

**“AN EVALUATION OF THE RESTRUCTURING EXERCISE OF
LOCAL GOVERNMENTS ON EMPLOYEES PERFORMANCE. A
COMPARATIVE STUDY OF MUKONO AND
RUKUNGIRI DISTRICTS”**

BY

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Declaration

I, Matsiko Mutungwire Abert, hereby declare that this dissertation is my original work and has never been submitted for any academic award of a degree in any institution or university. Where it is indebted to the work of others, due acknowledgement has been made.

Signed.....




Matsiko Mutungwire Abert

Date




Approval

This project has been submitted for examination with my approval as University supervisor.

Signed:


Mr. Mafabi Samuel

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Date


Dedication

This work is dedicated to my ever-loving cousin brother, Mr. Mugaiga-Ayebaze. Gershom, without whose inspiration and assistance I would not be what I am today.

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List of Abbreviations

MoPS:	Ministry of Public Service
MoLG:	Ministry of Local Government
PSC:	Public Service Commission
JARD:	Joint Annual Review Workshop on Decentralization
LGs:	Local Governments
CAO:	Chief Administrative Officer
DCAO:	Deputy Chief Administrative Officer
TC:	Town Clerk
HoDs:	Heads of Department
SPPS:	Statistical Package for Social Scientists
LGA:	Local Governments Act

Abstract

The purpose of the study was to evaluate the effects of restructuring exercise on the performance of employees in the local governments of Mukono and Rukungiri. It seemed that the restructuring exercise was being undertaken in reaction to external pressures rather than from a proactive approach. The problem is that when restructuring is mishandled, it could lead to counterproductive impact on organizational work performance. Using a case study involving 112 respondents, the study evaluated the relationships among the variables of organizational restructuring, survival syndrome, leadership styles, management policies, organizational commitment and work performance.

The study using a cross-sectional survey design, involved the development and use of instruments (self administered questionnaires, focused discussions and oral interviews) to measure the aforementioned variables that were used in the study on a five likert scale. The researcher collected divergent information across the strata of the employees in the six affected departments of administration and support services, community based services, finance and planning, education, technical services and natural resources using a disproportionate stratified random sampling technique. Analysis tests were also carried out in the study using frequency distribution, chi-square tests, pearson's correlation, t-test and regression analysis.

Findings of the study revealed significant positive correlation and thus relationships between; organizational restructuring and work performance ($r=0.0318$, $p<0.05$); management policies and work performance ($r=0.346$, $p<0.05$); leadership styles and management policies ($r=0.272$, $p<0.05$); organizational commitment and work performance ($r=0.435$, $p<0.05$). The study also established using regression analysis a significant positive relationship between organizational commitment and work performance (Beta=.0296, $t=2.222$, $sig=0.004$). However, organizational restructuring, survivor syndrome, leadership styles, management policies and organizational commitment predicted up to 24.9% of the variance in work performance in the two districts of Mukono and Rukungiri.

In conclusion, it can be stated that all the study variables were statistically significant predictors. However, management policies and organizational commitment were the most significant predictors of work performance.

CHAPTER ONE

INTRODUCTION

1.1 Background to the study

The turn of the century and millennium has witnessed many topsy-turvy changes in the business and economic world. As a result, most organizations have responded to changes in the environment in order to survive, prosper and grow by redefining and adopting a paradigm shift in the human resource management with the multi-faceted focus on restructuring and downsizing (Rajeshwari, 2005).

The public sector has not been spared by these unprecedented changes. In Uganda such changes in the public sector have been planned and implemented under the public service reform program. The reform program which started in early 1990s had studied and revealed that the civil service had bloated structures with inefficient, ill-trained, corrupt, poorly paid and motivated civil servants and as such incapable of delivering economic reforms/recovery programs of the government (MoPS: Public Service Review and Reorganization Commission, 1990). The reform commission, therefore, recommended a comprehensive public service reform program which included among others, privatization, restructuring, downsizing/rightsizing and decentralization. The latter which is central to this study entailed the transfer of powers, functions, responsibilities, resources and services from the central government to the local governments and communities. It was envisaged that by doing so, the delivery of services to the communities would greatly improve because of empowerment of the community with political, legal and economic powers leading to increased participation in decision making [Bretta, 1994; Mukyala-Makiika, Makara, Lubanga, and Tukahebwa, 1998].

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