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# The Influence of organisational restructuring on the performance of companies listed on the Nairobi Securities Exchange.

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**THE INFLUENCE OF ORGANISATIONAL RESTRUCTURING ON THE  
PERFORMANCE OF COMPANIES LISTED ON THE NAIROBI SECURITIES  
EXCHANGE**




**A THESIS SUBMITTED IN PARTIAL FULFILMENT OF THE  
REQUIREMENTS FOR THE AWARD OF THE DEGREE IN MASTER OF  
COMMERCE AT STRATHMORE UNIVERSITY**

**MAY 2024**

**DECLARATION**  
**Student's Declaration**

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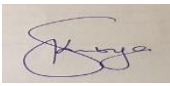
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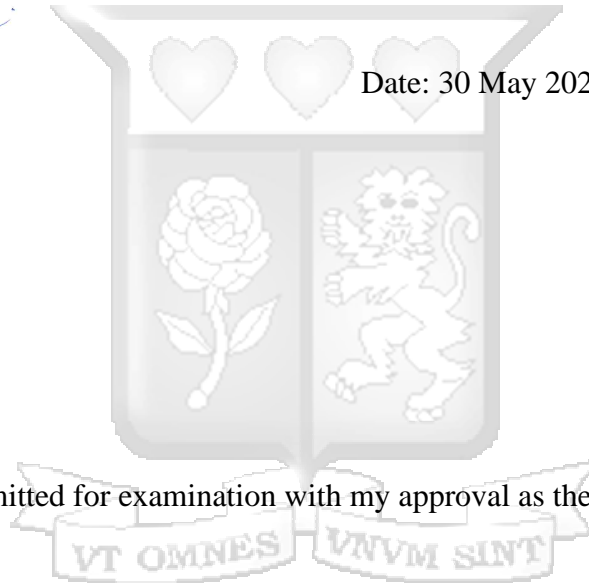
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**Supervisor's Approval**

This thesis has been submitted for examination with my approval as the University Supervisor.

Signed:   
Dr. Stella Nyongesa  
Strathmore University

Date: 30 May 2024



## **ACKNOWLEDGEMENT**

I am grateful to God for the gift of life, the opportunity to further my studies and the strength to work on this thesis.

My sincere gratitude to my supervisor, Dr. Stella Nyongesa, for her guidance and immense support during this research period.

I am truly grateful to my parents for their continued moral support while drafting this thesis.



## **DEDICATION**

I dedicate this project to my family and friends who have been my greatest cheerleaders throughout the duration of my research, it would not have been possible without their support and encouragement.



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## ABBREVIATIONS AND ACRONYMS

<b>ASEA</b>	African Securities Exchanges Association
<b>EASEA</b>	East African Securities Exchanges Association
<b>ICBC</b>	Industrial and Commercial Bank of China
<b>KPI</b>	Key Performance Indicators
<b>NSE</b>	Nairobi Securities Exchange
<b>RIL</b>	Reliance Industries Limited



## ABSTRACT

NSE listed firms have adopted various strategies to improve performance. Despite various strategies adopted, it remains uncertain how the restructuring has influenced performance of these organisations. This study therefore sought to find out the influence of organisational restructuring on performance of companies listed on the Nairobi Securities Exchange. It was guided by specific objectives namely: to determine the influence of operations restructuring, governance restructuring, downsizing and job restructuring on the performance of the companies listed on the NSE. The study was anchored on Theory of Change, Structuration Theory and Resource Based Theory. The study adopted descriptive research design. The targeted population of this study were the 179 senior managers of the seven companies listed on the Nairobi Securities Exchange based in Nairobi County, that have undergone restructuring in the last five years. A non-probability technique of purposive sampling was applied to select a sample size of 124 respondents. A structured questionnaire was used as an instrument for primary data collection. For quantitative data, descriptive statistics and inferential statistics was used in the analysis of data. From the data collected, the study had a high response rate. The study concludes that operations restructuring, governance restructuring and downsizing had a positive and significant relationship on organisational performance in NSE listed firms. The study also concludes that organisational restructuring had a positive and significant relationship on organisational performance in NSE listed firms. In contrast, the study established that job restructuring does not influence the organisational performance in NSE listed firms. The study recommends management should engage their employees when undertaking downsizing and ensure that there is a good approach in their downsizing process to take care of the emotive reactions that may arise. The study recommends that board diversity components, including gender diversity, board size, board independence, and board-director duality are very important to organisational performance and need to be strengthened. The study recommends that the policy makers should develop clear guidelines for organizational restructuring which can include best practices for communication, employee engagement, and redundancy management. The study recommends policy makers to promote training and support for companies undergoing restructuring. Policymakers could offer workshops or financial assistance for companies to help them plan and execute restructuring initiatives smoothly. Lastly, the study recommends policy makers to strengthen regulations for listed companies to incorporate regulations that require companies to disclose restructuring plans in detail and to provide clear justification for the chosen approach. This can increase transparency and accountability. During data collection, certain limitations were encountered as some respondents were reluctant to provide necessary information, likely due to their attitudes towards the study or concerns about potential victimization. To address this challenge, efforts were made to build rapport with respondents by explaining the purpose of the research and ensuring them that any information provided would be kept confidential. Furthermore, the study faced difficulties with questionnaire returns. To overcome this, research assistants facilitated a self-administered approach where they delivered and retrieved the questionnaires from respondents. The study recommended that additional research should be done on other variables of restructuring, for instance financial restructuring, and its influence on organisational performance in the NSE listed firms.

## CHAPTER ONE

### INTRODUCTION

#### 1.1 Background of the Study

The rise in global competitiveness, coupled with advancements in technology and ongoing shifts in the business landscape, necessitates organisations to consistently adjust and be open to modifying their structures, strategies, approaches, and procedures to maintain their competitive edge. On certain occasions, the imperative to shift from inflexible bureaucracies to more streamlined and adaptable operations also result in the requirement for organisational restructuring (Charney, 2017). Restructuring is acknowledged as a significant form of organisational change that has a broader impact on the entire organisation compared to the minor alterations commonly observed in work settings (Westerberg, Pienaar, Nordin, Romeo & Yepes-Baldó, 2021).

Organisational restructuring involves the changes in the organisational structure of the firm which comprises corporate governance reformation, downsizing of the company employment, the spread of the span of control in the organisation and flattening of hierarchic levels (Waweru & Maina, 2019). This normally comes with the introduction and changes in policies of human resource. Organisational restructuring in a number of ways has shown to be important in strategy implementation but does not lead to reduction in costs of operation (Broman & Robèrt, 2017).

The need for change emanates from strategic decisions made by organisations' leaders when certain negative effects are felt by the organisation that may indicate that there is the need to restructure. Gitau, Abayo and Kibuine, (2020) indicates that the symptoms include: some parts of the organisation may be significantly over staffed or under staffed; the communication in the organisation is inconsistent, becomes fragmented and inefficient; constant change in technology and innovation are constantly changing the various processes of production and workflow; the significant increases or decreases of staff are scrutinized; there is the need for new skills and capabilities to meet the current or the expected operational requirements; there is lack of clear communication when it comes to accountability for results, measurability and bias when it comes performance; retention of personnel and increased employee turnover becomes a significant challenge; and stagnation of employee productivity or deteriorating morale (Kanyagia, 2020).

The scope of restructuring encompasses enhancing economy (cost reduction) and improving potency (profitability) (Longe, 2013). When an organisation needs to grow or survive in a very competitive environment, it must restructure itself and concentrate on its competitive advantage (Bowman and Singh, 2013). The survival and growth of firms in this environment depends on their ability to pool all their resources and place them into optimum use. A bigger company, resulting from the merger of smaller ones, can have economies of scale. If the dimensions are big, it enjoys a better corporate status. The status allows it to leverage the same to its own advantage by having the ability to raise more funds at lower costs. Reducing the value of capital interprets into profits. Availability of funds permits the enterprise to grow in altogether and thereby become more competitive (Cascio, 2014).

Around the world, restructuring has been used by many organisations to improve performance and at the same time cut down on cost. For example, in 2018, Google undertook downsizing of its employees. This reorganisation involved reducing number of staff in non-core areas, appointing a new CEO and granting the two cofounders of Google additional time to concentrate on discovering fresh business prospects. Following the reorganisation, Google has sustained its growth (Kalogiannidis, Chatzitheodoridis & Kontsas, 2020). Microsoft undertook governance restructuring to align its reporting structures and Tesla laid off about 9 percent of its employees as part of company-wide restructuring in 2018 to reduce its employee cost (Waweru & Maina, 2019).

Some organisations would merge jobs to create one position as a way of enriching and enlarging a position and others would outsource the service as a way of cutting down on cost. There is a widespread belief that through cutting back the workforce, firm performance would be improved significantly (Lorquet, Orianne & Pichault, 2018). During the Covid-19 pandemic, organisations experienced a decline in their revenue, there was a decline in the job and business growth and this caused many organisations to downsize their workforce and assets to ensure sustainability (Kalogiannidis, Chatzitheodoridis & Kontsas, 2020). Most of the organisation could not sustain the high running cost and employee remuneration budget. Restructuring was the only solution to ensure the companies could have a future. In Kenya, studies have revealed that restructuring causes negative effects, such as employee demotivation heightened anxiety among employees (Seteni, Joubert & Dhurup, 2019; Njogu, 2017; Njuguna, Kwasira & Orwa, 2018; Waweru, 2020).

As stated by Longe (2013), a majority of employees in a post-restructuring environment continually experience dissatisfaction with the evolving work conditions. They find it challenging to maintain their commitment by adapting positively to the discomforts that come with workplace restructuring. Cvenkel (2020) discovered signs of diminished morale among both managerial and non-managerial employees. This was evidenced by indicators such as reduced employee commitment, low job satisfaction, and a notable increase in labour turnover in the aftermath of restructuring. This observation was made in a multi-activity organisation spanning Asia, Europe, America, and Africa. Selenko, Mäkikangas, and Stride (2017) linked organisational restructuring to job insecurity and argued that the consequences for employee commitment and willingness to go beyond contractual obligations are detrimental to the organisation.

### **1.1.1 Organisational Restructuring**

Organisational restructuring according to Lee, Lee, Malatesta and Fernandez (2019) involves: downsizing, governance restructuring, job restructuring, outsourcing or amalgamation. It is in most cases presented as ways of improving organisational efficiency, productivity and competitiveness in both public and private entities. As a result, some employees might not support the process of restructuring as they will be concerned with their job security (Pang & Lu, 2018). This situation can impact trust and employee performance (Niesen, Van Hootegeem, Vander Elst, Battistelli & De Witte, 2018). Restructuring is directed at altering the key organisational variables that affect employee commitment (El-Ghalayini, 2017). Njuguna, Kwasira and Orwa (2018) indicated that the most common forms of non-financial restructuring include operations restructuring, governance restructuring, downsizing and job restructuring in Nairobi securities exchange listed firms. Thus, this study will focus on operations restructuring, governance restructuring, downsizing and job restructuring as they are common forms of restructuring (Simpkin, Renwick, Kelly & Mossialos, 2017; Manning, Kannothra & Wissman-Weber, 2017; Njuguna, Kwasira & Orwa, 2018; Aghaei & Sokhanvar, 2020).

According to Bergström and Arman (2017), downsizing concept emerged from a number of management and organisational theories seeking to shrink the labour work force in order to cut costs and increase performance. The methods that are used for downsizing are attrition, voluntary termination, early retirement incentives and compulsory termination (Tridico & Pariboni, 2018). Attrition, as a method of downsizing, involves reducing an organisation's workforce gradually over

time by not replacing employees who leave voluntarily or retire. Unlike more abrupt forms of downsizing, such as layoffs or firings, attrition relies on natural workforce attrition to achieve the desired reduction in headcount (Aghaei & Sokhanvar, 2020).

Voluntary termination, as a method of downsizing, involves offering employees the option to voluntarily leave the organisation in exchange for certain incentives or benefits. This approach is typically used when an organisation needs to reduce its workforce but wants to do so in a way that allows employees to make a choice regarding their employment status rather than resorting to layoffs or firings. It can be seen as a more compassionate and employee-centric approach compared to layoffs or forced terminations. It allows employees to have some control over their career paths and provides a level of financial security through the offered incentives. However, the success of such programs depends on the attractiveness of the incentives and the organisation's ability to achieve its downsizing goals without negatively impacting its operations or productivity (Tridico & Pariboni, 2018). Contrary to this, Compulsory termination, as a method of downsizing, involves the involuntary separation of employees from an organisation. In this approach, the organisation makes the decision to terminate employees without their consent. Compulsory termination is often used when an organisation needs to reduce its workforce due to financial constraints, changes in business strategy, or other operational reasons (Pohler & Riddell, 2019).

Although firms worldwide resort to downsizing their workforces for various reasons, there are recurring factors frequently emphasized in management discourse (Aghaei and Sokhanvar, 2020). For instance, within the private sector, management often justifies downsizing as a means to cut costs (Romero-Hernández & Romero, 2018). Organisations that engage in regular downsizing or adjustments to workforce composition tend to outperform those that undergo sporadic organisational changes (Mwando, 2019). This adaptability to downsizing enables organisations to effectively navigate diverse competitive landscapes (Simpkin, Renwick, Kelly & Mossialos, 2017). However, an organisation's ability to implement necessary changes also requires the establishment of stability as a counterbalance for long-term sustainability (Avelino, 2017). According to Frone and Blais (2020), the effect of downsizing on surviving employees is generally accepted to result in decreased organisational commitment. In this study, attrition, voluntary termination, early retirement incentives and compulsory termination will be used as measures for downsizing of the NSE listed companies.

Governance restructuring, as defined by Mayr and Lixl (2019), involves reorganising a company's legal, ownership, operational, or other structures to enhance profitability and organisational efficiency. Successful governance restructuring leads to streamlined staff structures, a heightened focus on core business aligned with revised strategies and financial plans, as well as improved operational efficiency, production, revenue, employee well-being, shareholder wealth, and overall firm performance (Groysberg, Lee, Price & Cheng, 2018). The advantages of governance restructuring extend beyond cost reduction and strategy improvement, encompassing alterations in organisational structure like board composition changes, hierarchical change, and management change (Joseph & Gaba, 2020). Management change involves making significant alterations to the leadership and management structure of an organisation. This restructuring approach aims to improve efficiency, responsiveness, and overall effectiveness in governance by redefining roles, responsibilities, and reporting relationships at the managerial level (Billinger & Workiewicz, 2019). It often involves a combination of selecting new leaders, realigning roles and responsibilities, and fostering a culture of adaptability and continuous improvement. Ultimately, the goal of management change is to ensure that the leadership structure supports the organisation's mission, strategy, and governance needs effectively.

Hierarchical changes, as a method of governance restructuring, involves reducing the number of hierarchical levels or layers within an organisation's management structure. This restructuring approach aims to simplify and streamline decision-making processes, increase efficiency, and promote better communication and collaboration among employees (Billinger & Workiewicz, 2019). On the other hand, changes in board composition involves taking deliberate steps to increase the variety and representation of individuals serving on an organisation's board of directors. This approach aims to enhance the diversity of perspectives, backgrounds, and experiences within the board, which can lead to improved decision-making, better governance, and increased accountability. In this study, governance restructuring will be assessed based on changes in the composition of the board of directors, hierarchical changes, and management change (Awaysheh et al., 2020).

Operations restructuring, as characterized by Kungl and Geels (2018), aims to enhance the economic viability of a business model. This may involve measures such as mergers, divisional sales, product line abandonment, or cost-cutting actions such as facility closures (Dialoke &

Nkechi, 2017). Operations restructuring is often prompted by significant shifts in business climate, technological innovation, product evolution, tax law changes, foreign competition, and deregulation (Cooper & Sommer, 2018). Operations restructuring serves as a strategy for companies to recover from adverse situations like economic downturns. However, this approach carries risks that may lead to further restructuring, workforce reduction, and the downsizing of large-scale assets. Moreover, organisations with high debt levels struggle to reduce costs by trimming core competencies (Bikakis et al., 2017). In the present study, operations restructuring was evaluated based on task reallocation and rationalisation of operations.

Job restructuring holds significance for enhancing both organisational and employee performance and productivity (Dastane, 2020). It contributes to selecting companies that can withstand pressure and excel (Arora, Belenzon, Pataconi & Suh, 2020). Consequently, a substantial gap exists between organisations that undertake divisional restructuring and those that do not (Billinger & Workiewicz, 2019). Existing literature confirms the positive effects of job redesign on employee efficiency and performance (Nwaeke & Obiekwe, 2017). Job restructuring is essential for employees to acquire versatile skills suited for various roles, meeting the ever-evolving demand for diverse skill sets (Manning, Kannothra & Wissman-Weber, 2017). The business environment in Kenya has undergone significant changes, including economic reforms, privatization, and economic growth (Fogarty, 2020). In this dynamic context, organisations must continuously adjust their internal configurations to align with changing external realities (Manning, Kannothra & Wissman-Weber, 2017). Recent years have seen economic recessions prompt organisations to make difficult decisions about their human capital investments to reduce production costs and maintain competitiveness (Awaysheh et al., 2020). The current study sought to determine job restructuring based on changes in job roles and responsibilities. In this study, job restructuring was assessed based on job redesign and job flexibility.

### **1.1.2 Organisational Performance**

Rummler and Brache (2013) state that the concept of performance encompasses various definitions depending on the context. It can refer to factors such as profitability, market position, operational efficiency, financial results, non-financial outcomes, and operational effectiveness. Crandall and Crandall (2015) define organisational performance as the documented outcomes achieved within a specified job role or activity during a specific time frame. Thus, performance is gauged through

measures like output, outcomes, profitability, internal procedures, organisational configuration, employee attitudes, and adaptability to external influences. Organisational performance entails the tangible outputs or achievements of an organisation measured against its intended objectives and goals.

However, according to Richard (2009), organisational performance should be associated with aspects like profitability, enhanced service delivery, customer contentment, growth in market share, and improved productivity and sales. This implies that a multitude of factors including individuals, teams, tasks, technology, structure, management, and the environment impact organisational performance. Mismatches among individuals within teams can detrimentally influence their collective output, leading to diminished performance (Rummler & Brache, 2013). In recent times, many organisations have employed the balanced scorecard methodology to manage organisational performance. This approach involves tracking and assessing performance across multiple dimensions, including financial outcomes (like shareholder returns), customer service, social responsibility (such as community engagement), and employee engagement. Several studies have explored diverse methodologies to measure organisational performance.

In contemporary organisations, performance is commonly categorized into two key domains: individual performance and organisational performance (Gupta & Wales, 2017). At the individual level, there exist varying interpretations of what constitutes performance. Some view it purely as the tangible achievements produced. Performance has also been interpreted as behaviour, that is, how individuals and groups execute tasks (Omwenga, 2017). At this individual level, performance can be perceived either as what is achieved, in terms of outcomes and results, or as how it is achieved, encompassing behaviours, competencies, and adherence to processes (Verburg, Nienaber, Searle, Weibel, Den Hartog, & Rupp, 2019).

Performance can also align with the renowned 3Es framework put forth by Perotti and Javier (2002), representing economy, efficiency, and effectiveness of specific programs or activities. Taouab and Issor (2019) define organisational performance as the capacity of an organisation to achieve its objectives while using resources efficiently and effectively. Organisational performance reflects the organisation's ability to attain its goals and desired outcomes (Nikpour, 2017). Evaluating performance can be based on information collected from primary or secondary

sources. Broadly, performance assessment involves considering two categories: financial performance and non-financial performance (Matar & Eneizan, 2018).

Kaplan and Norton (1992) proposed the balance scorecard encompassing four perspectives: financial, customer, internal processes, learning and growth. The financial perspective identifies key financial drivers of performance enhancement, such as profit margin, asset turnover, leverage, cash flow, and working capital (Ullah, Zahid, Khan & Islam, 2018). The customer focus assesses performance in terms of brand reputation, customer satisfaction, retention rates, and customer profitability. The learning and growth perspective gauges the organisation's growth and its ability to adapt and improve over time (Kaplan, 2010). It reflects the organisation's commitment to growth and adaptability and measures its capacity for innovation, employee development, and product or service enhancements (Anthoula & Alexandros, 2018).

The internal process perspective evaluates the organisation's performance in terms of the effectiveness and efficiency of its internal processes and procedures. The goal is to identify which business processes the organisation needs to excel at. This perspective prompts the organisation to scrutinize its strengths and weaknesses within its internal operations, allowing it to improve internal performance and enhance overall effectiveness. Metrics in this perspective include factors like reject rates, inventory turnover, employee productivity, and logistics, which have a significant impact on customer satisfaction (Anthoula & Alexandros, 2018).

Nikpour (2019) emphasizes that non-financial performance measures hold significant value for shareholders, executives, and the market, serving as indicators of organisational success and longevity. In contrast, Awaysheh, Heron, Perry, and Wilson (2020) argue that assessing a firm's performance should encompass not only financial indicators but also operational and market indicators. Non-financial metrics are deemed more effective in driving managerial performance, as they align better with the overall corporate strategy (Ullah et al., 2018). This study focused on nonfinancial measures of performance namely; customer, internal processes, learning and growth as indicated by Kaplan and Norton (1992). As indicated by other empirical studies non-financial measures are good measures of performance in the Securities Exchange companies (Singh and Das, 2018; Kanyagia, 2020; Baird, 2017).

### **1.1.3 The Nairobi Securities Exchange**

The Nairobi Securities Exchange (NSE) is a prominent African Exchange situated in Kenya, which is recognized as one of Sub-Saharan Africa's rapidly growing economies. Established in 1954, the NSE has a history spanning over six decades in listing both equity and debt securities. Currently, the NSE boasts 65 listed companies participating in the securities exchange (NSE, 2023). The firms are listed across the following sectors: Agricultural, automobiles and accessories, banking, commercial and services, construction and allied, energy and petroleum, insurance, investment services, manufacturing and allied, telecommunication and technology, real estate investment trust and exchange traded fund. NSE provides a top-notch trading platform for local and global investors seeking exposure to Kenya and Africa's economic expansion. Formerly known as the Nairobi Stock Exchange, the NSE initiated share trading in the 1920s during Kenya's British colonial period (Njogu, 2017). On 6th July 2011, the Nairobi Stock Exchange adopted the name Nairobi Securities Exchange Limited, reflecting its 2010-2014 strategic plan to evolve into a comprehensive securities exchange that facilitates trading, clearing, and settlement of equities, debt, derivatives, and related instruments (Njuguna, Kwasira & Orwa, 2018).

The NSE holds a pivotal role in bolstering Kenya's economic growth by promoting saving and investment, while also enabling local and international enterprises to access cost-effective capital. Operating under the oversight of the Capital Markets Authority of Kenya, the NSE is a full member of the World Federation of Exchanges, a founding member of the African Securities Exchanges Association (ASEA), and the East African Securities Exchanges Association (EASEA).

Several companies have undergone restructuring since 2017, including Kenya Airways Ltd, KCB Group Ltd, Nation Media Group, Standard Group Ltd, Safaricom PLC, Jubilee Holdings Ltd, and East African Breweries Ltd (EABL) (NSE, 2021). In 2017, EABL carried out a staff reduction, affecting 100 employees, marking the third such retrenchment within five years. This action aligned with the company's current operational landscape and resulted in the creation of new roles, offering some impacted employee's opportunities for the new positions. The objective was to strategically reorganise in accordance with the company's performance goals and overall business strategy (Mutegi, 2018).

Kenya Airways Ltd underwent financial restructuring, issuing 2,736,364,671 ordinary shares to the Government of Kenya, 351,656,464 ordinary shares to KLM Royal Dutch Airlines, and 2,219,285,317 ordinary shares to KQ Lenders Company 2017 Limited (on behalf of certain Kenyan banks) in 2017 (Kenya Airways, 2018). This further resulted to decline in performance. This initiative aimed to alleviate the company's debt burden.

In 2019, the Central Bank of Kenya (CBK) announced its approval of KCB Group PLC's (KCB Group) acquisition of 100 percent shareholding in National Bank of Kenya Limited (NBK) (CBK, 2020). The acquisition aimed to reinforce both institutions by capitalizing on their well-established domestic and regional corporate, public sector, and retail presence (Waweru, 2019). The changes necessitated governance restructuring specifically in the top management to harmonise operations. Despite these restructuring endeavours, it remains uncertain how the restructuring has influenced performance of these organisations. This study therefore sought to find out the influence of organisational restructuring on performance of companies listed on the Nairobi Securities Exchange

## **1.2 Statement of the Problem**

Numerous companies listed on the NSE have either closed down or been delisted due to poor performance, such as the case of Access Kenya (Kinyua, 2021). Even those that remain listed have not achieved their optimum performance levels (Waweru, 2020). Such underwhelming results could be attributed to various factors including insufficient restructuring, weak leadership, macroeconomic conditions, and deficient strategic management processes (Mukumbi, Eugene & Jinghong, 2020).

Empirical research investigating the effects of restructuring on the performance of NSE-listed companies has been scarce. Singh and Das (2018) examined the impact of restructuring strategies on the operational performance of banks in India, finding positive effects on productivity, profitability, and customer base expansion. Jeong, Shin, and Kim (2020) conducted a study in China focusing on corporate performance improvements resulting from restructuring efforts, revealing enhanced profitability from mergers and acquisitions in the construction sector, while no such improvements were observed in the technology sector. Other studies include Chen, Li, Wu, and Luo's (2017) investigation of the organisational restructuring of China's Industrial and Commercial Bank (ICBC), Poddar's (2019) examination of organisational restructuring at

Reliance Industries Limited (RIL) in India, and Kaka's (2019) study on the impact of restructuring on the financial performance of organisations in Gujarat's power sector, all of which concluded that restructuring had a positive influence on performance. From the studies (Singh & Das, 2018; Jeong, Shin & Kim, 2020; Chen, Li, Wu & Luo's, 2017; Poddar's, 2019; Kaka, 2019), there are contextual gaps whereby the studies have been conducted in developed countries with different macroeconomic compared to Kenya, a developing country. There are also conceptual gaps as the studies measured performance using financial indicators (Singh & Das, 2018; Poddar's, 2019; Jeong, Shin & Kim, 2020) whereas the study will focus on non-financial performance.

Kanyagia (2020) explored the effects of corporate restructuring strategy on the performance of insurance companies in Kenya, specifically the case of Britam Holdings Ltd. The study determined that non-financial and investment-related restructuring positively affected Britam's performance by reducing operational costs. Ingow and Oluoch (2020) assessed the effect of corporate restructuring on the financial performance of SACCOs in Kenya, revealing a positive and significant impact of asset restructuring on these organisations' financial performance. From the studies (Kanyagia, 2020; Ingow & Oluoch, 2020) there were conceptual gaps identified whereby the studies measured performance using financial indicators whereas the current study focused on non-financial performance. The study thus bridged the contextual and conceptual gaps by addressing the question: What is the influence of organisational restructuring on the performance of companies listed on the NSE?

### **1.3 Objectives of the Study**

The overall objective of this study was to determine the influence of organisational restructuring on performance of companies listed on the Nairobi Securities Exchange.

#### **1.3.1 Specific Objectives**

- i. To determine the influence of operations restructuring on the performance of the companies listed on the NSE.
- ii. To determine the influence of governance restructuring on the performance of the companies listed on the NSE.
- iii. To determine the influence of downsizing on the performance of the companies listed on the NSE.

- iv. To determine the influence of job restructuring on the performance of the companies listed on the NSE.

#### **1.4 Research Questions**

- i. What is the influence of operations restructuring on the performance of the companies listed on the NSE?
- ii. What is the influence of governance restructuring on the performance of the companies listed on the NSE?
- iii. What is the influence of downsizing on the performance of the companies listed on the NSE?
- iv. What is the influence of job restructuring on the performance of the companies listed on the NSE?

#### **1.5 Scope of the Study**

The study's conceptual scope focused on organisational restructuring (job restructuring, operations restructuring, governance restructuring and downsizing) and how they influence the performance. Contextually, the study was limited to the companies listed on the Nairobi Securities Exchange. The geographical scope of the research focused on seven companies listed on the Nairobi Securities Exchange based in Nairobi County that have undergone restructuring in the last five years. The companies operate in different sectors namely; technology, manufacturing, commercial and services, insurance and banking. These companies are Kenya Airways Ltd, KCB Group Ltd, Nation Media Group, Standard Group Ltd, Safaricom PLC, Jubilee Holdings Ltd and East African Breweries Ltd. The study was conducted between August 2023 to March 2024 and was anchored on the Theory of change, Structuration Theory, Resource-Based theory. The methodology of the study was restricted to descriptive research design. A cross sectional research approach was also used because the study analysed data from the respondents at a single point in time.

#### **1.6 Significance of the Study**

The research highlighted the significance of organisational restructuring for the management of enterprises listed on the Nairobi Securities Exchange. It illuminated the consequences of restructuring on the overall performance of organisations. This will offer valuable insights to other

entities across various sectors like telecommunications, technology, manufacturing, commerce, services, insurance, and banking. These insights will guide them in comprehending the implications of organisational restructuring and devising effective approaches for its implementation.

The study's findings hold relevance for policymakers and government authorities. It will establish a correlation between organisational restructuring and the performance of companies listed on the Nairobi Securities Exchange. This information will be particularly beneficial to government bodies responsible for policymaking. It will furnish them with knowledge necessary for crafting policies and regulatory frameworks that promote optimal practices in organisational restructuring within Kenyan companies. This will help prevent any adverse impacts of restructuring on organisational performance.

Furthermore, the study will investigate the influence of restructuring as a strategic tool employed by Nairobi Securities Exchange-listed firms. This, in turn, will have a positive impact on the broader trading industry by enhancing the comprehension of challenges encountered by various sectors with regards to restructuring. Consequently, the industry will be able to make essential adjustments that can prove advantageous to companies.

The research will also make a significant contribution to existing theories and practices. It will create fresh insights into the effects of organisational restructuring on the performance of commercial banks operating in the highly competitive financial market. This will enrich the body of knowledge surrounding this subject and offer practical implications for the industry.

## **1.7 Chapter Summary**

This chapter has elaborated on the statement of the problem, purpose of the study, scope of the study, and significance of the study. The chapter has also endeavoured to define terms used in the study and has outlined research questions that form the basis for literature review in chapter two. Chapter three elaborates on the research methodology used in the study.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter aims at screening the body of knowledge as a means to better understanding the conceptual and analytical framework in the area of study. It also covers the influence of operations restructuring, governance restructuring, employee downsizing, job restructuring on organisational performance.

#### **2.2 Theoretical Review**

This section reviews theoretical foundations for organisational restructuring. The theories assist in appreciating how elements of organisational restructuring impact performance of firms listed on the NSE. The theories discussed are Theory of Change, Structuration Theory and Resource Based Theory.

##### **2.2.1 Theory of Change**

The Theory of Change was introduced by Weiss (1995) and proposes the foundational beliefs and assumptions that direct a service delivery approach, believed to be pivotal in generating transformative outcomes (Weiss, 1995). Theories of change encapsulate notions about the requirements of the target population and the strategies anticipated to fulfil those necessities (Gardner, 1983). They establish a framework for examining the interplay among a system's mission, tactics, and actual results, while establishing connections between the recipients, the strategies or actions being executed, and the intended outcomes (Lederer and Sethi, 2009).

The Theory of Change encompasses two main facets (Weiss, 1995). The first facet involves conceptualizing and putting into practice the theory's three essential frames (Waterhouse, 2006). These frames encompass: Populations, which signifies the served demographic; Strategies, denoting the methods believed to realize desired outcomes; and Outcomes, representing the intended achievements (Cohen, 2001). The second facet involves comprehending the relationships among these core elements and expressing these connections clearly (David, 2003).

The Theory of Change is a valuable tool for tackling intricate societal issues (Shapiro, 2006). In its simplest form, it illustrates how initial and intermediate accomplishments pave the way for long-term results (Kanter, 2005). A more intricate Theory of Change delineates the assumptions

concerning the change process and outlines how the anticipated early and intermediate outcomes contributing to the ultimate change will be brought about and documented (Walsh, Weber & Margolis, 2003).

The Theory of Change is a foundational component for impact evaluations and should be integrated in some manner into each impact evaluation (Saunders, Strock & Travlos, 1990). It proves particularly beneficial when learning from an impact evaluation conducted at one site and applying those insights to another (Friedman, 1970). While planning an impact evaluation and framing the terms of reference, an existing Theory of Change for the program or policy should be reviewed for suitability, comprehensiveness, and accuracy, and updated as necessary. It should also be revised throughout the evaluation if either the intervention or the understanding of its functioning evolves (Ghoshal, 2005).

A robust situation analysis should mark the commencement of the Theory of Change (Wilson, 2010). This involves identifying the issue that the intervention aims to tackle, the reasons behind this issue, and the ramifications, alongside recognizing opportunities like synergies with other initiatives or available resources that can be bolstered (Galliers, 1991). Even if the Theory of Change is being formulated or significantly adjusted post-implementation, it's important to revisit the circumstances that prompted the intervention to ensure it's addressing the right problem (Coleman, 1993).

The subsequent stage is to clarify which facets of the problem the intervention will address and to overtly state the outcomes and impacts it seeks to achieve (Gardner, 1993). When there's agreement on the existing situation and the envisioned outcome, the intervention is designed to efficiently facilitate the transition between the two. In this process, a theory evolves from navigating the current state to the desired one (White, 2006). This should encompass a dual-process sequence – a theory about how the change will occur and a theory about how the intervention will stimulate that change (for instance, spotlighting service delivery gaps through surveys and publishing the findings (Gardner & Moran, 2006).

The Theory of Change can originate at any stage of an initiative, depending on its intended application. A theory conceived at the outset is most effective in guiding initiative planning (Segal & Whinston, 2002). As practitioners refine their understanding of the change model, they can make better-informed decisions about strategies and tactics. Over time, as monitoring and

evaluation data become available, stakeholders can periodically refine the Theory of Change based on evidence. Additionally, the Theory of Change can be constructed retrospectively by examining program documents, engaging stakeholders, and analysing data. This is frequently undertaken during evaluations to understand past successes and failures and to plan for the future. The Theory of Change plays a vital role in organisational restructuring, as it defines the evolving relationship between individuals amidst the restructuring process.

### **2.2.2 Structuration Theory**

Structuration Theory, formulated by Giddens (1979), proposes a rethinking of the traditional dichotomy between actors and structures, suggesting a dual nature - the duality of structure (Giddens, 1979). The structural characteristics of social systems exist only as long as patterns of social behaviour are consistently replicated over time and space. Behaviour and structure are interwoven; individuals undergo socialization, becoming interdependent with existing social structures, all the while influencing and reshaping those structures through their actions (Johnson, Scholes, & Whittington, 2006). In simpler terms, this entails that social structures serve as both the medium and outcome of human activities. Social structures not only constrain behaviours but also offer possibilities for human actions (Peteraf & Barney, 2003).

Essentially, the focus is not solely on the limitations individuals face in expressing their behaviour in temporal and spatial contexts. People also play a role in constructing specific time-space structures (Cool, Almeida Costa & Dierickx, 2002). The concept of institution structuration relates to how social activities extend across extensive spans of time and space. Giddens contends that this theory brings together the two major aspects of social thought, aiming to redefine structure and agency as interdependent elements (Rose, 1999). Giddens (1984) defines structuration as a social process that involves the reciprocal interaction between human actors and the structural characteristics of the organisation.

In organisational contexts, individuals' actions contribute to the ongoing development of dimensions of social interaction. In this context, our focus revolves around significance, norms, and power (Giddens, 1979). Actors draw on interpretive frameworks that mediate communication, leading to the cyclical creation and maintenance of structures of meaning, which in turn shape interpretations. Interpretive frameworks encompass the organisational rules that guide and define interactions and are reinforced or changed through social exchanges (Orlikowski, 1992). Norms

consist of the anticipated behaviours and obligations of participants in interactions, while power is exercised through structures of authority and consequences. The exertion of power within organisations is also influenced by the organisational resources that participants bring into interactions (Giddens, 1979).

Structure transcends a mere organisational chart. It encompasses all individuals, roles, protocols, procedures, culture, technology, and related components that constitute the organisation. It delineates how various elements and processes interrelate. Alignment between structure and strategy is imperative for an organisation to accomplish its mission and objectives. If strategy shifts, the structure should adapt to support the new approach. If the structure remains unaltered, it can hinder strategic change. Structure complements strategy. An organisation's actions define its strategy. Modifying strategy necessitates adjusting all organisational activities (Lockett et al., 2009). When an organisation modifies its structure without changing its strategy, the strategy tends to conform to the new structure (Chandler, 1962). Structure shapes strategy. Practically, an organisation's structure exerts a formidable influence. For a strategy to be effectively executed, the structure must be capable of sustaining that strategy over time (Giddens, 1984). This theory holds significance as it underscores how organisational restructuring can impact performance.

### **2.2.3 Resource Based Theory**

The Resource-Based Theory is a management strategy employed by managers to attain a lasting edge over competitors. Originating in the 1980s and 1990s with the contributions of Wernerfelt, B, Barney, J, and others (Wernerfelt, 1984; Barney, 1996), this managerial framework primarily revolves around the question of what distinguishes companies and how they achieve and sustain a competitive advantage through their resource utilization (Barney, Ketchen & Wright, 2021). According to Resource-Based Theory, competitive advantage arises from unique competencies inherent to a company, enabling it to differentiate its products or achieve significantly lower costs. These competencies stem from two main sources: Resources and Capabilities (Hill, Jones & Schilling, 2021).

Resources, as defined by Knott (2016), are classified into tangible assets (such as financial or physical assets) and intangible assets (like employee knowledge, experiences, skills, corporate reputation, brand name, and organisational procedures). Capabilities, as outlined by Andersén (2017), refer to a company's ability to effectively coordinate its resources and utilize them

productively, embedded in its rules, routines, and procedures. These, along with resources, become especially valuable when they generate strong demand for products or lower costs (Hill, Jones & Schilling, 2021).

A fundamental insight from the resource-based perspective is that not all resources are equally important or capable of providing sustainable competitive advantage (Hinterhuber, 2020). Therefore, there has been significant focus on understanding the attributes of resources that lead to advantages. Barney, Ketchen, and Wright (2018) argue that resources creating advantages must meet four criteria: value, rarity, inimitability, and non-substitutability (VRIN). Greco, Cricelli, and Grimaldi (2020) emphasize attributes like durability, transparency, transferability, and replicability, while Chen, Lee, and Lay (2016) propose that resources must pass five tests: inimitability, durability, appropriability, substitutability, and competitive superiority (Andersen, 2017).

In summary, the resource-based perspective suggests that sustainable competitive advantage is achieved through the careful selection, accumulation, and deployment of resources (Warnier, Weppe & Lecocq, 2018). Hill and Jones (2019) highlight the importance of functional competency in creating and enhancing sustainable competitive advantage. From this theory, it can be deduced that when an organisation acquires or develops valuable, rare, and imitable resources by focusing on its finances, internal business processes, internal customers, staff learning, and innovation, the organisation may gain competitive advantage, leading to improved organisational performance.

## **2.3 Empirical Review**

An empirical review is a type of research review that systematically examines and analyses existing empirical studies or research papers to gain a comprehensive understanding of a specific topic or research question. The section focused on the specific objectives of the study.

### **2.3.1 Operations Restructuring and Organisational Performance**

Operations restructuring is a strategic process that organisations undergo to make significant changes to their operational aspects to improve efficiency or adapt to changing business conditions. It involves reevaluating and reorganizing various aspects of a company's operations to align them with its strategic objectives and achieve better performance (Romero-Hernández & Romero, 2018).

Operations restructuring typically occurs due to substantial changes in a company's operational dynamics, advancements in technology and products, shifts in tax regulations, foreign competition, and deregulation (Matzler, Bailom, Anschober & Richardson, 2010). This restructuring approach serves as a tool to aid struggling firms in improving their situations, such as during economic downturns. However, the act of restructuring comes with risks that can lead to ongoing cycles of restructuring, reducing workforce and downsizing significant assets (Cascio, 2002). Moreover, highly indebted organisations find it challenging to cut costs by trimming their core capabilities.

Evans, Chitnomrath, and Christopher (2013) conducted a study on restructuring strategies adopted by Thai corporations post-bankruptcy reorganisation. These strategies encompassed changes in production systems, management, organisational structure, sales and service systems, expense reduction, improvements in accounting and internal control systems, and divestment of non-essential assets. Their study, involving 101 companies, employed logistic regression for data analysis. The research discovered that successful companies during the reorganisation period focused on reducing costs and expenses, shedding non-core assets, and downsizing, while internal operational and system changes did not appear tied to success. However, the study's scope was broad and suffered from empirical limitations, including its failure to address incremental organisational performance changes and reliance on absolute measures that hindered precise evaluation of restructuring's impact on performance.

Another investigation by Zareen, Razzaq, and Mujtaba (2013) aimed to assess how operations restructuring influenced Indian companies' performance. They introduced a new variable, psychological perception, to emphasize employee reactions to job design. Combining job design, enrichment, and enlargement in a conceptual framework, the study illuminated their relationship with employee performance. Findings revealed diverse employee goals, some aiming for challenging work, others seeking to contribute innovations, and some content with routine tasks. The study concluded that individual work preferences hinge on personality traits and fulfilling these needs results in enhanced productivity.

Aroosiya and Ali (2013) explored the impact of operations restructuring on employee performance in Sri Lankan schools. Their findings demonstrated a direct link between these variables and school performance. The study recommended implementing effective task identity, feedback

mechanisms, and autonomy to elevate teacher performance and consequently enhance overall school outcomes.

Chiavoghi and Emerole (2017) analysed the effects of operations restructuring on organisational performance and subsequently on employee performance in Ghanaian deposit money banks. The research revealed a significant positive impact of change management and operations restructuring on employee commitment. Their study surveyed 122 staff across ten banks, employing random sampling and Spearman's Rank Order Correlation Coefficient for hypothesis testing.

Ihunwo (2022) investigated the relationship between organisational restructuring and operational effectiveness in Nigeria's healthcare sector, focusing on Rivers State University Teaching Hospital. Using a cross-sectional survey design, the study involved 75 respondents from 15 hospital departments. Data analysis employed Spearman Rank Order Correlation Coefficient, indicating that operational restructuring influences operational effectiveness and its dimensions like quality, delivery speed, and operational cost.

Ojo (2019) examined organisational restructuring and performance evaluation in Nigeria's Federal Ministry of Health. The study distributed 260 questionnaires among Health Ministry staff in Abuja, using frequency tables, percentages, and the Chi-square test for data analysis. Results indicated a correlation between restructuring and performance, although not substantial enough to ensure a transformation in healthcare service delivery.

Akumu (2018) conducted a study that investigated the influence and contributions of restructuring strategies on the performance of the Kenya National Audit Office (KENAO). The study was based on Resource-Based View, Diffusion of Innovation, Dynamic Capability, and Expectancy Theories. It utilized a descriptive research design and focused on KENAO employees, totalling 519, at the headquarters. The research employed random sampling to select participants who completed structured questionnaires. The study defined restructuring using de-layering and virtualization. The findings indicated that de-layering did not significantly impact KENAO's performance, largely due to its negative effect on employee morale. On the other hand, virtualization positively contributed to performance by enhancing staff accountability.

Waweru (2019) investigated the correlation between restructuring and performance within a corporate context, using Kenya Our company as the study context. The research drew from

financial intermediation theory, Resource-Based View theory, organisational theory, and strategy-structure contingency theory. The study examined various types of restructuring, including organisational, portfolio, operational, and financial. Participants were selected through random sampling, and data collection involved questionnaires. The study highlighted that portfolio restructuring played a significant role in enhancing performance by promoting collaboration among different units to align with public expectations. Additionally, financial restructuring had a positive impact on Our company's performance, as evidenced by improved organisation, strategic planning, and financial stability. Organisational restructuring also positively correlated with performance due to simplified structures and reduced complexity.

Jarso (2013) investigated the impact of restructuring strategies on the performance of commercial banks in Kenya, guided by the Resource-Based View theory. The study measured a composite restructuring strategy due to a lack of specific operational indicators. The research selected the top 10 banks based on asset base and market share from a pool of 44 registered commercial banks. Data was collected through questionnaires at the branch level and analysed descriptively. The study revealed high adoption of restructuring strategies and high-performance levels among banks, mainly attributed to increased net cash inflow post-restructuring. However, the study lacked detailed measurement of restructuring components and direct links between strategies and performance outcomes.

Wangui (2014) explored the impact of operations managers on performance in Nairobi's hotel industry. The study employed a survey design, utilizing face-to-face and semi-structured interviews for data collection. Results showed that integrating operations management departments significantly contributed to hotel performance. Additional strategies such as targeting consumer segments, emerging markets, refining business models, and enhancing service quality were also observed. The research suggested a cross-sectional descriptive design for future studies to minimize biases.

Management control systems, as proposed by Armstrong (2011), should meticulously evaluate manipulation and institutionalization. These systems extend beyond financial and accounting controls, encompassing aspects like organisational structures and job descriptions to ensure operational integrity. This involves outcome-driven hiring practices, measurement of activities and

outcomes, and incorporation of accountability, feedback mechanisms, and incentive systems that align employee behaviour with the company's interests (Appelbaum & Donia, 2009).

### **2.3.2 Governance Restructuring and Organisational Performance**

Governance restructuring involves reconfiguring a company's legal, ownership and operational structures to enhance performance and improve organisation in alignment with its present requirements (Pohler & Riddell, 2019). Board diversity brings added value to firms and positively impacts their performance (Huse & Solberg, 2006). Specifically focusing on gender diversity, female directors often bring unique skills and perspectives that male directors may lack (Fauzi & Locke, 2012). Carter et al. (2012) found a significant connection between female and minority directors and organisational performance in a study of Fortune 1000 firms. Jurkus et al. (2008) observed a positive relationship between gender diversity in top management and stock valuation and overall board performance among Fortune 500 firms. Similarly, Bonn (2004) provided further support for the positive effects of board diversity.

In Singapore, Fan (2012) examined 390 observations from various sectors listed on the Singapore Exchange between 2002 and 2004. Their research on governance restructuring and performance revealed a positive link between board diversity and financial performance. Simultaneous equations of multiple regressions were used to control for potential endogeneity issues (Tobin's Q).

Using cross-sectional time-series data in Indonesia, Prihatiningtias (2012) explored the impact of restructuring women on boards on firm financial, social, and environmental performance. The results indicated that gender diversity had a positive influence on financial performance. Qualitative findings suggested that women board members believed their presence could lead to positive organisational improvements, enhancing overall firm performance.

Dutta & Bose (2008) conducted a study in Bangladesh that reported a paradoxical relationship between gender diversity resulting from restructuring and firm performance (customer loyalty and employee performance) in commercial banks. This study involved a small sample of 15 banks and utilized non-parametric methodology (Kruskal-Wallis H test), leading to conflicting results and inconclusive conclusions.

Ararat, Orbay, and Yurtoglu (2010) investigated board independence in controlled firms in Turkey and found three key findings. They observed no significant impact of board independence on equity issues, less effective restraint of related party transactions by independent directors, and a negative or non-existent relationship between independent directors and firm performance. This was attributed to the lack of true independence among Turkey's listed company directors due to personal, financial, and social ties with dominant shareholders.

O'Sullivan, Mamun, and Hassan (2016) studied 150 bank holding companies in Egypt over an eleven-year period, examining the relationship between changes in board characteristics and performance. They found that board size, CEO tenure, and board tenure positively influenced bank performance, while board structure and CEO power had no significant effect. During crises, board size negatively impacted employee performance, and board independence reduced employee underperformance, though frequent board meetings decreased bank performance.

In the context of Kericho County in Kenya, Ruto, Naibei, and Cheruiyot (2017) discovered through a descriptive survey that board diversity increased access to external resources for SACCOs due to individual board member contributions. Female and minority board members positively influenced SACCO performance.

Muchiri and Kimunguyi (2018) employed a descriptive design to investigate the effects of corporate governance changes on the performance of Microfinance Institutions in Kenya. They found a positive relationship between board diversity and financial performance. Munene, Ndegwa, Senaji, and Mugambi (2020) aimed to understand the role of board reorganisation in the financial distress of Deposit Taking SACCOs in Nairobi County. Using a descriptive research design and census strategy, they found that board composition, education, and tenure negatively influenced financial distress. They recommended leaner boards, increased gender diversity, inclusion of highly educated members, and term limits for SACCOs' members.

### **2.3.3 Downsizing and Organisational Performance**

Downsizing refers to the methodical reduction of the workforce through a series of actions that an organisation undertakes to enhance efficiency and overall performance (Ferrary, 2019). Organisational downsizing encompasses a series of actions initiated by a company's management to enhance efficiency, productivity, and competitiveness. It represents a strategy implemented by managers that influences the size of the workforce and operational processes (Laufer & Cameron,

2015). It is the most frequently adopted form of restructuring, as evidenced by successive authors such as Freeman and Cameron (2007), Kozlowski et al. (2003), and Mishra (2015). The concept of restructuring acknowledges changing environments, challenging the idea of stability or similarity to past states.

Duan & Ahmed (2021) conducted a study during the great recession to explore the choice between retrenchment and investment as restructuring strategies. Analysing U.S. retailers, the study employed variables like retrenchment (store closings, buyouts, bankruptcies) and investment (market expansion, product development, strategic partnerships, service enhancement, corporate social responsibility) to measure business portfolio restructuring. Employing an inductive approach with a grounded theory approach, the study revealed that retailers focusing on retrenchment for operational efficiency can navigate tough economic times and prosper by identifying and investing in growth opportunities.

Tikici, Omay, Derin, Seçkin, and Cureoglu (2011) investigated the impact of cost-cutting-oriented operations restructuring strategies on the performance of manufacturing firms during Asian crisis periods. The study measured cost-cutting through employee reduction, revenue generation, and asset reduction. With 252 in the target population and 93 respondents, data was collected through questionnaires administered to top managers and analysed using multiple regression. The study demonstrated a significant linear relationship between employee reduction as an operational restructuring strategy and performance. Despite showing positive outcomes, the study lacked theoretical anchoring for the investigated constructs and a direct link between restructuring strategies and performance.

Duncan (2015) explored the survival strategies of long-serving multinational enterprises in Europe that had survived over 200 years. The study revealed that various restructuring efforts over time contributed to these corporations' survival and improved performance, aligning them with evolving business environments. Obi & James Nwoye (2021) examined the impact of downsizing practices during restructuring on employee morale in Nigerian hospitals. The study compared four downsizing approaches, finding a correlation between employee morale and perceived success of downsizing strategies. This ultimately led to improved productivity and organisational profitability.

Ukaidi (2016) assessed the impact of restructuring strategies on corporate performance in Ghanaian manufacturing companies. Analysing asset and employee reduction, the study used questionnaires, Pearson correlation, and regression coefficients for analysis. The findings demonstrated a significant positive impact of employee downsizing and asset reduction on performance within a restructuring management strategy.

Ruiters (2011) investigated the effects of employee downsizing on South African labour inspectors, revealing that organisational restructuring due to technological changes and shifts in demand negatively impacted inspectors' feelings and performance. The process led to the departure of skilled personnel and replacement by less qualified temporary staff. Okoye (2010) examined the effects of retrenchment on the morale of Enugu State Civil Service workers in Nigeria. The study showed that retrenchment was perceived negatively, causing job insecurity and dampening worker and organisational performance.

Ongwae and Moronge (2016) evaluated how organisational restructuring influenced commercial banks' performance in Kenya. They operationalized restructuring through system upgrades, centralization, downsizing, and departmentalization, measuring performance with revenue growth, cost reduction, and new branch establishment. Their study found that systems upgrades, departmentalisations, centralization, and staff turnover positively correlated with performance. Nonetheless, the study lacked the ability to address how different restructuring strategies impacted performance, limiting the ability to link specific strategies to performance changes.

Mbogo and Waweru (2014) revealed that organisational restructuring led to employee layoffs in financially disadvantaged companies on the Nairobi Securities Exchange. Despite using an explanatory research design, the study could not provide conclusive statistical results.

Rainy et al. (2014) explored the effects of employee downsizing on performance among mobile phone service providers in Kenya. They found that mobile providers opted to retain key employees and automate processes for increased efficiency. Okibo (2012) investigated the impact of retrenchment on service delivery in selected ministries in Kisii Central District, finding that downsizing lowered morale and performance among retained civil servants.

Sije, Omwenga, and Iravo (2016) studied the direct relationship between turnaround strategy constructs among SMEs in Kenya, operationalizing restructuring as reorganisation. They found a

positive correlation between restructuring strategy and commercial banks' performance. However, their methodology lacked robustness in assessing the expected performance impact of restructuring strategies in SMEs Commercial banks.

#### **2.3.4 Job restructuring and Organisational Performance**

Job restructuring involves modifying or reorganising work arrangements with the aim of reducing dissatisfaction and disconnection felt by employees due to monotonous and repetitive tasks. This directly impacts the nature of an individual's work (Kungl & Geels, 2018). Through job restructuring, organisations strive to enhance productivity by offering non-monetary rewards, such as increased satisfaction from a sense of personal accomplishment in tackling more challenging and responsible tasks. Job enlargement, job enrichment, job rotation, and job simplification are techniques utilized in job restructuring. For instance, Campion & Michael (1994) suggest that job rotation is influenced by career-related factors like tenure and performance, affecting career outcomes such as salary, promotion, skill acquisition perception, and other career-related advantages. They propose that job rotation could proactively enhance the value of work assignments for career development.

Harriet et al. (1997) identified poor instrumental communication within the organisation and excessive workloads as key determinants of low company performance. Employees' intention to leave was linked to the perception of limited promotional opportunities, high workloads, reduced decision-making latitude, and inadequate communication. Marker and Borstorff (2007) studied turnover drivers and retention factors for hourly workers in the US and Europe. They found that the relationship between employees and their managers significantly influences employee commitment. Positive relationships between employees and their managers, characterized by fairness, supportiveness, and personal interest, contribute to job satisfaction, commitment, and longer job tenures.

Greenberg and Baron (2011) investigated behaviour changes among employees in a Finnish organisation. They highlighted that the correlation between employee commitment, management performance, leadership, and worker satisfaction is most apparent in new employees joining an organisation. New staff's perceptions of their workplace and leaders significantly affect their satisfaction and commitment, highlighting the importance of management and leadership in shaping employee attitudes.

Chew and Chan (2008) examined human resource practices, organisational commitment, and intention to stay in Australia. The study revealed a disconnect between employees' expectations and employers' compensation, particularly regarding remuneration. When compensation does not align with employees' efforts and time invested, it leads to dissatisfaction and reduced commitment. Dissatisfied employees are prone to seeking opportunities elsewhere, leading to high turnover rates. Thwala, Ajagbe, Enegbuma, and Bilau (2012) evaluated staff turnover in Sudan, noting that changes in job descriptions can involve alterations in job titles, responsibilities, remuneration, promotions, and switches within an organisation. Most employees are amenable to these changes as long as remuneration remains consistent and job status and benefits are maintained.

Halima (2014) studied the effects of job description changes on organisational performance in Guinea. Findings indicated that many workers did not have accurate job descriptions, leading to mismatches between responsibilities and skills. The study suggested that including accurate job descriptions could enhance performance. Challenges such as inconsistent job descriptions, lack of employee participation in decision-making, and underutilization of skills contributed to poor results. Biekpe (2011) assessed the competitiveness of commercial banks in Ghana and observed a shift from a product-centric to a customer-centric model. Employee grading was influenced by selling product bundles to individual customers, contrasting the previous approach based solely on product sales.

Ahmed (2018) explored the impact of job redesign on employee performance at ICRAF. The study focused on factors like job attendance, self-management, decision-making, autonomy, work quality, and commitment as key aspects of job enrichment. Additionally, factors such as task autonomy, operational confidence, efficiency, trust, self-motivation, self-esteem, and individual responsibility contributed to employee performance. Otieno (2017) investigated how work redesign strategies affected financial performance in commercial banks in Nakuru CBD, Kenya. The study found that work redesign components, such as workflow improvements and flatter reporting structures, positively correlated with enhanced operational efficiency, streamlined workflow, and process optimization.

Achieng, Ochieng, and Owuor (2014) explored the effect of job redesign on employee performance in Kisumu's commercial banks. They found that task identity, variety, and

significance influenced employee performance and that implementing job redesign strategies could improve work characteristics for employees experiencing career stagnation. Ojwang (2014) examined the influence of job changes on staff commitment at Kenya Postal Corporation Ltd. The study revealed a relationship between job changes and staff commitment, emphasizing the importance of proper training to equip employees with skills before implementing restructuring changes. The study also highlighted how job changes positively impacted employee commitment and recommended the need for training in these transition processes.

## 2.4 Summary of Research Gaps

Significant gaps are identified within the empirical studies in terms of conceptual, contextual, knowledge, and methodological aspects. In relation to contextual gaps, for instance, Zareen, Razzaq, and Mujtaba (2013) examined the influence of operations restructuring on the performance of Indian companies, while another study by Zareen and Razzaq and Mujtaba (2013) investigated the same impact within the Indian context. These studies were conducted in a distinctly different macroeconomic environment compared to Kenya, highlighting contextual discrepancies. Methodological gaps are also evident in the research landscape. For instance, Chiavoghi and Emerole (2017) utilized a cross-sectional research survey design, Ojo (2019) applied the Chi-Square statistical technique to address research queries, and Prihatiningtias (2012) employed an exploratory research design that lacks the support for comprehensive statistical analysis. The summary of the research gaps is indicated in table 2.1 below:

**Table 2.1: Summary of Research gaps**

<b>Author</b>	<b>Aim</b>	<b>Main Findings</b>	<b>Research Gaps</b>
Evans, Chitnomrath and Christopher (2013)	Investigate the impact and effectiveness of restructuring strategies employed by Thai corporations after post-	The study found no association between operational strategies, such as internal reconfiguration, and organisational performance.	The study's use of logistic regression and focus on absolute performance measures limit the evaluation of restructuring's impact.

	bankruptcy reorganisation.		
Zareen, Razzaq and Mujtaba (2013)	Examine the influence of operations restructuring on the performance of Indian companies.	Job redesign positively influences organisational performance.	The study's context in India with distinct macroeconomic conditions sets it apart.
Aroosiya and Ali (2013)	Assess the connection between operations restructuring and employee performance in Sri Lankan schools.	A significant and positive relationship was found between operations restructuring and school performance.	The focus solely on academic sector schools creates a contextual gap.
Chiavoghi and Emerole (2017)	Investigate the effects of operations restructuring on organisational and employee performance in Ghanaian deposit money banks.	Change management and operations restructuring significantly positively affect employee commitment.	The use of cross-sectional survey design introduces a methodological gap.
Ihunwo (2022)	Explore the impact of operational restructuring on the effectiveness of the health sector in Nigeria's Rivers State University Teaching Hospital.	Operational restructuring impacts operational effectiveness in terms of quality, delivery speed, and operational cost.	The study's focus on operational effectiveness introduces a conceptual gap.
Ojo (2019)	Examine the relationship between organisational restructuring and	There's a significant link between restructuring and performance, but the combined effect does not	The use of Chi-Square for research questions creates a methodological gap.

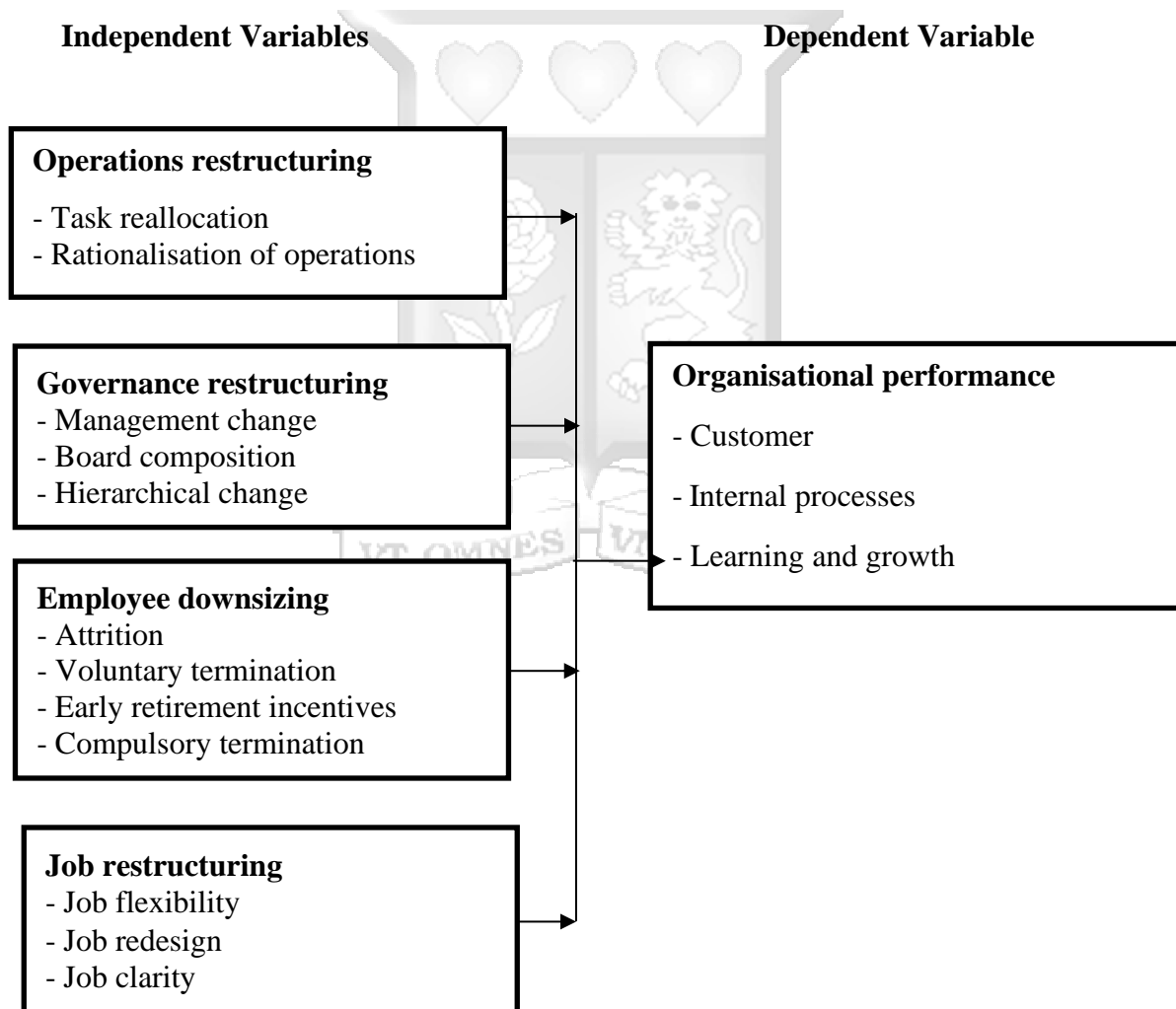
	performance in Nigeria's Federal Ministry of Health.	lead to transformative healthcare service delivery.	
Prihatiningtias (2012)	Assess the influence of restructuring women's presence in the boardroom on firm financial, social, and environmental performance.	Gender diversity positively influences financial performance.	The exploratory research design does not support statistical analysis or generalization.
Mamun and Hassan (2016)	Analyse the relationship between changes in board characteristics and bank performance in Egypt.	Board size, CEO tenure, and board tenure enhance bank performance. No evidence of board structure or CEO power affecting performance. Board size negatively impacts employee performance during crises.	The study's focus on restructuring from 1999 to 2009 creates a specific time frame.
Manna and Byun (2017)	Explore the impact of retrenchment and investment restructuring strategies on performance in US retail firms.	Retailers focusing on retrenchment enhance operational efficiency and thrive in tough economic conditions when they identify and invest in growth opportunities.	The study's context in the developed US economy differentiates it.

**Source: Researcher (2024)**

## 2.5 Conceptual Framework

The figure 2.1 below depicts the relationships that were tested in this study. It shows factors that affect organisational performance such as customer, internal processes and learning and growth directly depend on operations restructuring (task reallocation and rationalisation of operations), governance restructuring (management change, hierarchical change and board composition), downsizing (attrition, voluntary termination, early retirement and incentives) and job restructuring (job flexibility, job design and job clarity).

**Figure 2.1: Conceptual framework**



Source: Researcher (2024)

## 2.6 Operationalization of Study Variables

To operationalize the research variables, the study determined the indicators/parameters of each independent variable and then employed ordinal or Likert scale to measure the independent variables. The study operationalized the research variables as follows:

**Table 2.2: Operationalization of Variables**

Variable	Indicator	Measure	Scale	Instrument	Author
Operations restructuring	Task reallocation	Likert or ordinal	5 Point Likert Scale	Questionnaire	Dialoke and Nkechi (2017)
	Rationalisation of operations		Cooper and Sommer, (2018)		
Governance Restructuring	Management change	Likert or ordinal	5 Point Likert Scale	Questionnaire	Mayr and Lixl (2019)
	Board composition				Groysberg et al., (2018)
	Hierarchical change				Joseph & Gaba, (2020)
Employee downsizing	Attrition	Likert or ordinal	5 Point Likert Scale	Questionnaire	Bergström and Arman (2017)
	Voluntary termination				Al-Saidi and Ali (2020)
	Early retirement incentives				Pohler & Riddell, (2019)
	Compulsory termination				
Job restructuring	Job flexibility	Likert or ordinal	5 Point Likert Scale	Questionnaire	Dastane (2020)
	Job redesign				Nwaeke and Obiekwe (2017)
	Job clarity				

**Source: Researcher (2024)**

## 2.7 Chapter Summary

The study focused on examining the influence of organisational restructuring on performance of the companies listed on the Nairobi Securities Exchange. It is grounded on the theory of change, structuration theory and resource based theory. The chapter also looked into the conceptual framework, empirical review, summary of research gaps and operationalisation of the study variables.



## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This section describes the research approach that was applied in order to perform this study. In addition, this section covered the research design and philosophy, the target population as well as how they are sampled, data collecting devices and procedures, and data analysis.

#### **3.2 Research Philosophy**

Holden and Lynch (2004) propose that a research philosophy serves as the underlying basis for collecting, analysing, and interpreting data regarding a particular phenomenon. According to Sekaran and Bougie (2016), proponents of positivism hold the view that reality is consistent and offers an unbiased foundation on which research claims can be verified. Upagade and Shende (2012) contend that the positivist standpoint enables the examination of research inquiries by quantifying observable social realities. The utilization of positivism was crucial in this investigation as it constrains the researcher's involvement to impartial data gathering and analysis. Consequently, the research outcomes tend to be directly observable and measurable. This philosophical stance holds particular significance in the current study, which aimed to ascertain the impact of independent variables on the dependent variable.

#### **3.3 Research Design**

Selecting a research design is incredibly important as it helps to ensure that the information collected can clearly and sufficiently answer the questions (Marshall et al., 2013). The descriptive cross-sectional research design was used in this study. This design was used because the methodological approach employed quantitative approaches to address the research questions and describe the relationship between restructuring and performance. A cross sectional approach was used because the study analysed data from the respondents at a single point in time. This design is appropriate as it is critical in investigating the presence or absence of relationship between variables (Cooper & Schindler, 2008). It is used to collect data on a phenomenon's present condition and to define what's going on in terms of scenarios or variables in a circumstance (Devi, 2017).

### 3.4 Population of the Study

The population of the study comprised of senior managers of the seven companies listed on the Nairobi Securities Exchange based, that have undergone restructuring between 2018 to 2022. The companies operate in different sectors namely; telecommunication and technology, manufacturing, commercial and services, insurance and banking. These companies are Kenya Airways Ltd, KCB Group Ltd, Nation Media Group, Standard Group Ltd, Safaricom PLC, Jubilee Holdings Ltd and East African Breweries Ltd. There are a total of 179 senior managers in the companies (EABL, 2023; Kenya Airways, 2023; KCB, 2023; NMG, 2023; Safaricom, 2023; Jubilee, 2023) as outlined in the table 3.1.

**Table 3.1: Population Distribution**

No	Firm	Total Senior Managers
1	Kenya Airways Ltd	33
2	KCB Group Ltd	41
3	Nation Media Group	24
4	Standard Group Ltd	21
5	Safaricom PLC	18
6	Jubilee Holdings Ltd	28
7	East African Breweries Ltd (EABL)	14
	<b>Total</b>	<b>179</b>

Source: (EABL, 2023; Kenya Airways, 2023; KCB, 2023; NMG, 2023; Safaricom, 2023; Jubilee, 2023)

### 3.5 Sampling Design

The entire list of elements in the target population from which samples can be picked at each sampling step is referred to as a sampling frame (Eckert, 2017). The sampling frame for this study therefore, were are all the senior managers of the listed firms that have undergone restructuring in between 2018 and 2022. For this study, the following simplified formula for proportions recommended by Yamane (1967) was used to calculate a sample size of 124. A 95% confidence level and precision level  $e=\pm 10\%$  was presumed for the calculation below:

$$n = \frac{N}{1 + N(e)^2}$$

$$n = \frac{179}{1 + 179(0.05)^2}$$

$n=124$

Where  $n$  is the sample size and  $N$  is the respondents' / population size.

Therefore, a sample size of 124 respondents was selected. Using the technique of purposive sampling, 124 employees were selected from the seven strata which are the seven NSE listed Firms namely, Kenya Airways Ltd, KCB Group Ltd, Nation Media Group, Standard Group Ltd, Safaricom PLC, Jubilee Holdings Ltd and East African Breweries Ltd. The number of staff selected from the target population to form the sample size was proportional to the number of staff accounted for in table 3.2 below;

**Table 3.2: Employees Selected from each NSE Listed Companies to Form the Sample**

No	Company	Number of staff (Target population)	Proportion of staff to target population (in %)	Number staff selected to be included in sample
1	Kenya Airways Ltd	33	18.4	23
2	KCB Group Ltd	41	22.9	28
3	Nation Media Group	24	13.4	17
4	Standard Group Ltd	21	11.8	15
5	Safaricom PLC	18	10.1	12
6	Jubilee Holdings Ltd	28	15.6	19
7	East African Breweries Ltd	14	7.8	10
	<b>Total</b>	<b>179</b>	<b>100</b>	<b>124</b>

**Source: Researcher (2024)**

### 3.6 Data Collection Instrument

A structured questionnaire was administered for primary data collection since, according to Gouda and Saranga (2018), it is the most generally used instrument for examining quantitative data because it is cost-effective, easy to administer, and analyse. Many additional researchers, like Isleyen and Duzeun (2019), have employed questionnaires as primary data-collecting devices. There were seven sections to the questionnaire. The respondents' backgrounds were covered in the first part. The questionnaire's other sections are content based, including statements that respondents rated on a Likert scale of 1 to 5. It includes questions on job restructuring, operations

restructuring, governance restructuring and downsizing as the independent factors, as well as organisational performance as the dependent variable. The questionnaires were delivered to the respondents at their workplaces by the researcher. The researcher provided explicit instructions and guidance to the respondents on how to complete the questionnaire. Respondents were then asked to complete the questionnaire accurately, completely, and honestly, while maintaining the confidentiality of the information they provide. The responders were given two days to complete the questionnaires. However, despite this period, some respondents returned the instruments after the two-day period.

### **3.7 Research Quality**

The instrument was pilot tested with respondents who are like those who were engaged in the real study to ensure that the tool measures what it should. According to Frigerio and De Amicis (2016), the pilot test should account for at least 10% of the total sample size. The pilot test was administered to a selected sample of 14 managers from the target population. The study targeted 2 senior manager from each of the firm.

#### **3.7.1 Validity Tests**

The validity of the pilot research was tested. According to Markus & Borsboom (2013), Validity is a data collecting instrument's capacity to measure what it is supposed to measure. In this research, validity was measured in three forms; content, criterion, and construct validity. Face validity was performed to evaluate the outlay of the tool while factor analysis was performed to evaluate construct validity. The face validity of the instrument was used to determine criterion, and construct validity. This was performed by observing the number of questionnaires filled. Further the researcher collected feedback from the respondents on the flow of the questions, understanding and comprehension.

Content validity involves testing the items to ensure they give appropriate measures for the concepts under study (Cooper & Schindler, 2014). Factor analysis was used to determine the content validity of the questions. These questions were grouped based on the number of items in each objective. The items with nearly zero difference had strong content validity while those with bigger margins were not valid hence needed to be rephrased. The researcher also analysed the

research instrument's content validity in collaboration with the Strathmore University supervisor, whose judgment was regarded as sufficient to determine the instrument's validity.

### **3.7.2 Reliability Tests**

The degree to which a research instrument generates consistent results after multiple duplicated investigations is known as reliability. Cronbach's Alpha was used to assess internal consistency. Cronbach's Alpha is a reliability coefficient that reflects how well elements within a unit are positively associated (Garg & Sam, 2020). An appropriate Cronbach's alpha range is 0.50 to 1.00 (Bryman, 2022; Dreyer & Hubrich, 2017; Garg & Sam, 2020). As a result, this study was considered trustworthy, with a Cronbach's alpha coefficient of more than 0.5. These tests aided in the correction of unclear questions, with the adjustments being put into the questionnaire that were used in the research.

The reliability of an instrument refers to the ability to produce consistent and stable measurements. Reliability can be seen from two sides: reliability which is the extent of accuracy and unreliability which is the extent of inaccuracy. The most common reliability coefficient is the Cronbach's alpha which estimates internal consistency by determining how all items on a test relate to all other items and to the total test - internal coherence of data (Bagozzi, 2021). The reliability is normally expressed as a coefficient between 0 and 1.00. If the coefficient is higher, the test is considered sufficiently reliable.

In this study, Cronbach's Alpha was used to measure reliability of the questionnaire. To establish the reliability of the constructs, 12 employees were randomly selected and administered with the questionnaire as supported by Kothari and Garg (2020) who indicated that at least 12% of the sample size would consist of the pilot testing. The coefficient of the data gathered from the pilot study was computed with assistance of Statistical Package for Social Sciences (SPSS) Version 24. The findings indicated that operations restructuring had a coefficient of 0.648, downsizing had a coefficient of 0.820, governance restructuring of 0.809 and job restructuring of 0.761. Since all constructs depicted that the value of Cronbach's Alpha is above the suggested value of 0.5, this study is considered sufficiently reliable (Nunnally, 2019). Reliability of the constructs is shown in Table 3.3.

**Table 3.3: Reliability Test of Constructs**

<b>Constructs</b>	<b>Reliability Cronbach's Alpha</b>	<b>Comments</b>
Operations restructuring	0.648	Accepted
Downsizing	0.820	Accepted
Governance restructuring	0.809	Accepted
Job restructuring	0.761	Accepted

**Source: Primary Data (2024)**

### **3.8 Data Analysis Methods**

The systematic application of statistical and/or logical methods to characterize and examine data is known as data analysis (Wickham, 2016). The data were keyed in into the Statistical Program for Social Sciences (SPSS) package version 24 after the completed questionnaires were reviewed for completeness. Descriptive and inferential statistics were used in the analysis of quantitative data. Descriptive statistics included percentages, tables, frequencies, averages, and standard deviations, whereas inferential statistics included regression and correlation analysis.

For the purposes of data analysis, a multivariate regression model with five variables was utilized. Company performance was the dependent variable in the model, job restructuring, operations restructuring, governance restructuring and downsizing were the four independent variables.

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4$$

$Y$  = is dependent variable (Organisational Performance) being predicted

$X_1$ = operations restructuring

$X_2$ = governance restructuring

$X_3$ = downsizing

$X_4$ = job restructuring

$\varepsilon$  = Error term

$\beta_0$  is the constant term in the equation, while  $\beta_1$ ,  $\beta_2$ , and  $\beta_3$  are coefficients of the independent variables.

The findings were presented using tables, pie charts and percentage charts. This enabled easy interpretation and recommendations to be drawn. To ensure the study met the requirements of multiple linear regression, diagnostic assumption tests such as collinearity, normality, autocorrelation, and heteroscedasticity were applied to the research data.

### **3.9 Ethical Considerations**

This research followed correct research protocols, and every information source was duly recognized to the best extent possible. Prior to distributing the questionnaire, consent was sought to ensure that responses are given voluntarily. Participants were informed of their option to abstain from the survey. Utmost confidentiality was upheld, particularly when handling questionnaires, and the identities of the participants remained undisclosed. The researcher utilized the questionnaires to collect data from respondents for both the pilot study and the actual project after acquiring the required approval from Strathmore and NACOSTI. The researcher distributed questionnaires to collect data. Before being administered, the questionnaire will be pre-tested for clarity and content validity.

The 124 questionnaires were sent to the appropriate personnel following the pilot testing phase. The questionnaires were delivered to the respondents at their workstations by the researcher. The researcher provided explicit instructions and guidance to the respondents on how to complete the questionnaire. Respondents were asked to complete the questionnaire accurately, completely, and honestly, while maintaining confidentiality of the information they provide. The responders had enough time to complete the surveys. Non-responsive individuals got reminders. The completed questionnaires were collected in readiness for analysis.

### **3.10 Chapter Summary**

This section outlined and provided reasoning for the research approach intended for the study. The segment elucidated the research blueprint and standpoint, the approach to selecting samples encompassing the population, method of sample collection, sample scope, and size. Furthermore, the part delineated the technique for gathering data and expounded upon the steps of the research

process. Lastly, ethical concerns have been considered along with the techniques designated for data analysis.



## CHAPTER FOUR

### RESEARCH FINDINGS AND DISCUSSIONS

#### 4.1 Introduction

This chapter provides a summary of the data collected through the use questionnaires. General trends are explained using frequencies, percentages, mean scores, standard deviations, tables, figures and descriptions of data as a way of presenting the findings of the investigation. The results of the empirical analysis together with the discussions of the findings and interpretations are also presented.

#### 4.2 Response Rate

From the data collected, out of the 124 questionnaires administered, 100 were filled and returned, which represents 80.6% response rate. This response rate is considered satisfactory in making conclusions for the study. Safaricom had the highest response rate of 91.7% followed by Nation Media Group with 88.2% whereas the least was EABL with 70%. Table 4.1 presents the response rate.

**Table 4.1: Response Rate**

Company	Industry	Targeted Sample	Responses	Response Rate
Kenya Airways Ltd	Commercial and Services	23	18	78.3%
KCB Group Ltd	Bank	28	22	78.6%
Nation Media Group	Commercial and Services	17	15	88.2%
Standard Group Ltd	Commercial and Services	15	12	80.0%
Safaricom	Technology	12	11	91.7%
Jubilee Holdings Ltd	Insurance	19	15	78.9%
East African Breweries Ltd	Manufacturing	10	7	70.0%
<b>Total</b>		<b>124</b>	<b>100</b>	<b>80.6%</b>

**Source: Primary Data (2024)**

### 4.3 Demographic Data

In establishing the demographic data of the respondents, the researcher begun by generally analysing the data which included; the respondent's gender, age, level of education and length of service in the organisation of the respondents.

#### 4.3.1 Gender Distribution of the respondents

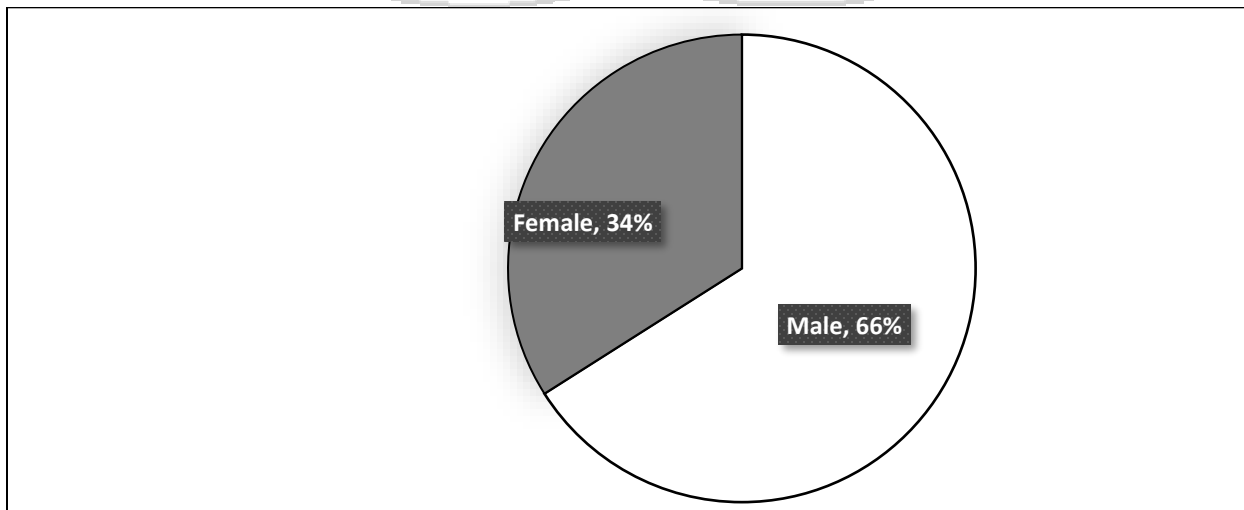
The study sought to establish the gender of the respondents to establish the level of gender representation. The descriptive statistics of the study indicated that 66% of the respondents were of the male gender while the remaining 34% were of the female gender. This implies that there is adequate gender representation in the management across the sector. Table 4.2 and Figure 4.1 shows the gender distribution of the respondents.

**Table 4.2: Gender Distribution**

Gender	Frequency	Percentage
Male	66	66
Female	34	34
<b>Total</b>	<b>100</b>	<b>100</b>

Source: Primary Data (2024)

**Figure 4.1: Gender Distribution of the Respondents**



Source: Primary Data (2024)

### 4.3.2 Age of the Respondents

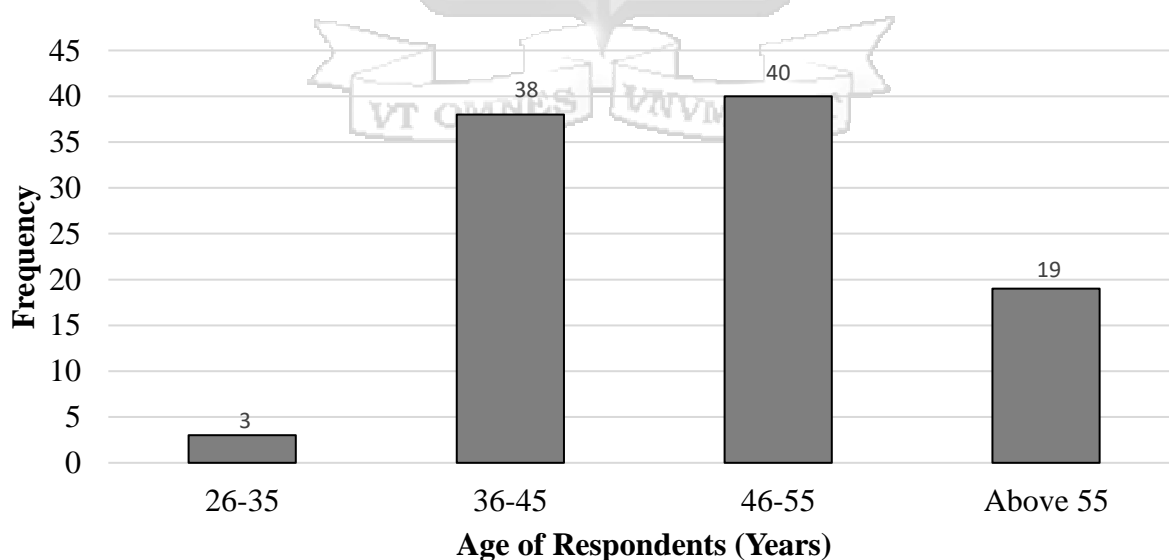
From the findings, majority of the respondents (40%) were between 46-55 years, (38%) of the respondents were between 36-45 years, 19% were above 55 years while 3% of the remaining respondents were aged between 26-35 years. The study clearly shows that there is representation across the different age brackets in the management of the selected NSE listed firms.

**Table 4.3: Age Distribution**

Age	Frequency	Percentage
26-35	3	3
36-45	38	38
46-55	40	40
Above 55	19	19
<b>Total</b>	<b>100</b>	<b>100</b>

Source: Primary Data (2024)

**Figure 4.2: Age of the Respondents**



Source: Primary Data (2024)

### 4.3.3 Respondents Highest Level of Education

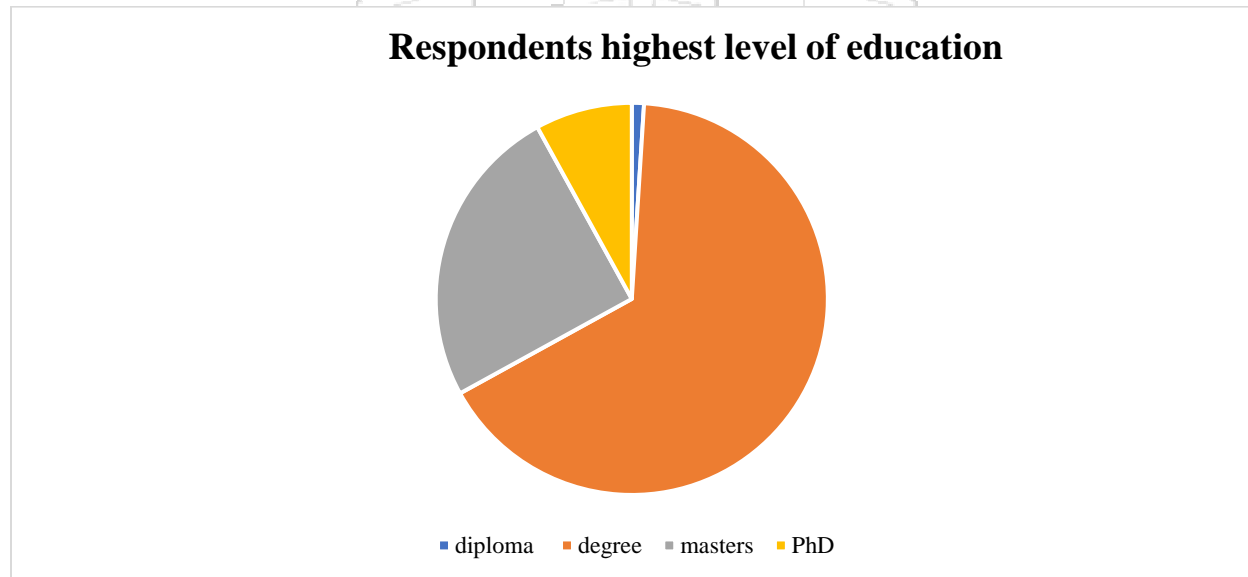
The findings show that majority of the respondents (66%) had attained a master’s degree as their highest level of education, 25% had an undergraduate degree, 8% of the respondents were PhD holders while only 1% had a diploma. This implies that majority of the respondents are knowledgeable and could easily understand the contents of the questionnaire and the concept of organisational performance and restructuring.

**Table 4.4: Highest Level of Education**

Age	Frequency	Percentage
Diploma	1	1
Bachelor’s Degree	25	25
Master’s degree	66	66
PhD	8	8
<b>Total</b>	<b>100</b>	<b>100</b>

Source: Primary Data (2024)

**Figure 4.3: Respondents Highest Level of Education**



Source: Primary Data (2024)

#### 4.3.4 Period of Service in the Organisation of Respondents

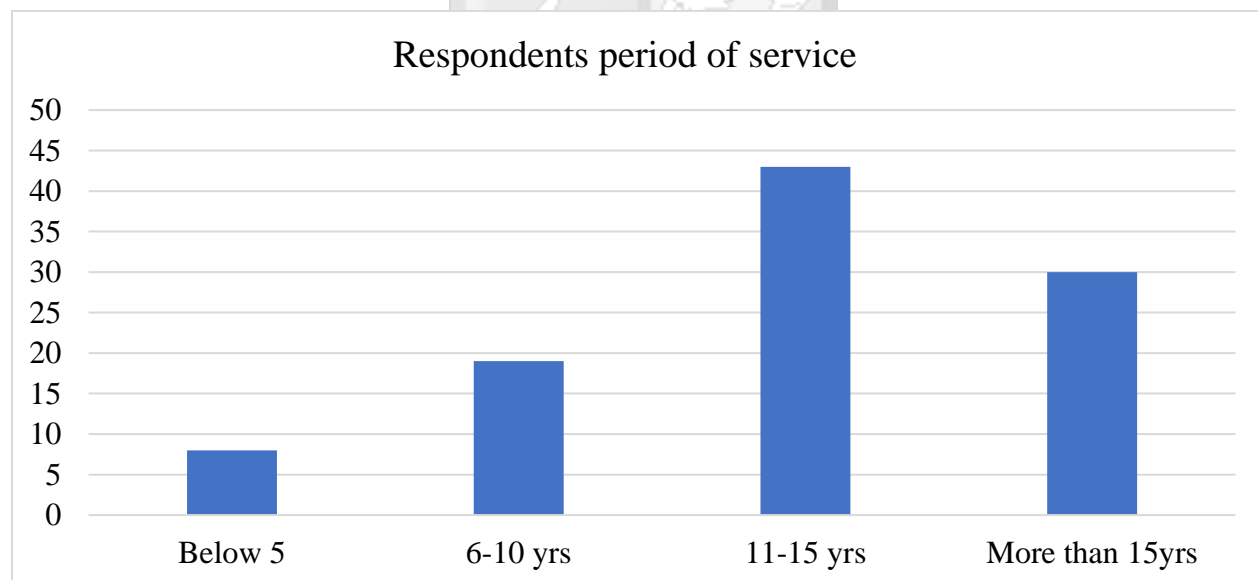
The study sought to find out the time period in years, which the respondent had worked in the organisation. The responses are summarized and presented in table 4.5 and figure 4.4.

**Table 4.5: Respondents Period of Service**

Respondents Period of Service	Frequency	Percentage
Below 5 years	8	8
6 – 10 years	19	19
11 -15 years	43	43
More than 15 years	30	30
<b>Total</b>	<b>100</b>	<b>100</b>

Source: Primary Data (2024)

**Figure 4.4: Respondents Period of Service**



Source: Primary Data (2024)

From the findings, majority of the respondents have a lengthy tenure in the organisation and thus they are well conversant with the daily operations to enhance work output in the organisations.

## 4.4 Descriptive Statistics

### 4.4.1 Operations restructuring

The study sought to determine the influence of operations restructuring on organisational performance. The respondents were asked to use the following five-point Likert Scale to score the various factors of employee values. *Where:* Strongly disagree (1), Disagree (2), Neutral (3), Agree (4), Strongly agree (5). The results are summarised in table 4.6.

**Table 4.6: Operations Restructuring on Organisational Performance**

Statements	Mean	SD
Through operations restructuring, staff gain morale to work since their responsibility is clearly stipulated thus effective performance of the firm as whole.	4.26	0.705
Through operations restructuring, staff are encouraged to be creative and innovative.	4.16	0.735
Rationalisation of operations adopted in our company is more adaptable to the services bestowed to the customers.	4.17	0.753
Operations restructuring within the firm is based on the service orientation where the changes are streamlined to the staff objectives.	4.15	0.702
Low staff turnover is reported since majority of the staff feel comfortable at work after the operations restructuring.	4.40	0.636
In my opinion, I believe that task reallocation is the best strategy in ensuring improved overall organisation's cost efficiency.	4.41	0.637
Task reallocation ensures employees have quality work experience which promotes their productivity.	4.40	0.682
	<b>4.28</b>	<b>0.693</b>

**Source: Primary Data (2024)**

From the findings summarized in table 4.3 above, operations restructuring had a high mean of 4.28 indicating that most respondents agreed with the statements regarding operations restructuring. Overall, there is a very small variation on the standard deviation ( $SD=0.693$ ) indicating that there was minimal variation. Task reallocation was the leading strategy in ensuring overall organisational performance with ( $M=4.41$ ), followed by low staff turnover reported as the restructuring will improve employee's morale and also task reallocation improve the quality of work ( $M=4.40$ ), staff gain morale through the operations restructuring ( $M=4.26$ ), rationalization of operations more adaptable to the services bestowed to the customers ( $M=4.17$ ), staff are encouraged to be creative ( $M=4.16$ ) and lastly that operations restructuring is based on service orientation( $M=4.15$ ).

#### 4.4.2 Governance Restructuring

The research aimed to explain the effect of governance restructuring on organisational performance. The following Likert Scale was applied to measure the different factors that underlie governance by leaders in organisations. *Where:* 1 = Strongly Disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; and 5 = Strongly Agree. Table 4.4 below summarizes and presents the findings obtained.

**Table 4.7: Governance Restructuring on Organisational Performance**

Governance Restructuring Statement	Mean	SD
Leaders encourage and support their employees to engage in decision-making.	4.48	0.627
Leaders encourage participation from organisational players and involve them in decision-making.	4.62	0.648
Leaders ensure that employees ideas on restructuring are taken seriously.	4.70	0.577
Leaders find ways to boost employee morale for change to take place.	4.52	0.643
Leaders keep employees updated on the change process.	4.64	0.578
Leaders are able to understand the employee concerns.	4.45	0.642
Leaders have periodic meetings to obtain ideas and feedback from employees	4.61	0.549

	Mean	SD
<b>Governance Restructuring Statement</b>		
The composition of our board and senior management has improved performance of the organisation	4.18	0.642
Through restructuring, the management change has yielded improved performance in our organisation	4.05	0.702
	<b>4.47</b>	<b>0.623</b>

**Source: Primary Data (2024)**

From the findings in table 4.7, governance restructuring had a high mean of 4.47 indicating that most respondents agreed with the statements regarding governance restructuring. Overall, there is a very small variation on the standard deviation ( $SD=0.623$ ) indicating that there was minimal variation. Majority of the employees agreed that their ideas on restructuring are taken seriously by the governance team ( $M=4.7$ ) followed by Leaders keep employees updated on the change process ( $M=4.64$ ). Leaders encourage participation from organisational players and involve them in decision-making had mean of 4.62, followed by leaders have periodic meetings to obtain ideas and feedback from employees ( $M=4.61$ ), Leaders find ways to boost employee morale for change to take place ( $M=4.52$ ), Leaders encourage and support their employees to engage in decision-making ( $M=4.48$ ). Leaders are able to understand the employee concerns ( $M=4.45$ ), The composition of our board and senior management has improved performance of the organisation ( $M=4.18$ ) and through restructuring, the management change has yielded improved performance in our organisation ( $M=4.05$ ).

#### 4.4.3 Downsizing

The research aimed to explain the effect of downsizing on organisational performance. The following Likert Scale was applied to measure the different factors that underlie governance by leaders in organisations. **Where:** 1 = Strongly Disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; and 5 = Strongly Agree. Table 4.8 below summarizes and presents the findings obtained.

**Table 4.8: Downsizing on Organisational Performance**

<b>Downsizing Statements</b>	<b>Mean</b>	<b>SD</b>
I believe that early retirement is the best strategy in ensuring improved overall organisation's cost efficiency.	4.09	.653
Early retirement has created career openings for younger workers.	4.19	.677
Early retirement has created promotional opportunity for the remaining employees.	4.11	.650
I feel early retirement as a downsizing strategy reduces the negative impact on remaining staff.	4.29	.743
I am prepared and ready psychologically and financially to retire early.	4.07	.700
Involuntary or forced early retirement makes me feel betrayed and abandoned.	4.30	.732
Fair procedures used in selecting employees for early retirement result in increased performance, job satisfaction and trust among survivors.	4.17	.667
In my opinion I believe that retrenchment is the best strategy in ensuring improved overall organisation's cost efficiency.	4.15	.672
Retrenchment has helped my firm achieve cost savings in its operations.	4.26	.691
Staff were adequately prepared or sensitized on the retrenchment plans and reasons for the changes fully explained to them.	4.29	.743
There has been increased productivity/performance of the surviving staff.	4.18	.642
There were clear grounds for the retrenchment that was explained to all of us.	4.29	.640
There has been constant engagement and sensitization of staff on the changes the organisation is facing which has helped reduce speculations and insecurity.	4.18	.744

<b>Downsizing Statements</b>	<b>Mean</b>	<b>SD</b>
I feel proud of my firm and give it my best despite the ongoing downsizing strategies.	4.25	.687
Retrenchment is the best downsizing strategy for an organisation experiencing funding challenges.	4.27	.649
	<b>4.22</b>	<b>0.689</b>

**Source: Primary Data (2024)**

From table 4.8, downsizing had a high mean of 4.22 indicating that most respondents agreed with the statements regarding downsizing. Overall, there is a very small variation on the standard deviation ( $SD=0.689$ ) indicating that there was minimal variation. Most of the respondents indicated that involuntary or forced early retirement makes them feel betrayed and abandoned ( $M=4.3$ ). This implies that the firms should look into their downsizing strategies and ensure that there is a good approach in their downsizing process so as to take care of the emotive reactions that may arise. The respondents also indicated that early retirement as a downsizing strategy reduces the negative impact on remaining staff ( $M=4.29$ ), followed by staff were adequately prepared or sensitized on the retrenchment plans and reasons for the changes fully explained to them ( $M=4.29$ ) and that there were clear grounds for the retrenchment that was explained to all of them ( $M=4.29$ ).

The respondents also noted that retrenchment is the best downsizing strategy for an organisation experiencing funding challenges with a mean of ( $M=4.27$ ). Retrenchment has helped my firm achieve cost savings in its operations ( $M=4.26$ ), followed by I feel proud of my firm and give it my best despite the ongoing downsizing strategies ( $M=4.25$ ), early retirement has created career openings for younger workers ( $M= 4.19$ ). There has been increased productivity or performance of the surviving staff ( $M=4.18$ ) and that there has been constant engagement and sensitization of staff on the changes the organisation is facing which has helped reduce speculations and insecurity ( $M=4.18$ ).

Fair procedures used in selecting employees for early retirement result in increased performance, job satisfaction and trust among survivors had a mean of 4.17 followed by I believe that

retrenchment is the best strategy in ensuring improved overall organisation's cost efficiency ( $M=4.15$ ). Early retirement has created promotional opportunity for the remaining employee ( $M=4.11$ ), I believe that early retirement is the best strategy in ensuring improved overall organisation's cost efficiency ( $M=4.09$ ) and lastly, I am prepared and ready psychologically and financially to retire early ( $M=4.07$ ). This implies that sensitisations should be done to employees to prepare them for any eventuality that may arise in their employment.

#### 4.4.4 Job Restructuring

The study sought to investigate the impact of various job restructuring practices on organisational performance. The respondents were asked to score using the following five-point Likert Scale. **Where:** 1 = Strongly Disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; and 5 = Strongly Agree. The responses are summarized and presented in Table 4.9.

**Table 4.9: Job Restructuring on Organisational Performance**

Job restructuring Statements	Mean	SD
There is job flexibility as a result of job restructuring.	4.34	.670
Change of job description has improved my performance.	4.40	.636
Grading structure change has improved organisational performance.	4.38	.736
Remuneration structure change has improved organisational performance.	4.43	.728
There is job clarity in our firm.	4.57	.655
There are policies to guide how job restructuring is undertaken in our firms.	4.58	.606
Job restructuring has improved my skills and knowledge.	4.46	.702
Job redesign improves the quality of work done by employees.	4.54	.593
Eliminating some roles through work redesign reduces on cost which improves the organisation performance.	4.41	.740
Work redesign can solve problems relating to skills, work overload, repetitiveness, and increase in working hours.	4.58	.606

<b>Job restructuring Statements</b>	<b>Mean</b>	<b>SD</b>
	<b>4.47</b>	<b>0.667</b>

**Source: Primary Data (2024)**

Based on the table, job restructuring had a high mean of 4.47 indicating that most respondents agreed with the statements regarding job restructuring. Overall, there is a very small variation on the standard deviation ( $SD=0.667$ ) indicating that there was minimal variation. Job restructuring is perceived to have the greatest impact on creating job clarity within the firm and solving problems relating to skills, work overload, repetitiveness, and increase in working hours ( $M=4.58$ ). Employees also felt that job restructuring has improved their skills and knowledge ( $M=4.54$ ). Similarly, a significant portion of the employees agreed that job restructuring has improved organisational performance ( $M=4.46$ ). There seems to be a positive perception among the employees regarding the existence of policies guiding how job restructuring is undertaken within the firm ( $M=4.46$ ).

A little over half of the employees agreed that the grading structure change has improved organisational performance ( $M=4.43$ ). Similarly, some employees agreed that the change of job description has improved their performance ( $M=4.40$ ). While the majority of the employees agreed with the positive impacts of job restructuring, there are still some who are not fully convinced. For instance, some respondents agreed that there is job flexibility as a result of the restructuring ( $M=4.40$ ). The statement that received the least agreement is "Eliminating some roles through work redesign reduces on cost which improves the organisation performance," with only 45 out of 100 employees agreeing ( $M=4.34$ ).

**4.4.5 Organisational Performance**

The respondents were asked to score using the following five-point Likert Scale. *Where:* 1 = Strongly Disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; and 5 = Strongly Agree. The responses are summarized and presented in Table 4.10.

**Table 4.10: Organisational Performance**

<b>Organisational Performance Statements</b>	<b>Mean</b>	<b>SD</b>
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Restructuring as a driver of long-term operational effectiveness.	4.17	.711
Enhancing operational efficiency.	4.03	.674
Upskilling the workforce for improved service delivery.	4.06	.750
Restructuring and customer satisfaction.	4.13	.720
Impact of restructuring on brand image.	4.09	.653
Improved internal processes.	4.16	.707
Fostering continuous learning and growth.	4.06	.679

**Source: Primary Data (2024)**

From the findings as summarized in Table 4.10 above, most of the respondents agreed that restructuring is a driver of long-term effectiveness ( $M=4.17$ ). Also, many of the employees believe that restructuring has improved internal processes ( $M=4.16$ ) and that restructuring has improved customer satisfaction ( $M=4.13$ ). Enhanced brand image received the next highest level of agreement, indicating that most employees perceive an improvement in the organisation's brand image following the restructuring ( $M=4.09$ ).

There is a major sentiment among the employees regarding the impact of restructuring on continuous learning and development within the organisation ( $M=4.06$ ). A relatively high proportion of the employees agree that restructuring has positively impacted on the development of relevant skills required for service delivery ( $M=4.06$ ). A moderate portion of the employees agree that restructuring has improved operational efficiency ( $M=4.03$ ).

## 4.5 Inferential Statistics

### 4.5.1 Correlation Analysis

Correlation analysis was done to calculate Karl Pearson Correlation Coefficient between dependent variable (organisational performance) and independent variables (operations restructuring, governance restructuring, downsizing and job restructuring). Correlation analysis was performed at 95% confidence level.

Findings in Table 4.11 indicate that governance restructuring had a coefficient of 0.696 which signifies a high correlation with organisational performance at a significance level of 0.000.

Operations restructuring with a correlation coefficient of 0.679 was found to be high at a significance level of 0.000 while downsizing with correlation coefficient of 0.614 was considered high at 0.000 significance level. Job restructuring correlation coefficient of -0.217 was found to be low at a significance level of 0.030. This indicates that governance restructuring had the highest association with organisational performance whereas job restructuring had the least association. This therefore clearly demonstrates that all the independent variables influenced organisational performance. The results were summarized and presented in Table 4.11 below.

**Table 4.11: Pearsons Correlation**

		<b>Organisational Performance</b>	<b>Operations Restructuring</b>	<b>Governance Restructuring</b>	<b>Downsizing</b>	<b>Job Restructuring</b>
<b>Organisational Performance</b>	Pearson Correlation	1	.679**	.696**	.614**	-.217*
	Sig(2tailed)		.000	.000	.000	.030
	N	100	100	100	100	100
<b>Operations Restructuring</b>	Pearson Correlation	.679**	1	.480	.482	-.034
	Sig(2tailed)	.000		.079	.077	.740
	N	100	100	100	100	100
<b>Governance Restructuring</b>	Pearson Correlation	.696**	.480	1	.640	-.063
	Sig(2tailed)	.000	.079		.089	.536
	N	100	100	100	100	100
<b>Downsizing</b>	Pearson Correlation	.614**	.482	.640	1	-.094
	Sig(2tailed)	.000	.091	.089		.353
	N	100	100	100	100	100
<b>Job Restructuring</b>	Pearson Correlation	-.217*	-.034	-.063	-.094	1
	Sig(2tailed)	.030	.740	.536	.353	
	N	100	100	100	100	100

\*\* . Correlation is significant at the 0.01 level (2-tailed).

\* . Correlation is significant at the 0.05 level (2-tailed).

#### 4.5.2 Linear Regression Analysis

Linear regression analysis was performed at 95% confidence level. This method allowed for prediction of respondents' score on one variable based on their scores on several other variables.

#### 4.5.2.1 Linear Regression Analysis for Operations Restructuring and Organisational Performance

Table 4.12 captures relationship between the independent variable (operations restructuring) and dependent variable (organisational performance). The linear regression model  $Y = \beta_0 + \beta_1 X_1 + E$ , where  $X_1$  is operations restructuring while  $E$  is the error term. The  $R$  value of (0.679) represents the correlation between operations restructuring and organisational performance. The  $R^2$  indicates the explanatory power of the independent variable. This means that (46.1%) of the variation in organisational performance is explained by operations restructuring. These findings concur with Waweru (2019) who found out that proper operations restructuring programs are implemented to improve performance within the organisation.



**Table 4.12: Model Summary for Operations Restructuring and Organisational Performance**

Model	R	R square	Adjusted R square	Std. Error	Sig
1	.679a	.461	.456	.520	0.010

a. Predictors: (Constant) Operations restructuring

b. Dependent Variable: Organisational performance

Source: Primary Data (2024)

The Analysis of Variation (ANOVA) was applied to see whether variations in operations restructuring could explain organisational performance differences. The model is a good fit,  $F(1,98) = 22.714$ ,  $P=0.000$  based on the results in the table 4.13. Consequently, operations restructuring illustrates variations in organisational performance.

**Table 4.13: Operations Restructuring ANOVA Results**

Model	SS	df	MSS	F	Sig	
1	Regression	22.714	1	22.714	83.915	.000
	Residual	26.526	98	.271		
	Total	49.240	99			

a. Dependent Variable: Organisational performance

b. Predictors: (Constant), Operations restructuring

Source: Primary Data (2024)

There was a positive and significant relationship between operations restructuring and organisational performance,  $\beta = 0.652$ ,  $p=0.000$ . This means that that a unit increase in operations restructuring led to an increase in organisational performance by 0.652. Thus, additional investments in operations restructuring had a positive effect on organisational performance at the NSE listed firms.

**Table 4.14: Operations restructuring Regression Coefficients**

Model		Unstandardized		Standardized	T	Sig.
		Coefficients		Coefficients		
		B	Std. Error	Beta		
1	(Constant)	1.548	.301		5.149	.000
	Operations restructuring	.652	.071	.679	9.161	.000

Dependent Variable: Organisational performance

Source: Primary Data (2024)

The regression equation is outlined;

$$Y = 1.548 + 0.652X_1 + \varepsilon$$

#### 4.5.2.2 Linear Regression Analysis for Governance Restructuring and Organisational performance

As indicated in table 4.15, the linear regression model  $Y = \beta_0 + \beta_2 X_2 + E$  depicts a relationship between the independent variable (governance restructuring) and dependent variable (organisational performance), where  $X_2$  is governance restructuring. The value of R and  $R^2$  are (0.696) and (48.4%) respectively. The  $R^2$  indicates the explanatory power of the independent variable. This means that 48.4% of the variation in organisational performance is explained by governance restructuring. The findings concur with those of Fan (2012) who found out that governance restructuring contributes greatly to performance in comparison with other factors like financial and operations restructuring.

**Table 4.15: Model Summary for Governance Restructuring and Organisational Performance**

Model	R	R square	Adjusted R square	Std. Error	Sig
1	.696a	.484	.479	.509	0.000

a. Predictors: (Constant) Governance restructuring

b. Dependent Variable: Organisational performance

Source: Primary Data (2024)

The Analysis of Variation (ANOVA) was applied to see whether variations in governance restructuring could explain organisational performance differences. The model is a good fit,  $F(1,98) = 92.039$ ,  $P=0.000$  based on the results in the table. As a consequence, governance restructuring illustrates variations in organisational performance.

**Table 4.16: Governance restructuring ANOVA Results**

	<b>Model</b>	<b>SS</b>	<b>df</b>	<b>MSS</b>	<b>F</b>	<b>Sig</b>
<b>1</b>	Regression	23.848	1	23.848	92.039	.000
	Residual	25.392	98	.259		
	Total	49.240	99			

a. Dependent Variable: Organisational performance

b. Predictors: (Constant), Governance restructuring

**Source: Primary Data (2024)**

There was a positive and significant relationship between governance restructuring and organisational performance,  $\beta = 0.652$ ,  $p=0.000$ . This means that that a unit increase in governance restructuring led to an increase in organisational performance by 0.652. Thus, additional investments in governance restructuring had a positive effect on organisational performance at the NSE listed companies.

**Table 4.17: Governance restructuring Regression Coefficients**

<b>Model</b>		<b>Unstandardized Coefficients</b>		<b>Standardized Coefficients</b>	<b>T</b>	<b>Sig.</b>
		<b>B</b>	<b>Std. Error</b>	<b>Beta</b>		
1	(Constant)	1.541	.288		5.354	.000
	Governance restructuring	.652	.068	.696	9.594	.000

Dependent Variable: Organisational performance

**Source: Primary Data (2024)**

The regression equation is outlined;

$$Y = 1.541 + 0.652X_2 + \varepsilon$$

### 4.5.2.3 Linear Regression Analysis for Downsizing and Organisational performance

As indicated in table 4.18, the linear regression model  $Y = \beta_0 + \beta_3 X_3 + E$  shows a relationship between the independent variable (downsizing) and dependent variable (organisational performance), where  $X_3$  is downsizing. From the findings in Table 4.21 the value of R and  $R^2$  are (0.614) and (37.7%) respectively. This means that 37.7% of the variation in performance is explained by downsizing. The  $R^2$  value as revealed by the result is moderate denoting a moderate relationship between organisational performance and downsizing.

**Table 4.18: Model Summary for Downsizing and Organisational Performance**

Model	R	R square	Adjusted R square	Std. Error	Sig
1	.614a	.377	.371	.559	0.010

**a. Predictors: (Constant) Downsizing**  
**b. Dependent Variable: Organisational performance**

**Source: Primary Data (2024)**

The Analysis of Variation (ANOVA) was applied to see whether variations in downsizing could explain organisational performance differences. The model is a good fit,  $F(1,98) = 59.413$ ,  $P=0.000$  based on the results in the table. As a consequence, downsizing illustrates variations in organisational performance.

**Table 4.19: Downsizing ANOVA Results**

Model	SS	Df	MSS	F	Sig	
1	Regression	18.585	1	18.585	59.413	.000
	Residual	30.655	98	.313		
	Total	49.240	99			

a. Dependent Variable: Organisational performance

b. Predictors: (Constant), Downsizing

**Source: Primary Data (2024)**

There was a positive and significant relationship between downsizing and organisational performance,  $\beta = 0.617$ ,  $p=0.000$ . This means that that a unit increase in downsizing led to an increase in organisational performance by 0.617. Thus, additional investments in downsizing had a positive effect on organisational performance at the NSE listed firms.

**Table 4.20: Downsizing Regression Coefficients**

Model		Unstandardized		Standardized	T	Sig.
		Coefficients		Coefficients		
		B	Std. Error	Beta		
1	(Constant)	1.698	.337		5.036	.000
	Downsizing	.617	.080	.614	7.708	.000

Dependent Variable: Organisational performance

**Source: Primary Data (2024)**

The regression equation is outlined;

$$Y = 1.698 + 0.617X_3 + \varepsilon$$

#### 4.5.2.4 Linear Regression Analysis for Job Restructuring and Organisational Performance

Table 4.21 captures relationship between the independent variable (job restructuring) and dependent variable (organisational performance) in the form  $Y = \beta_0 + \beta_4 X_4 + E$ , where  $X_4$  is job restructuring. The value of R and  $R^2$  are (0.217) and (0.047) respectively. This means that 4.7% of the variation in organisational performance is explained by job restructuring. Therefore, there is a very low relationship between job restructuring and organisational performance.

**Table 4.21: Model Summary for Job Restructuring and Organisational Performance**

Model	R	R square	Adjusted R square	Std. Error	Sig
1	.217a	.047	.037	.692	0.010

**a. Predictors: (Constant) Job restructuring**

**b. Dependent Variable: Organisational performance**

**Source: Primary Data (2024)**

The Analysis of Variation (ANOVA) was applied to see whether variations in job restructuring could explain organisational performance differences. The model is a good fit,  $F(1,98) = 4.85$ ,  $P=0.000$  based on the results in the table. As a consequence, job restructuring illustrates variations in organisational performance.

**Table 4.22: Job Restructuring ANOVA Results**

	Model	SS	df	MSS	F	Sig
1	Regression	2.322	1	2.322	4.850	.030
	Residual	46.918	98	.479		
	Total	49.240	99			

a. Dependent Variable: Organisational performance

b. Predictors: (Constant), Job restructuring

**Source: Primary Data (2024)**

There was a negative and low relationship between job restructuring and organisational performance,  $\beta = -0.24$ ,  $p=0.030$ . This means that that a unit increase in job restructuring led to a decrease in organisational performance by 0.24 units. Thus, additional investments in job restructuring had a negative effect on organisational performance at the NSE listed firms.

**Table 4.23: Job Restructuring Regression Coefficients**

Model		Unstandardized		Standardized	T	Sig.
		Coefficients		Coefficients		
		B	Std. Error	Beta		
1	(Constant)	5.320	.486		10.940	.000
	Job restructuring	-.240	.109	-.217	-2.202	.030

Dependent Variable: Organisational performance

**Source: Primary Data (2024)**

The regression equation is outlined;

$$Y = 5.32 - 0.24X_4 + \varepsilon$$

#### 4.5.3 Multiple Linear Regression Analysis

The multiple linear regression models show the linear relationship between the dependent variable (organisational performance) and independent variables (downsizing, governance restructuring, downsizing and job restructuring). The linear regression model;  $Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon$ , where  $Y$  is the organisational performance,  $\beta_0$  is constant and  $\varepsilon$  is the error term of the model.  $X_1$  is downsizing,  $X_2$  is governance restructuring,  $X_3$  is downsizing and  $X_4$  is job restructuring. A multiple linear regression analysis was performed to determine the relative contribution of each of the four independent variables to organisational performance.

The value of R and R<sup>2</sup> are (0.825) and (0.681) respectively. This means that 68.1% of the variation in organisational performance is explained by restructuring. Therefore, there is a significant relationship between restructuring and organisational performance.

**Table 4.24: Model Summary for Restructuring and Organisational Performance**

Model	R	R square	Adjusted R square	Std. Error	Sig
1	.825a	.681	.668	.407	0.010

a. Predictors: (Constant) Restructuring

b. Dependent Variable: Organisational performance

Source: Primary Data (2024)

The Analysis of Variation (ANOVA) was applied to see whether variations in restructuring could explain organisational performance differences. The model is a good fit,  $F(1,95) = 50.696$ ,  $P=0.000$  based on the results in the table. As a consequence, restructuring illustrates variations in organisational performance.

**Table 4.25: Restructuring ANOVA Results**

	Model	SS	df	MSS	F	Sig
1	Regression	33.531	4	8.383	50.696	.000
	Residual	15.709	95	.165		
	Total	49.240	99			

a. Dependent Variable: Organisational performance

b. Predictors: (Constant), Restructuring

Source: Primary Data (2024)

The results shown in Table 4.23 indicate that the three independent variables (downsizing, governance restructuring and job restructuring) had positive influence on organisational performance undertaken by the NSE listed firms. Results show operations restructuring ( $X_1$ ) with ( $\beta_1=0.397$ ),  $p=0.000$  which indicates its moderate contribution to organisational performance followed by governance restructuring ( $X_2$ ) with ( $\beta_2=0.367$ ),  $p=0.000$  and downsizing ( $X_3$ ) with ( $\beta_3=0.15$ ),  $p=0.000$ . All of these variables were significant at 95% confidence level. It was however noted that job restructuring ( $X_4$ ) with ( $\beta_4=-0.182$ ), ( $p>0.05 = 0.06$ ) was statistically insignificant in explaining organisational performance. Therefore, as indicated in the table below, the multiple linear regression model is;

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

$$Y = 1.26 + 0.397X_1 + 0.367X_2 + 0.150X_3 + \varepsilon$$

**Table 4.26: Regression Coefficients**

Variable	Unstandardized Coefficients			Sig.
	B	Std. Error	T	
(Constant)	1.260	.418	3.017	.003
Operations restructuring	.397	.066	6.050	.000
Governance restructuring	.367	.073	5.026	.000
Downsizing	.150	.079	1.902	.006
Job restructuring	-.182	.064	-2.830	.060

**Source: Primary Data (2024)**

#### 4.6 Chapter Summary

This chapter has presented the results and findings following the analysis of data. The primary section provides the results in terms of the respondent's background, which is followed by the descriptive analysis of operations restructuring, governance restructuring, downsizing and job restructuring on the performance of the companies listed on the NSE. Lastly, the inferential analysis of correlation and regression was conducted. The next chapter offered the conclusion, summary as well as the discussions and recommendations.

## CHAPTER FIVE

### SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

#### 5.1 Introduction

This chapter presents a discussion of the study findings and the conclusion informed by the findings. The chapter also offers recommendations to the research objectives. First a summary of the study is offered.

#### 5.2 Summary of the Findings

The overall objective of the study was to examine the influence of organisational restructuring on the performance of companies listed on the Nairobi Securities Exchange. It was guided by specific objectives namely; to determine the influence of operations restructuring on the performance of the companies listed on the NSE; to determine the influence of governance restructuring on the performance of the companies listed on the NSE; to determine the influence of downsizing on the performance of the companies listed on the NSE and to determine the influence of job restructuring on the performance of the companies listed on the NSE.

The study was anchored on Theory of Change, Structuration Theory and Resource Based Theory. The study adopted descriptive research design. The targeted population of this study were the 179 senior managers of the seven companies listed on the Nairobi Securities Exchange based in Nairobi County, that have undergone restructuring in the last five years. A non-probability technique of purposive sampling was applied to select a sample size of 124 respondents. A structured questionnaire was used as an instrument for primary data collection. For quantitative data, descriptive statistics and inferential statistics was used in the analysis of data. Descriptive statistics included percentages, tables, frequencies, means, and standard deviations while inferential statistics included regression and correlation analysis using Statistical Package for Social Sciences (SPSS) package version 24. The findings were presented using tables, pie charts and percentage charts.

From the data collected, out of the 124 questionnaires administered, 100 were filled and returned, which represents 80.6% response rate. This response rate is considered satisfactory in making conclusions for the study. Safaricom had the highest response rate of 91.7% followed by Nation

Media Group with 88.2% whereas the least was EABL with 70%. The descriptive statistics of the study indicated that 66% of the respondents were of the male gender while the remaining 34% were of the female gender.

The Pearson correlation indicated that governance restructuring had a coefficient of 0.696 which signifies a high correlation with organisational performance at a significance level of 0.000. Operations restructuring with a correlation coefficient of 0.679 was found to be high at a significance level of 0.000 while downsizing with correlation coefficient of 0.614 was considered moderate at a significance level. Job restructuring correlation coefficient of -0.217 was found to be low at a significance level of 0.030. This indicates that governance restructuring had the highest contribution on organisational performance whereas job restructuring contributed the least. This therefore clearly demonstrates that all the independent variables influenced organisational performance.

From the linear regression, there was a positive and significant relationship between operations restructuring ( $\beta = 0.652$ ,  $p=0.000$ ), governance restructuring ( $\beta = 0.652$ ,  $p=0.000$ ), downsizing ( $\beta = 0.617$ ,  $p=0.000$ ) and organisational performance. This means that that a unit increase in operations restructuring, governance restructuring and downsizing led to an increase in organisational performance by 0.652, 0.652 and 0.617 units respectively. Thus, additional investments in operations restructuring, governance restructuring and downsizing had a positive effect on organisational performance at the NSE listed firms. In contrast, there was a negative and low relationship between job restructuring and organisational performance,  $\beta = -0.24$ ,  $p=0.030$ . This means that that a unit increase in job restructuring led to a decrease in organisational performance by 0.24 units. Thus, additional investments in job restructuring had a negative effect on organisational performance at the NSE listed firms.

From the regression analysis, the study established that operations restructuring ( $X_1$ ) with ( $\beta_1=0.397$ ),  $p=0.000$  had a moderate contribution to organisational performance followed by governance restructuring ( $X_2$ ) with ( $\beta_2=0.367$ ),  $p=0.000$  and downsizing ( $X_3$ ) with ( $\beta_3=0.15$ ),  $p=0.000$ . All of these variables were significant at 95% confidence level. It was however noted that job restructuring ( $X_4$ ) with ( $\beta_4=-0.182$ ), ( $p>0.05 = 0.06$ ) was statistically insignificant in explaining organisational performance

### 5.3 Discussion of Findings

The study sought to investigate the four main objectives namely; to determine the influence of operations restructuring on the performance of the companies listed on the NSE; to determine the influence of governance restructuring on the performance of the companies listed on the NSE; to determine the influence of downsizing on the performance of the companies listed on the NSE and to determine the influence of job restructuring on the performance of the companies listed on the NSE.

#### 5.3.1 Operations Restructuring and Organisational Performance

Findings on the first objective indicated that task reallocation was the leading strategy in ensuring overall organisational performance with ( $M=4.41$ ), followed by low staff turnover reported as the restructuring will improve employee's morale and also task reallocation improves the quality of work ( $M=4.40$ ), staff gain morale through the operations restructuring ( $M=4.26$ ), rationalization of operations more adaptable to the services bestowed to the customers ( $M=4.17$ ), staff are encouraged to be creative ( $M=4.16$ ) and lastly that operations restructuring is based on service orientation( $M=4.15$ ).

Operations restructuring plays a critical role in shaping organisational performance across various industries. By strategically realigning processes and resources, organisations can achieve greater efficiency, flexibility, and competitiveness in the marketplace (Grant & Parker, 2021). Operations restructuring occurred in the NSE listed firms due to substantial changes in a company's operational dynamics, advancements in technology and products, shifts in tax regulations, foreign competition, and changes in the regulations. This restructuring approach served as a tool to aid the firms in improving their situations, such as during economic downturns.

The regression analysis showed that operations restructuring with ( $\beta_1=0.397$ ),  $p=0.000$  had a moderate and positive influence on organisational performance. The findings are supported by Evans, Chitnomrath, and Christopher (2013) who conducted a study on Thai corporations post-bankruptcy reorganisation. They found that successful companies focused on cost reduction, shedding non-core assets, and downsizing, but internal operational changes did not correlate with success. Aroosiya and Ali (2013) explored operations restructuring in Sri Lankan schools and

found a direct link between operations restructuring and school performance, recommending effective task identity, feedback mechanisms, and autonomy to enhance teacher performance. Chiavoghi and Emerole (2017) studied Ghanaian banks and found that change management and operations restructuring positively impacted employee commitment. Ihunwo (2022) investigated organisational restructuring in Nigeria's healthcare sector, finding a correlation between restructuring and operational effectiveness.

On the contrary, Ojo (2019) examined organisational restructuring in Nigeria's Federal Ministry of Health, finding an insignificant relationship between operations restructuring and performance. Jarso (2013) studied commercial banks in Kenya, revealing high adoption of operations restructuring strategies reduced organisational performance due to slow adoption of change management strategies.

### **5.3.2 Governance Restructuring and Organisational Performance**

Findings on the second objective showed that majority of the employees agreed that their ideas on restructuring are taken seriously by the governance team ( $M=4.7$ ), followed by Leaders keep employees updated on the change process ( $M=4.64$ ). Leaders encourage participation from organisational players and involve them in decision making had mean of 4.62, followed by leaders have periodic meetings to obtain ideas and feedback from employees ( $M=4.61$ ), Leaders find ways to boost employee morale for change to take place ( $M=4.52$ ), Leaders encourage and support their employees to engage in decision-making ( $M=4.48$ ). Leaders are able to understand the employee concerns ( $M=4.45$ ), The composition of our board and senior management has improved performance of the organisation ( $M=4.18$ ) and through restructuring, the management change has yielded improved performance in our organisation ( $M=4.05$ ).

Studies have shown that diverse and independent boards resulting from governance restructuring can lead to more effective oversight and strategic guidance (Carter, Simkins, & Simpson, 2003; Ojo, 2019). Effective governance restructuring includes robust leadership succession planning, ensuring continuity and stability in organisational leadership (Dalton & Dalton, 2011). Governance restructuring often focuses on enhancing accountability mechanisms and transparency in organisational operations, fostering trust among stakeholders (Harrison & Caron, 2014). Improved governance structures facilitate better stakeholder engagement, leading to enhanced organisational reputation and performance (Waddock & Bodwell, 2004). Governance restructuring is often driven

by regulatory requirements to comply with corporate governance standards and guidelines (Tricker, 2012). Despite its potential benefits, governance restructuring can face challenges such as resistance to change, cultural barriers, and implementation complexities (Gomez-Mejia, Haynes, & Nunez-Nickel, 2007).

From the regression analysis, the regression analysis showed that governance restructuring with ( $\beta_2=0.367$ ),  $p=0.000$  had a moderate and positive influence on organisational performance. The findings are supported by Muchiri and Kimunguyi (2018) who examined the effects of corporate governance changes on Microfinance Institutions (MFIs) in Kenya. They discovered a positive relationship between governance restructuring and organisational performance. On the contrary, Munene, Ndegwa, Senaji, and Mugambi (2020) investigated the role of board reorganization in the financial distress of Deposit Taking SACCOs in Nairobi County. They found that governance restructuring led to decreased organisational performance. Governance restructuring plays a critical role in shaping organisational performance and sustainability. By enhancing governance practices, organisations can strengthen leadership effectiveness, accountability, and stakeholder relations, ultimately contributing to improved performance outcomes.

### **5.3.3 Downsizing and Organisational Performance**

Findings on the third objective showed that most of the respondents indicated that involuntary or forced early retirement makes them feel betrayed and abandoned ( $M=4.3$ ). This implies that the firms should look into their downsizing strategies and ensure that there is a good approach in their downsizing process so as to take care of the emotive reactions that may arise. The respondents also indicated that early retirement as a downsizing strategy reduces the negative impact on remaining staff ( $M=4.29$ ), followed by staff were adequately prepared or sensitized on the retrenchment plans and reasons for the changes fully explained to them ( $M=4.29$ ) and that there were clear grounds for the retrenchment that was explained to all of us ( $M=4.29$ ). Early retirement has created promotional opportunity for the remaining employee ( $M=4.11$ ), I believe that early retirement is the best strategy in ensuring improved overall organisation's cost efficiency ( $M=4.09$ ) and lastly, I am prepared and ready psychologically and financially to retire early ( $M=4.07$ ). This implies that sensitisations should be done to employees to prepare them for any eventuality that may arise in their employment.

Employee downsizing is frequently implemented to achieve short-term financial improvements. Studies have shown that downsizing can lead to reduced labour costs and enhanced profitability in the immediate aftermath (Cascio, 2020; De Meuse et al., 2021). However, the long-term financial impact may vary, with some research indicating potential negative effects on innovation and market competitiveness due to reduced workforce capacity and expertise (Gandolfi, 2018; Guthrie, 2019). Downsizing can have significant implications for employee morale and productivity. Research suggests that survivors of downsizing often experience increased job insecurity, stress, and reduced job satisfaction, which can negatively affect their performance and overall organisational productivity (Cameron, 2017; Wanberg & Banas, 2020).

Downsizing can impact organisational culture and trust among employees. Studies highlight that downsizing often leads to a loss of trust in management, decreased organisational commitment, and weakened cohesion within teams, which can impair overall organisational effectiveness (Mishra, 2020; Rousseau, 2020). Employee downsizing may influence an organisation's ability to innovate and adapt to market changes. Research suggests that reducing the workforce can diminish diversity of thought and limit creative problem-solving capabilities, potentially hindering the organisation's capacity to innovate and respond to emerging challenges (Gandolfi, 2008; Guthrie, 2019)

The regression analysis showed that downsizing with ( $\beta_3=0.15$ ),  $p=0.000$  had a moderate and positive influence on organisational performance. The findings are supported by Duncan (2015) who explored survival strategies of long-serving multinational enterprises in Europe, highlighting the contribution of restructuring efforts over time to survival and improved performance. Obi and Nwoye (2021) examined downsizing practices during restructuring in Nigerian hospitals and found a correlation between employee morale, perceived success of downsizing strategies, and improved productivity and profitability.

On the contrary, Ruiters (2011) investigated the effects of employee downsizing on South African labour inspectors, revealing negative impacts on feelings and performance due to technological changes and demand shifts. Ongwae and Moronge (2016) evaluated organizational restructuring's influence on commercial banks' performance in Kenya, indicating negative relationship between certain restructuring strategies (e.g., system upgrades, centralization, downsizing) and performance metrics. Okibo (2012) Investigated retrenchment effects on service delivery in

selected ministries in Kisii Central District, highlighting the negative impact of downsizing on morale and performance among retained civil servants.

Employee downsizing and organisational performance underscores complex relationships and outcomes. While downsizing can yield short-term financial benefits, it often comes at the cost of reduced employee morale, diminished organisational culture, and potential long-term negative impacts on innovation and adaptability. Future research should focus on identifying strategies to mitigate the adverse effects of downsizing and explore alternative approaches to workforce management that prioritize both efficiency and employee well-being.

#### **5.3.4 Job Restructuring and Organisational Performance**

Findings on the fourth objective showed that job restructuring is perceived to have the greatest impact on creating job clarity within the firm and solving problems relating to skills, work overload, repetitiveness, and increase in working hours (M=4.58). Employees also felt that job restructuring has improved their skills and knowledge (M=4.54). Similarly, a significant portion of the employees agreed that job restructuring has improved organisational performance (M=4.46). There seems to be a positive perception among the employees regarding the existence of policies guiding how job restructuring is undertaken within the firm (M=4.46). A little over half of the employees agreed that the grading structure change has improved organisational performance (M=4.43). Similarly, some employees agreed that the change of job description has improved their performance (M=4.40). While majority of the employees agreed with the positive impacts of job restructuring, there are still some who are not fully convinced. For instance, some respondents agreed that there is job flexibility as a result of the restructuring (M=4.40).

Job restructuring can influence employee productivity and efficiency by aligning job roles with organizational goals and individual competencies. Research by Hackman and Oldham (2019) on job enrichment highlights how redesigning jobs to include variety, autonomy, and skill development can enhance employee motivation and performance. Job restructuring can promote organizational adaptability and innovation by allowing for more agile and flexible work processes. Studies by Tushman and O'Reilly (2017) emphasize the importance of job redesign in fostering creativity and responsiveness to changing market conditions.

Job restructuring initiatives that consider employee input and preferences can lead to higher levels of engagement and job satisfaction. Research by Morgeson and Humphrey (2016) on job design

principles underscores the relationship between job characteristics and employee well-being, which ultimately impacts organizational performance. Job restructuring can also contribute to cost efficiency and resource optimization by streamlining workflows and eliminating redundant tasks. Studies by Cascio (2013) on responsible restructuring highlight how job redesign can help organizations achieve operational efficiency without compromising performance.

The regression analysis showed that job restructuring ( $X_4$ ) with ( $\beta_4=-0.182$ ), ( $p>0.05 = 0.06$ ) was statistically insignificant in explaining organisational performance. The findings are in contrast with that of Ahmed (2018), Ojwang (2014) and Ochieng, and Owuor (2014) who found a positive and significant relationship between job restructuring and organisational performance. Job restructuring can have significant negative implications for organizational performance, affecting employee morale, stress levels, team dynamics, engagement, and initial productivity. Organizations must carefully consider the potential drawbacks of job restructuring and implement change management strategies to mitigate adverse effects on performance.

#### **5.4 Conclusion**

The first objective was to determine the influence of operations restructuring on organisational performance in NSE listed firms. The study concludes that operations restructuring had a positive and significant relationship on organisational performance in NSE listed firms. Operations restructuring plays a critical role in shaping organisational performance across various industries. By strategically realigning processes and resources, organisations can achieve greater efficiency, flexibility, and competitiveness in the marketplace. Operations restructuring occurred in the NSE listed firms due to substantial changes in a company's operational dynamics, advancements in technology and products, shifts in tax regulations, foreign competition, and changes in the regulations. This restructuring approach served as a tool to aid the firms in improving their situations, such as during economic downturns.

The second objective was to determine the influence of governance restructuring on organisational performance in NSE listed firms. The study concludes that governance restructuring had a positive and significant relationship on organisational performance in NSE listed firms. Governance restructuring plays a critical role in shaping organisational performance and sustainability. By enhancing governance practices, organisations can strengthen leadership effectiveness,

accountability, and stakeholder relations, ultimately contributing to improved performance outcomes.

The third objective was to determine the influence of downsizing on organisational performance in the NSE listed firms. The study concludes that downsizing had a positive and significant relationship on organisational performance in NSE listed firms. Employee downsizing and organisational performance underscores complex relationships and outcomes. While downsizing can yield short-term financial benefits, it often comes at the cost of reduced employee morale, diminished organisational culture, and potential long-term negative impacts on innovation and adaptability. Future research should focus on identifying strategies to mitigate the adverse effects of downsizing and explore alternative approaches to workforce management that prioritize both efficiency and employee well-being.

The fourth objective was to determine the influence of job restructuring on organisational performance in the NSE listed firms. The study concludes that job restructuring did not influence organisational performance in NSE listed firms. However, it should not be ignored as job restructuring can have significant negative implications for organizational performance, affecting employee morale, stress levels, team dynamics, engagement, and initial productivity. Organizations must carefully consider the potential drawbacks of job restructuring and implement change management strategies to mitigate adverse effects on performance.

## **5.5 Recommendations**

### **5.5.1 Recommendations to Management of NSE Listed Firms**

The study recommends that management should engage with and communicate effectively to their employees when undertaking employee downsizing to ensure that there is a good approach to the process so as to take care of any emotive reactions that may arise and negatively impact performance. Given that the study has demonstrated the relationship between board diversity and organizational performance, it is recommended that management should ensure that board diversity components including gender diversity, board size, and board independence are strengthened and tracked by the organization to ensure optimal organizational performance.

### **5.5.2 Recommendations to Policy Makers**

The study thus recommends that the policy makers should work on crafting robust and clear guidelines for organizational restructuring to incorporate aspects such as communication, staff engagement, and employee redundancy administration. Clear policies can aid companies in navigating restructuring effectively to avert negative impact and foster organizational performance. The study recommends that policy makers invest in capacity development for companies undergoing restructuring. Policymakers could offer workshops, hold educational conferences, or design a curriculum that is specific to organizational restructuring for adoption by various academic institutions in the country. This will create a knowledge bank that organizations can tap into for guidance in planning and executing effective and impactful organizational restructuring. Lastly, the study recommends that policy makers should reinforce laws governing restructuring of listed companies by introducing clauses that require them to reveal their restructuring plans comprehensively and to offer a solid argument for the strategy they have chosen in order to achieve transparency and accountability.

### **5.5.2 Theoretical Contribution**

The study established that there was insignificant influence of job restructuring on performance. Thus, the study recommends that future studies on job restructuring are done with a larger population in different industries.

### **5.6 Limitations of the Study**

During data collection, certain limitations were encountered as some respondents were reluctant to provide necessary information, likely due to their attitudes towards the study or concerns about potential victimization. To address this challenge, efforts were made to build rapport with respondents by explaining the purpose of the research and ensuring them that any information provided would be kept confidential. Additionally, a formal letter from the University was obtained to assure respondents that the data collected would only be used for academic purposes. Furthermore, the study faced delays on questionnaire returns. To overcome this, research assistants facilitated a self-administered approach where they delivered and retrieved the questionnaires from respondents.

## 5.7 Areas for Further Studies

The study established that the three independent variables (operations restructuring, governance restructuring and downsizing) explained 68.1% of the variation organisational performance undertaken by the NSE listed firms whereas job restructuring was insignificant in explaining variation in organisational performance. Therefore, it is recommended that additional research should be done on other variables of restructuring, for instance financial restructuring, and its influence on organisational performance in the NSE listed firms.



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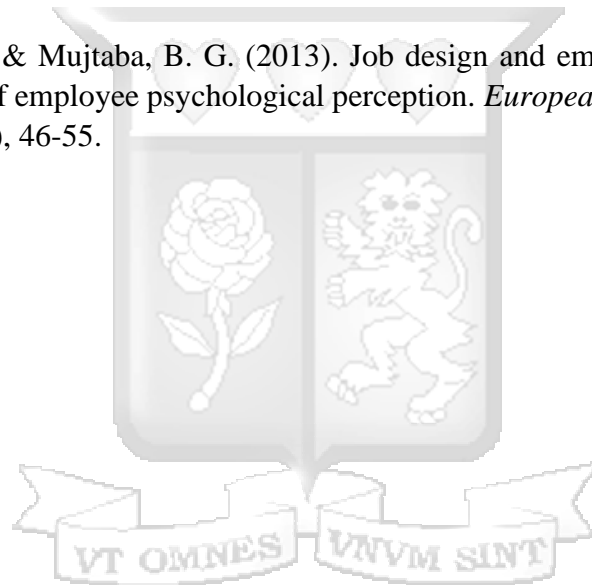
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## APPENDICES

### APPENDIX 1: PARTICIPANT INFORMATION AND CONSENT FORM

#### SECTION 1: INFORMATION SHEET

#### THE INFLUENCE OF ORGANISATIONAL RESTRUCTURING ON THE PERFORMANCE OF COMPANIES LISTED ON THE NAIROBI SECURITIES EXCHANGE

**Investigator:** Joan Githinji

**Institutional affiliation:** Strathmore Business School (SBS)

#### SECTION 2: INFORMATION SHEET – THE STUDY

##### 2.1: Why is this study being carried out?

The study seeks to bridge the contextual and conceptual gaps by addressing the question: How does organisational restructuring influence the performance of companies listed on the NSE?

##### 2.2: Do I have to take part?

No. Taking part in this study is entirely optional and the decision rests only with you. If you decide to take part, you will be asked to complete a questionnaire to get information on restructuring processes and performance in your company. If you are not able to answer all the questions successfully the first time, you may be asked to sit through another informational session after which you may be asked to answer the questions a second time. You are free to decline to take part in the study from this study at any time without giving any reasons.

##### 2.3: Who is eligible to take part in this study?

The study targets senior managers of the seven companies listed on the Nairobi Securities Exchange based in Nairobi County, that have undergone restructuring in the last five years. These companies are Kenya Airways Ltd, KCB Group Ltd, Nation Media Group, Standard Group Ltd, Safaricom PLC, Jubilee Holdings Ltd and East African Breweries Ltd

##### 2.4: Who is not eligible to take part in this study?

The study does not have exclusion criteria for the targeted respondents.

### **2.5: What will taking part in this study involve for me?**

You will be approached and requested to take part in the study. If you are satisfied that you fully understand the goals behind this study, you will be asked to sign the informed consent form (this form) and then taken through a questionnaire to complete. Filling of the questionnaire is estimated to take 15 minutes.

### **2.6: Are there any risks or dangers in taking part in this study?**

There are no risks in taking part in this study. All the information you provide will be treated as confidential and will not be used in any way without your express permission.

### **2.7: Are there any benefits of taking part in this study?**

The study will bring out the challenges encountered by various NSE listed firms with regards to restructuring. The research will also make a significant contribution to existing theories and practices.

### **2.8: What will happen to me if I refuse to take part in this study?**

Participation in this study is entirely voluntary. Even if you decide to take part at first but later change your mind, you are free to withdraw at any time without explanation.

### **2.9: Who will have access to my information during this research?**

All research records will be stored in securely locked cabinets. That information may be transcribed into Statistical Package for Social Sciences (SPSS) but this will be sufficiently encrypted and password protected. Only the researcher will have access to your information. All your information will be kept confidential.

### **2.10: Who can I contact in case I have further questions?**

You can contact me, Joan Githinji, at SBS, or by e-mail (Joan.Githinji@strathmore.edu), or by phone (0723526182). You can also contact my supervisor, Dr. Stella Nyongesa at the Strathmore Business School, Nairobi, or by e-mail (Stella.Nyongesa@strathmore.edu) or by phone (0727 178 850)

**If you want to ask someone independent anything about this research please contact:** The Secretary–Strathmore University Institutional Ethics Review Board, P. O. BOX 59857, 00200,

Nairobi, email ethicsreview@strathmore.edu Tel number: +254 703 034 375 I, \_\_\_\_\_, have had the study explained to me. I have understood all that I have read and have had explained to me and had my questions answered satisfactorily. I understand that I can change my mind at any stage.

Please tick the boxes that apply to you;

**Participation in the research study**

I AGREE to take part in this research.

I DON'T AGREE to take part in this research.

**Storage of information on the completed questionnaire**

I AGREE to have my completed questionnaire stored for future data analysis.

I DON'T AGREE to have my completed questionnaire stored for future data analysis.

**Participant's Signature:** \_\_\_\_\_

**Date:** \_\_\_\_/\_\_\_\_/\_\_\_\_ *DD / MM / YEAR*

**Participant's Name:** \_\_\_\_\_

**Time:** \_\_\_\_ / \_\_\_\_

I, \_\_\_\_\_ (Name of person taking consent) certify that I have followed the SOP for this study and have explained the study information to the study participant named above, and that s/he has understood the nature and the purpose of the study and consents to the participation in the study. S/he has been given opportunity to ask questions which have been answered satisfactorily.

**Investigator's Signature:** \_\_\_\_\_

**Date:** \_\_\_\_/\_\_\_\_/\_\_\_\_ *DD / MM / YEAR*

**Investigator's Name:** \_\_\_\_\_

**Time:** \_\_\_\_ / \_\_\_\_

**APPENDIX 2: INTRODUCTION LETTER**

**Graduate School**  
**Strathmore University**  
**P.O Box 59857-00200**  
**Nairobi**

November, 2023

**Dear Sir/Madam,**

**RE: Dear Respondent**

I am Ms. Joan Githinji, a Master of Commerce student at Strathmore University. In regard to fulfillment of my post graduated programme, I am undertaking research on the influence of organisational restructuring on the performance of companies listed on the Nairobi Securities Exchange. I seek your assistance in the process of data collection. The statistics gathered are solely for academic purposes. I give you assurance to confidentiality. Your collaboration and support is greatly acknowledged.

Yours Sincerely,

.....

**Joan Githinji,**  
**Master of Commerce student**

### APPENDIX 3: QUESTIONNAIRE

This project is being undertaken in partial fulfilment of the requirement for the degree of Master of Commerce. The information collected will be treated with utmost confidentiality and will be used for academic purposes only.

#### SECTION A: BACKGROUND DATA

1. Indicate your gender

Male  Female

2. Indicate your age bracket

25 years and below  26 – 35 years  36 – 45 years

45-55 years  Above 55 years

3. What is your highest level of education?

Secondary  Diploma  Degree  Masters  PHD  Others (Specify)...

4. How long have you worked in this organisation?

Less than 5 years  6- 10 years  11- 15 years  More than 15 years

#### SECTION B: OPERATIONS RESTRUCTURING

To what extent do you agree with the following statements on operations restructuring by your company? Please indicate your level of agreement with statements using the following scale: Strongly disagree (1), Disagree (2), Neutral (3), Agree (4), Strongly agree (5)

	Statements	1	2	3	4	5
5.	Through operations restructuring, staff gain morale to work since their responsibility is clearly stipulated thus effective performance of the firm as whole.					
6.	Through operations restructuring, staff are encouraged to be creative and innovative.					

7.	Rationalisation of operations adopted in our company is more adaptable to the services bestowed to the customers.					
8.	Operations restructuring within the firm is based on the service orientation where the changes are streamlined to the staff objectives.					
9.	Low staff turnover is reported since majority of the staff feel comfortable at work after the operations restructuring.					
10.	In my opinion, I believe that task reallocation is the best strategy in ensuring improved overall organisation's cost efficiency.					
11.	Task reallocation ensures employees have quality work experience which promotes their productivity.					

### SECTION C: GOVERNANCE RESTRUCTURING

To what extent do you agree with the following statements on governance restructuring by your company? Please indicate the extent to which you agree or disagree using the following scale: Strongly disagree (1), Disagree (2), Neutral (3), Agree (4), Strongly agree (5)

	Statements	1	2	3	4	5
12.	Leaders encourage and support their employees to engage in decision-making.					
13.	Leaders encourage participation from organisational players and involve them in decision-making.					
14.	Leaders ensure that employees ideas on restructuring are taken seriously.					
15.	Leaders find ways to boost employee morale for change to take place.					
16.	Leaders keep employees updated on the change process.					
17.	Leaders are able to understand the employee concerns.					
18.	Leaders have periodic meetings to obtain ideas and feedback from employees.					

19.	The composition of our board and senior management has improved performance of the organisation.					
20.	Through restructuring, the management change has yielded improved performance in our organisation.					

**SECTION D: DOWNSIZING**

6. To what extent do you agree with the following statements downsizing by your company? Please indicate the extent to which you agree or disagree using the following scale: Strongly disagree (1), Disagree (2), Neutral (3), Agree (4), Strongly agree (5)

	<b>Statements</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
21.	I believe that early retirement is the best strategy in ensuring improved overall organisation's cost efficiency.					
22.	Early retirement has created career openings for younger workers.					
23.	Early retirement has created promotional opportunity for the remaining employees.					
24.	I feel early retirement as a downsizing strategy reduces the negative impact on remaining staff.					
25.	I am prepared and ready psychologically and financially to retire early.					
26.	Involuntary or forced early retirement makes me feel betrayed and abandoned.					
27.	Fair procedures used in selecting employees for early retirement result in increased performance, job satisfaction and trust among survivors.					
28.	In my opinion I believe that retrenchment is the best strategy in ensuring improved overall organisation's cost efficiency.					
29.	Retrenchment has helped my firm achieve cost savings in its operations.					
30.	Staff were adequately prepared or sensitized on the retrenchment plans and reasons for the changes fully explained to them.					

31.	There has been increased productivity/performance of the surviving staff.					
32.	There were clear grounds for the retrenchment that was explained to all of us.					
33.	There has been constant engagement and sensitization of staff on the changes the organisation is facing which has helped reduce speculations and insecurity.					
34.	I feel proud of my firm and give it my best despite the ongoing downsizing strategies.					
35.	Retrenchment is the best downsizing strategy for an organisation experiencing funding challenges..					

#### SECTION E: JOB RESTRUCTURING

To what extent do you agree with the following statements job restructuring by your company? Please indicate the extent to which you agree or disagree using the following scale: Strongly disagree (1), Disagree ( 2 ), Neutral ( 3 ), Agree ( 4 ), Strongly agree (5)

No	Statements	1	2	3	4	5
36.	There is job flexibility as a result of job restructuring.					
37.	Change of job description has improved my performance.					
38.	Grading structure change has improved organisational performance.					
39.	Remuneration structure change has improved organisational performance.					
40.	There is job clarity in our firm.					
41.	There are policies to guide how job restructuring is undertaken in our firms.					
42.	Job restructuring has improved my skills and knowledge.					

43.	Job redesign improves the quality of work done by employees.					
44.	Eliminating some roles through work redesign reduces on cost which improves the organisation performance.					
45.	Work redesign can solve problems relating to skills, work overload, repetitiveness, and increase in working hours.					

**SECTION F: ORGANISATIONAL PERFORMANCE**

Please indicate the extent of agreement using the following scale: Not at all (1), To a small extent (2), To a moderate extent (3), To a great extent (4), To a very great extent (5)

	<b>Statements</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
46.	Restructuring is key in driving long-term operational effectiveness in our company.					
47.	In our organisation restructuring has affected positively efficiency in our operations.					
48.	In our organisation, restructuring has positively affected relevance skills that are required in our service delivery to public.					
49.	There is improved customer satisfaction because of restructuring.					
50.	Brand image has improved in our organisation.					
51.	There is improved internal processes in our organisation.					
52.	There is continuous learning and growth in our organisation.					

**THANK YOU FOR YOUR PARTICIPATION**

## **APPENDIX 4: LISTED COMPANIES AT THE NAIROBI SECURITIES EXCHANGE**

East African Breweries Ltd (EABL)

Jubilee Holdings Ltd

KCB Group Ltd

Kenya Airways Ltd

Nation Media Group

Safaricom PLC

Standard Group Ltd



## APPENDIX 5: ETHICS REVIEW APPROVAL LETTER



20<sup>th</sup> November 2023

Ms Githinji Joan Wangui,  
Joan.Githinji@strathmore.edu

Dear Ms Githinji,

**RE: The Influence of Organisational Restructuring on the Performance of Companies Listed on the Nairobi Securities Exchange**

This is to inform you that SU-ISERC has reviewed and **approved** your above **SU-masters** research proposal. Your application reference number is **SU-ISERC1896/23**. The approval period is from **20<sup>th</sup> November 2023 to 19<sup>th</sup> November 2024**.

This approval is subject to compliance with the following requirements:

- i. Only approved documents including (informed consents, study instruments, MTA) will be used.
- ii. All changes including (amendments, deviations, and violations) are submitted for review and approval by SU-ISERC.
- iii. Death and life-threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to SU-ISERC within 72 hours of notification.
- iv. Any changes anticipated or otherwise that may increase the risks or affected safety or welfare of study participants and others or affect the integrity of the research must be reported to SU-ISERC within 72 hours.
- v. Clearance for the export of biological specimens must be obtained from relevant institutions.
- vi. Submission of a request for renewal of approval at least 60 days prior to the expiry of the approval period. Attach a comprehensive progress report to support the renewal.
- vii. Submission of an executive summary report within 90 days of completion of the study to SU-ISERC.



Before commencing your study, you will be expected to obtain a research license from National Commission for Science, Technology, and Innovation (NACOSTI) <https://research-portal.nacosti.go.ke/> and obtain other clearances needed.

Yours sincerely,

**Mr Ambrose Rachier,  
Chairperson; SU-ISERC**



## APPENDIX 6: NACOSTI PERMIT

 REPUBLIC OF KENYA	 <b>NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY &amp; INNOVATION</b>
Ref No: <b>259437</b>	Date of Issue: <b>12/December/2023</b>
<b>RESEARCH LICENSE</b>	
	
<b>This is to Certify that Ms.. Joan Wangui Githinji of Strathmore University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Nairobi on the topic: THE INFLUENCE OF ORGANISATIONAL RESTRUCTURING ON THE PERFORMANCE OF COMPANIES LISTED ON THE NAIROBI SECURITIES EXCHANGE for the period ending : 12/December/2024.</b>	
License No: <b>NACOSTI/P/23/31743</b>	
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