



INFLUENCE OF ORGANIZATIONAL CHANGE AND STRESS ON EMPLOYEE PSYCHOLOGICAL WELL-BEING ON PRIVATE ORGANIZATIONS IN SOUTH-WEST NIGERIA

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ABSTRACT

The study investigated the influence of organizational changes, stress, and working experience on well being of bankers in Lagos state. The study adopted descriptive research design of survey type to investigate the effects of organizational change and stress on employee psychological wellbeing among workers in private organizations in southwest Nigeria.

The population of the study consists of all workers in private organizations in southwest Nigeria. Simple random sampling techniques were used to select two organizations from each state in the southwestern Nigeria. While fifty participants were selected through proportionate sampling techniques from each of the state. Three validated and adapted instruments were used to collect data from the participants, these were organizational change inventory, occupational stress scale and workers well being scale. Data were analyzed using Multiple Regression analysis to answer the research questions at 0.05 level of significance.

The findings revealed that organizational change and stress significantly predicted the wellbeing of workers in private organizations; also gender, age and working experience made relative contribution to the wellbeing of workers in the organization.

Based on these findings, it is recommended that managements ,government, policy makers and organizational psychologists should put in place policies and factors that can enhance wellbeing of workers in their organizations and as well as help to reduce their stress that comes with changes in the organizations.

Key words: *organizational change, stress, employees and psychological wellbeing*

INTRODUCTION

Change in a highly dynamic and competitive business environment has caused businesses in today's world to constantly be on their toes and consequently position themselves to be ahead of the competition, no matter the industry they are in. No company today is in a particularly stable environment; even traditionally stable industries such as energy, telecommunications and oil have witnessed and will continue to experience turbulent change. Robbins and Judge, (2008) posit that organizations which occupy a dominant market share in their industries must change, sometimes radically; how well such companies perform is not simply a function of managing one change but a matter of how well it can manage both short-term and long-term changes. Therefore, the dynamic environment that organizations face today requires adaptation sometimes, calling for deep and rapid responses. When organizations institute change, it is characterized by stress. Restructuring or change within an organization presents a great challenge to employees, it could be a huge source of stress so much so that the individual's natural coping mechanism may be overwhelmed and thus become susceptible to physiological and psychological illness.

The pressure at work especially from global change has exaggerated the stress level of workers causing some to vent their frustrations on any person they encounter even, customers. Such display of poor emotional labour in a service-oriented business is inimical to the success of that organization. Poor management response to stress in an environment undergoing change, adversely affects employee wellbeing and customer relations in a service industry.

All businesses seek to be in a healthy state. If their employees are in a good state of health and well-being, this certainly contributes to successful performance. Cropanzono and Wright, (2001) remark that issues of employee well being have never been more important than during change. Research related to the well being of employees is necessary and essential to ensuring a



company remains efficient and profitable. Chartered Institute of Personnel Management (CIPM), (2007) research shows that health and well-being in the workplace is an important issue in the business agenda as more employers recognize the benefits and contribution that can be made by introducing workplace health and wellness policies. Since the work environment presents huge challenge to the employee and employee wellness is important to the success of a service oriented and indeed any organization, it is imperative to find out the impact of organizational change on the well being of employees in a consistently changing business climate.

The dynamic and changing environments that organizations face today has therefore prompted the researcher to launch a study into the effects of change and the resultant stress on employee well being. Although this research focuses on First Bank Nigeria PLC, it is also useful to all organizations in the service industry, government institutions, academics as well as organizations operating in this fast changing world.

Olufemi (2009) argues that change is inevitable in today's corporate world. Globalization, intensified competition, the rapid pace of technological change and a heightened expectation of consumers have resulted in major transitions in corporations such as changing business portfolios, merger and acquisitions, leaner operations, flattened structure, functional outstourcing and a faster pace of market response. Subsequently, employees are expected to be multi-skilled, flexible in deployment and innovative in applications, carry expanded work role and extended work schedule. They are also held accountable for the ever increasing operational efficiency or otherwise (as the case may be).

All these induce stress upon individuals in the work place, causing few employees to operate at their optimum. The reason organizational change is a primary source of stress for employees is the feelings of uncertainty, insecurity and threat that it invokes. Medical reports relate work stress to many health risk symptoms such as depression, anxiety, high blood pressure, and lower resilience to chronic diseases and critical illnesses. These in turn translate to higher rate of accidents, more sick leave, anti-social behaviour and increased medical cost amongst employees. Thus, management needs to critically support strategies both at individual and corporate levels to help employees cope adequately with organizational change.

Purpose of Study

The main purpose of this study is to find out the effects of organizational change and stress on employee psychological wellbeing among workers in private organizations in southwestern Nigeria also, it establish the joint effect of organizational change and stress on employee well being. And if there is significant difference between the well being of male and female employees in the organization

Psychological wellbeing

Psychological wellbeing is a state of being that is shaped by engagement and other workplace factors as much as by physical and psychological health – and making psychological wellbeing central to business strategy opens an important new avenue to increasing organizational effectiveness. As the post-recession world economy slowly takes shape, those organizations that choose to follow this path are more likely to boost workforce productivity, drive business performance and realize core strategic goals. Globally, when psychological wellbeing is actively promoted in the workplace, organizations are viewed by employees as being 2.5 times more likely to be regarded as a best performer than as a below average performer. Sixty-five per cent of respondents who identified their organizations as “one of the best performing organizations in its sector” also responded favourably to the statement, The implication is clear: best performing organizations tend to promote psychological wellbeing more than below average performers do because psychological wellbeing is significantly related to perceptions of performance. Impact of “My organization actively promotes health and well-being” on Productivity.



Globally, employees are eight times more likely to be engaged when psychological wellbeing is a priority in the workplace. In organizations perceived as actively promoting health and well-being, 55% of employees reported being engaged. In organizations not so perceived, by contrast, only 7% of employees reported being engaged. Employee engagement is, of course, widely recognized as a critical driver of productivity. Impact of “My organization actively promotes health and well-being” on Employee Engagement, Psychological wellbeing as well as Creativity and Innovation Respondents reporting that psychological wellbeing is a priority in their workplace are 3.5 times more likely to report being encouraged to be creative and innovative. Seventy-two per cent of respondents who rated their organization highly for actively promoting health and well-being also rated it highly for encouraging creativity and innovation.

An organization is four times more likely to lose talent in the next 12 months if its employees take an unfavourable view of its promotion of health and well-being. Only 5% plan to stay for under one year, while 64% plan to stay for at least five years. The organization that struggles to retain talent is the organization that struggles to remain competitive. Psychological wellbeing, meanwhile, presents a significant challenge to employees in many workplaces. Almost half of all respondents replied neutrally or unfavourably to the statements, “My organization allows me to maintain a reasonable balance between my family and work life” and “You can balance work and personal interests at my organization and still progress.” One-fifth reported experiencing unreasonable pressure in their jobs and responded unfavourably to the statement, “I have an appropriate workload.” Nearly one-third could not agree unequivocally with the statement, “I work in a safe and healthy environment.” At least two overriding and urgent conclusions can be drawn from the Right Management Organizational Effectiveness

What can organizations do to address the psychological wellbeing shortfall while simultaneously maximizing the positive influence of this element on their performance? A crucial first step must involve expanding the concept of psychological wellbeing beyond issues of immediate physical and psychological health. Once redefined, psychological wellbeing must be elevated to a strategic priority and a whole-systems approach must be adopted to realize its potential benefits.

A major government department in the United Kingdom redirected long-standing psychological wellbeing efforts to align strategically with the pursuit of core efficiency targets. Despite having a comprehensive but conventional reactive welfare and occupational health programme in place for many years, the department continued to experience increasing rates of absenteeism. Even where organizations are convinced of the significance of approaching psychological wellbeing strategically, they may remain uncertain of how to implement such an approach effectively. How might implementation proceed? Senior leaders must first buy into the initiative and ensure that psychological wellbeing objectives are aligned with organizational strategy. Psychological wellbeing objectives must then be communicated across the organization to engage stakeholders and champions. Measurement and assessment will help determine needs, identify causal factors impacting psychological wellbeing and performance and generate data for enriched decision-making. In accordance with strategic needs, interventions can then be designed to change individual behaviours linked to organizational performance. Finally, additional reviews and assessment should be conducted to determine the efficacy of the interventions, their alignment with strategy and next steps.

The recent volatility in the world economy has placed new pressures on organizations to drive productivity and performance. In many instances, the very survival of an organization may rest on achieving sustainable improvements. Re-thinking, redesigning and rebuilding strategy to include psychological wellbeing offers organizations a powerful mechanism for meeting the challenge. Through systematic improvements in psychological wellbeing, improvements in innovation, engagement, retention, productivity and performance are all in view.

Finally, economic downturns do not last forever. Underlying the swings in the economy are longer-term trends promising – or threatening – to transform the world of work. Demographics and



economic shifts are inexorably leading to talent mismatches and shortages that will only intensify as the world economy rebounds. Longer life expectancies and population migrations are creating diverse, multi-generational workforces with differing values and motivators and increasing opportunities to exercise choice. Technological revolutions involving rapid, unfiltered communication via wide online networks are dramatically increasing the transparency of work arrangements and facilitating new ways of working. A well-conceived psychological wellbeing initiative can impact all of these trends positively, making it easier to attract and retain talent and skill, win the loyalty and ensure the engagement of a diverse workforce, and build trust and commitment in workplaces

Organizational Change

Change, according to the oxford advanced learner's dictionary is to stop having one state, position or direction and start having another. It is the alteration of status quo or making things different. Robbins and Judge, 2008 state that change is one of the most critical aspect of effective management. It is most critical for managers in terms of effective implementation and for employees in terms of acceptance and engagement. Change is the coping process of moving from the present state to a desired state that individuals, groups and organizations undertake in response to various internal and external factors that alter current realities. George, (2000). Research has it that no company today is in a particularly stable environment. Companies that occupy a dominant market share in their industries must change, sometimes radically; even traditionally stable industries such as energy, telecommunications and oil have witnessed and continue to undergo turbulent change as has been experienced in the Nigerian banking, oil and telecommunication sectors where external forces recently caused unprecedented upheavals. Although there are numerous conceptions and definitions, Porras and Silvers, (1994) say organizational change initiates from a mismatch with the environment and is motivated by gaps between the organization's goals and current results. It describes the transformation process that a company goes through in response to a strategic reorientation, restructure, change in management, merger or acquisition or the development of new goals and objectives for the company.

Lewin (2011) was a famous, charismatic psychologist who viewed the social environment as a dynamic field which impacted in an interactive way with human consciousness. Adjust elements of the social environment and particular types of psychological experience predictably ensue. In turn, the person's psychological state influences the social field. He was well known for his terms "life space" and "field theory". He was perhaps even better known for practical use of his theories in studying group dynamics, solving social problems related to prejudice, and group therapy (t-groups). He sought to not only describe group life, but to investigate the conditions and forces which bring about change or resist change in groups. In the field (or 'matrix') approach, He believed that for change to take place, the total situation has to be taken into account. If only part of the situation is considered, a misrepresented picture is likely to develop. The "field" is very dynamic, changing with time and experience. When fully constructed, an individual's "field" . Lewin used the term "life space" to describe that person's motives, values, needs, moods, goals, anxieties, and ideals.

Akinboye, Akinboye and Adeyemo, (2002) define stress as an ineffective and unhealthy reaction to change. It is a force that affects human beings physically, mentally, emotionally, socially and spiritually. Workplace stress is pervasive and invasive. According to Akinboye et al, almost 80% of employees describe their jobs as stressful; 60% of absenteeism from work is caused by stress and about 1 million employees are absent worldwide each day. Stress is



the body's response to any undesirable mental, physical, emotional, social or environmental demand.

It refers to the physical and emotional reactions of an individual faced with external psychological and physical stimulation that the individual cannot control or know the outcome of. In the throes of organizational change, employees suffer from stress brought about by uncertainty, threat of job loss, changes in responsibilities and transfer of authority; this causes a reduction in the effectiveness of the organization, high desertion rates, low morale and low job satisfaction. Stress manifests in a number of ways. An employee experiencing a high level of stress may develop high blood pressure, ulcers, irritability, difficulty making routine decisions, loss of appetite, accident proneness. Robbins and Judge, 2008 classify these symptoms under three categories: physiological, psychological and behavioural symptoms.

Researches in medical sciences have shown that stress can create changes in metabolism, increase heart and breathing rates, increase blood pressure, cause headaches and induce heart attacks. A recent study linked stressful job demands to increased susceptibility to upper respiratory illnesses and poor immune system functioning especially for individuals who had low self-efficacy. Grandey,(2002)

Stress can cause dissatisfaction. Job related stress can cause job related dissatisfaction. Job dissatisfaction is the simplest and most obvious psychological effect of stress, but work stress shows itself in other psychological states like tension, anxiety, irritability, boredom and procrastination. Evidence indicate that when people are placed in jobs that make multiple and conflicting demands or experience role ambiguity, stress and dissatisfaction is increased. Also, the less control people have over the pace of their work, the greater the stress and dissatisfaction. Endeavour related stress symptoms include changes in productivity, absence, turnover, changes in eating habits, increased smoking or consumption of alcohol, rapid speech, fidgeting and sleep disorders.

The Chartered Institute of Personnel management (CIPM) defines it as: creating an environment to promote a state of contentment which allows an employee to flourish and achieve their full potential for the benefit of themselves and their organization. Well-being is more than an avoidance of becoming physically sick. It represents a broader bio-psycho-social construct that includes physical, mental and social health. Well employees are physically and mentally able, willing to contribute in the workplace and likely to be more engaged at work. The Institute of Directors in its guide to well-being at work (2006) is of the opinion that if all employees are in a good state of health and well-being, this contributes to successful performance. They comment that healthy and fit employees are essential to ensuring a company remains efficient and profitable. CIPM research shows that health and well-being in the workplace is steadily rising up the business agenda as more employers recognize the benefits and contribution that can be made by introducing workplace health and wellness policies.

The involvement of employers in their employees' health and environment is not new. The famous Bourneville and Port Sunlight villages were built by the Cadburys and Levers for their factory workers in the nineteenth century. Well-being at work, therefore, is not merely about managing a physical and cultural environment with the limited aim of not causing harm to employees. It requires organizations to actively assist people to maximize their physical and mental health. The well-being approach also brings benefits for people at all levels inside and outside the workplace. It makes the workplace a more productive, attractive and corporately responsible place to work. Well-being is a subjective experience. It can involve practical measures such as introducing healthy food or a gym at work, or perhaps less tangible initiatives such as working to match the values and beliefs held by employees with those of their organization.



Research Questions

1. What pattern of relationship exists among organizational change, stress, age, gender, educational qualification and work experience on employee well being?
2. What are the joint effect of organizational change, stress, age, gender, educational qualification and work experience on employee well being?
3. What are the relative contribution t of organizational change, stress, age, gender, educational qualification and work experience on employee well being?

METHODOLOGY

Design

The design of the study is descriptive survey was adopted for this study.

Population and sample

The population consists of all employees in private organizations in southwest Nigeria . Three hundred participants were selected through proportionate sampling techniques for the study . The participants were selected from registered private organization in southwest Nigeria . A total of twelve privately owned , two from each state in southwest Nigeria was used for the study . The convenience sampling technique was adopted to select a representative sample for this study. Following the identification, selection and numbering of the workers, the researcher embarked on visitation to the organizations as a way of acquainting himself with the participants for the study. The administration of the questionnaire was solely by the researchers and two research assistants. The questionnaires were administered to the participants at different time, the researcher tried as much as possible to control the influence of the subjects over one another in responding to the questionnaires. However, the researchers verbally explained to the participants the main purpose of the test, assuring them of confidentiality.

Instruments

Three research instruments were used to obtain data from the respondents. They are: organization change inventory -Brayfied-Rothe [2001], Occupational stress scale, Lazarus (2004) and Psychological wellbeing scale , -Goldberg [1992]

Well-Being Manifestation Measure Scale

For the purpose of measuring psychological well-being, the researcher used Masse, (1998) Well-Being Manifestation Measure Scale (WBMMS). The scale contains 15-items with six factors. The six factors or subscales of the WBMMS are control of self and events, happiness, social involvement, self-esteem, mental balance, and sociability. Masse, (1998), finds an overall Cronbach's alpha of .93 for the questionnaire, and a range of .71 to .85 on the subscales..

Data Analysis

The data collected was analyzed using simple frequency counts, multiple regression and t-test for the research questions and hypotheses at 0.05 level of significance.

RESULTS

Research Question One



What pattern of relationship exists among organizational change, stress, age, gender and work experience on employee psychological well being?

Table 1: Descriptive Statistics and Inter-correlations among the variables

	Mean	SD	1	2	3	4	5	6
Employee wellbeing	51.82	9.310	1.000					
Organization change	51.85	9.12	.643**	1.000				
Stress	51.64	9.46	.986***	.636**	1.000			
Age	52.74	10.61	.627**	.613**	.633**	1.000		
Gender	51.95	11.10	.540**	.507***	.542**	.674**	1.000	
Work experience	33.96	7.86	-.481**	.455**	.491**	.533**	.590**	1.000

** Correlation Significant at 0.01 levels

Table 1 shows there was significant positive relationships between each of the independent variables: organization change ($r = 0.643, P < 0.05$); stress ($r = 0.986, P < 0.05$); age ($r = 0.627, P < 0.05$); gender ($r = 0.540, P < 0.05$); work experience ($r = -0.481, P < 0.05$) and wellbeing ($r = 1.000, P < 0.05$).

Research question two

What are the joint effect of organizational change, stress, age, gender, educational qualification and work experience on employee well being?

Table 2: Multiple Regression Analysis showing joint effect of the extent at independent variables on wellbeing.

Multiple R	=	0.987			
Multiple R ²	=	0.973			
Multiple R ² (Adjusted)	=	0.973			
Standard Error of Estimate	=	1.534			
Source of variation	Sum of Squares	DF	Mean square	F-Ratio	P
Regression	22948.899	5	4589.780	1949.335	<.05
Residual	628.661	294	2.355		
Total	23577.560	299			

Table 2 shows that there was joint effect of the independent variables (organizational change, stress, age, gender and work experience) on wellbeing of workers ($R = 0.987, P < .05$). The combination of the independent variables accounted for 97.3% of the total variance in well being (adjusted $R^2 = 0.973$). The analysis of variance of the multiple regression data yielded an F-ratio value which was found to be significant at 0.05 Alpha level, $F(5, 294) = 1949.335, P < 0.05$.

Research question three

What are the relative contribution t of organizational change, stress, age, gender, educational qualification and work experience on employee well being?

**Table 3 :The relative contribution of each of the Independent Variables to wellbeing**

Variables	B	Std.Error	Beta	T	Sig.	P
(constant)	1.229	.601		2.047	.042	<.05
Organizational change	.290	.014	.528	20.710	.000	<.05
Stress	.957	.014	.973	67.524	.000	<.05
Age	.210	.042	.301	5.000	.000	<.05
Gender	.116	.036	.201	3.222	.014	<.05
Work environment	-.102	.222	-.112	-2.429	.034	<.05

Table 3 indicates the contributions of each of the independent variables to the prediction of wellbeing of workers. In terms of magnitude of the contribution: organizational change contributed most to the prediction of wellbeing of workers ($\beta = 0.973$, $t = 67.524$, $P < 0.05$) followed by stress ($\beta = 0.528$, $t = 20.710$, $P < 0.05$) followed by age ($\beta = 0.301$, $t = 5.000$, $P < 0.05$) followed by gender ($\beta = 0.201$, $t = 3.222$, $P < 0.05$). Work experience contributed least ($\beta = -0.112$, $t = -2.429$, $P < 0.05$) to the prediction of wellbeing of workers.

DISCUSSION OF FINDINGS

Research question

The result from the research question 1 which states: what pattern of relationship exist among the independent variables and dependent variable of the study shows that there was a positive relationship that exist among organizational change, stress age gender and work experience among bank workers. Research has shown that changes in the organization goes a long way in affecting the pattern of behavior that exist in such organization.

The study of Jimoh (2007) revealed that well being of bankers has an overwhelming influence on pattern of relationship and behaviour that the individual incorporates in the working environment; also the attitude to work, job load, stress and various organizational changes which often result from the process of engineering and re-engineering in the organization are part of the major events that has both positive and negatives impact on the overall well being and state of health of the workers in the organization.

The result obtained from the research question 2 shows that there was a joint effect of the independent variables on well being of the workers in the private organization Moreover, While, Mercy, (2003) averred that well being is influenced by the overall behaviour of the individual in the organization and also high prevalence of stress related psychological symptoms, difficulties in cognitive development, lower levels of achievement and higher rates of behavioural often cause negative well being of the individual..

Genders also contribute to well being of the workers. It has been observed that workers performance in the organization is often gender based, this is because most times a female worker, has to combine the role of house wife and mother with employment. These roles often create conflict in the life of the individual and may impinge on the concept of workers well being in the organization. Work experience and age are also factors that have an overwhelming impact on the well being of workers in organizations; the two concepts could also contribute to negative well being of the bankers. Maddux, (1995) affirmed that working experience and age goes a long way in the prevalence of positive well being in the organization.



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