel my efforts are rewarded the way they should be.	1	2	3	4	5
12	There are benefits we do not have which we should have.	1	2	3	4	5
13	The benefit package	1	2	3	4	5

	we have is equitable.					
14	There are enough available rewards for those who work here.	1	2	3	4	5
15	I feel satisfied with my chances for salary increases.	1	2	3	4	5
16	When I do a good job, I receive the recognition for it that I should receive.	1	2	3	4	5

SECTION C: PERCEIVED EMPLOYABILITY SCALE

Please tick the one number for each question that comes closest to reflecting your opinion about it.

1 = strongly disagree

2 = moderately disagree

3 = neither disagree nor agree

4 = moderately agree

5 = strongly agree

		1	2	3	4	5
1	I could without problems get an equivalent job in another company/organization					
2	My personal networks in this organization will help me in my career					
3	I am aware of the opportunities arising in this organization even if they are different to what I do now					
4	My personal qualities make it easy for me to get a new (equivalent or better) job in a different company/organization					
5	I am not easily retrainable to make myself more employable elsewhere					
6	I have a good knowledge of opportunities for me outside of this organization even if they are quite different to what I do now					
7	Among the people who do the same job as me, I am well respected in this organization					
8	If I needed to, I could not easily get another job like mine in a					

	similar organization					
9	I could easily get a similar job to mine in almost any organization					
10	Anyone with my level of skills and knowledge, and similar job and organizational experience, will be highly sought after by employers					
11	I could get any job, anywhere, so long as my skills and experience were reasonably relevant.					

SECTION D: EMPLOYEE WELLBEING SCALE

Please circle the number that correspond to your most appropriate response

General health		Very poor	Rather poor	Moderate	Rather good	Very good
1	What's your health compared with others of your own age?	1	2	3	4	5
2	How do you rate your current work ability with respect to the physical demands of your work?	1	2	3	4	5
3	How do you rate your current work ability with respect to the mental demands of your work?	1	2	3	4	5
Emotional exhaustion		Never	A few times a month	Every week	A few times a day	Every day
4	I feel emotionally drained by my work	1	2	3	4	5
5	After a day's work I feel empty	1	2	3	4	5
6	When I get up in the morning and I'm confronted with work I feel tired	1	2	3	4	5
7	Working with people all day is	1	2	3	4	5

	really demanding					
8	I feel completely exhausted by my work	1	2	3	4	5
9	I am enthusiastic about my job	1	2	3	4	5
10	I have become less interested in my job	1	2	3	4	5
11	I have become less enthusiastic about my work	1	2	3	4	5
12	I just want to do my job and be left in peace	1	2	3	4	5
13	I feel happy when I am working intensely.	1	2	3	4	5
14	How satisfied are you with your present work	Very dissatisfied	Rather dissatisfied	Neither satisfied nor dissatisfied	Rather satisfied	Very satisfied
15	Do you think your performance is better now than it was before GRA?	Much better than before	A little bit better	No better /no worse	A little bit worse	Much worse

SECTION E: DEMOGRAPHICAL INFORMATION

Please indicate or tick the following appropriately as it applies to you

1. Sex Male Female

2. Age.....

3. Highest Level of Education: JHS/SHS/MSL Certificate
 Tertiary Certificate/Diploma
 Degree
 Others

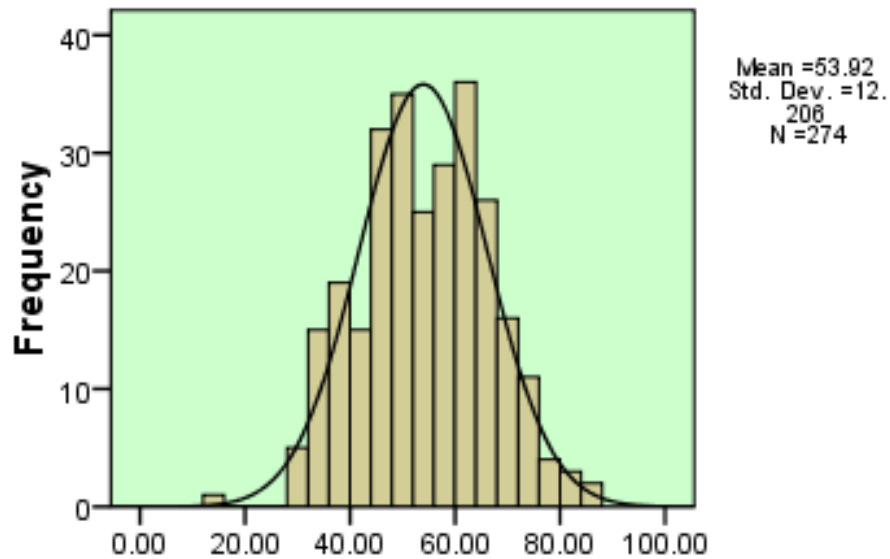
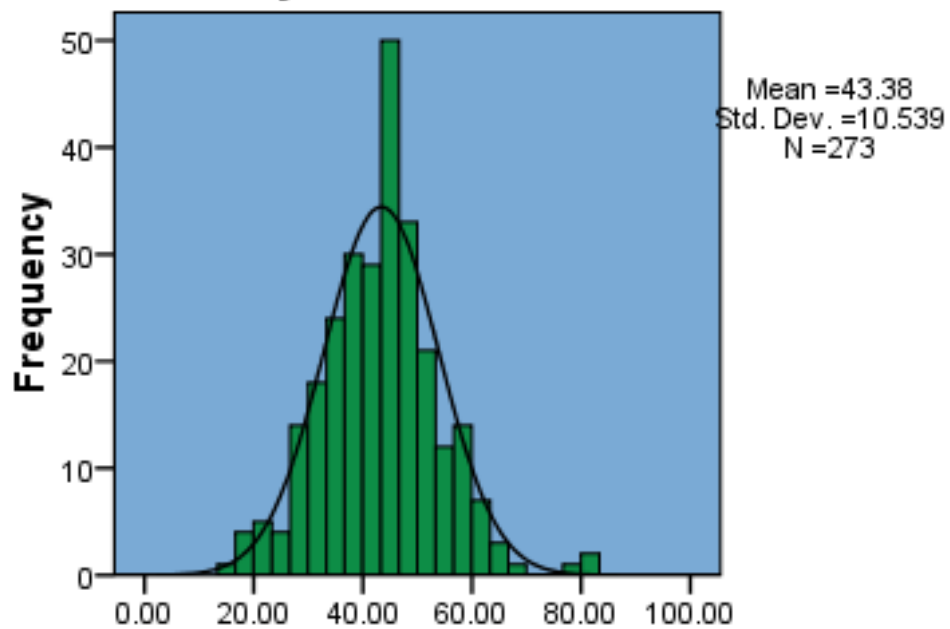
4. Marital status: Married Single Divorced
 Widowed

5. Job Level: Management staff
 Senior Staff
 Junior staff

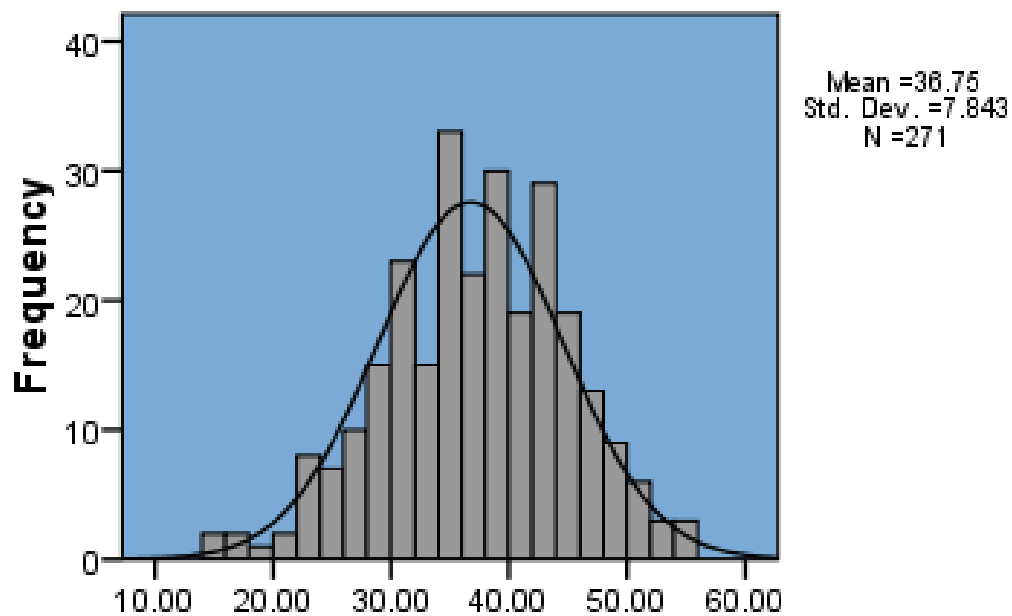
6. How many years have you been with the organization?

Appendix C: Normal distribution statistics of key variables

Indices	PCM scores	Pay satisfaction scores	Perceived Employability scores	Employee Well-being Scores
N	274	273	271	272
Mean	53.9197	43.3810	36.7454	41.4081
Median	54.0000	44.0000	37.0000	41.0000
Mode	49.00 ^a	44.00	35.00 ^a	31.00 ^a
Skewness	-.008	.246	-.231	.330
Std. Error of Skewness	.147	.147	.148	.148
Kurtosis	-.290	.807	-.152	-.050
Std. Error of Kurtosis	.293	.294	.295	.294
Sum	14774.00	11843.00	9958.00	11263.00

Appendix C: Normal Curve Distributions (Histogram) of key variables**Perceived Change Mgt scores****Pay Satisfaction scores**

Perceived Employability scores



Employee Wellbeing Scores

