DECLARATION

This research project is my original work and has not been presented for a degree or other award in any other university. No part of this research project should be reproduced without authority of the author or/and Kenyatta University.

Signature ..................................... Date .................................

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D53/CTY/PT/28077/2014

This research project has been submitted to the university with my approval as the university supervisor.

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DEDICATION

This research project is dedicated to my husband John and my daughters Stacy, Sally and Samara.
ACKNOWLEDGEMENT

I would like to thank God for the strength and grace He has given me to go through this academic journey. I also thank my dear husband for giving me space to advance academically and also constantly encouraging me. I appreciate my children for understanding my long absence from their lives to study. In addition, I acknowledge my fellow students for always giving me moral support as we travelled through this course together. Finally, I appreciate my supervisor Dr. Maina for guiding me through this project patiently.
ABSTRACT

The main aim of this research was to analyze the relationship between corporate restructuring and performance of the National Police Service in Kenya. For a long-time the National Police Services have performed poorly in terms of their roles. A report by Transparency International Kenya pointed that more than half of Kenyans (54%) of Kenyans felt that the institution did not provide enough security as provided by the constitution. KHRC report agreed with the report as it stated that the police have not performed well which was evidenced from 58 percent of citizens who reported that the crimes by police between the years 2015 to 2016 were not satisfying in terms of their response to crimes. As such, the government has conducted radical changes on the operation and structure of the institution. In spite of the constitutional structure proposed by the Kenyan constitution, the state is still garnering for more changes to the National Police Service so that the administration police can converted into regular police. The study aimed to investigate corporate restructuring and organization performance of National Police Service in Kenya. The study was based on the Resource Based View theory which emphasizes on the internal resources of an organization and how they have an impact on strategic formulation so as to sustain a competitive advantage within the market. The study used described research design. Primary data was collected using questionnaire. A sample of 60 respondents were selected from the total population. This study was analyzed using a descriptive research which used frequency distribution tables and figures. The researcher conducted a multiple regression analysis in order to establish the relationship between restructuring and performance of the National Police Service in Kenya (dependent variable). The study results established that the effect of portfolio restructuring on performance of National Police Service is that it encourages cooperation among different units to ensure it delivers to the expectations of the citizens. The study concluded that the effect of organizational restructuring on the performance of National Police Service Additionally, the study recommended that NPS should ensure that they utilize organizational restructuring in an effort to motivate their employees and also that NPS should restructure the way in which the police force work in Kenya and instill strict discipline upon their officers by ensuring good organizational governance so that the overall image of the NPS doesn’t continue being jeopardized.
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ABBREVIATIONS AND ACRONYMS

CEOs  Chief Executive Officer

DIGPs  Deputy Inspector Generals

LBO  Leveraged Buy-Outs

MBO  Management Buy-Outs

NPS  National Police Service

OST  Open Systems Theory

R&D  Research and Development

RBV  Resource Based View
OPERATIONAL DEFINITION OF TERMS

Corporate is a legal entity that is separate and distinct from its owners.

Financial are the finances or financial situation of an organization or individual.

Performance it is the organization achievement of the intended objectives, goals and in order to meet customer expectations.

Portfolio is a formal approach that an organization can use to orchestrate, prioritize and benefit from projects.

Restructuring this refers to re-organization of the firm organization structures, financial and operation strategies in order to attain intended objectives and improve its performance.

is the corporate management term for the act of reorganizing the legal, ownership, operational, or other structures of a company for the purpose of making it more profitable, or better organized for its present needs.
CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Many organizations operate in unprecedented environment with a number of dynamics like advanced technology. Some companies have faced tremendous profitability speed, maximum shareholder wealth and market share (Flemming, Michael & Moon, 2013). If this organizations would have reorganized their business according to the upcoming challenges mostly in advancement and dynamic technology they would have survived. According to Sriwan (2014) the performance of an organization should be assessed by comparing the performance levels of the firm against the specific objective to find out whether the aim has been attained. A firm is able to attain its objective in terms of the effectiveness using the least amount of resources in order to maximize the efficiency levels.

Organizational performance is determined by the firm’s strength in achieving its aims effectively and efficiently with the consideration of constraints that the limited resources imposed (Lebans & Euske, 2012). Organization has no criterion for choosing among alternative investment strategies and projects without objectives. To achieve an effective performance in the organization various strategies were put in place to improve their performance and ensure they outdo their market competitor by being the most influential and effective. To cope with the changing environment and improve their performance the companies used the corporate restructuring strategy to achieve its goal (Anderson, 2010).
During the past 10 years, corporate restructuring is becoming a main form of management in the world today. Various numbers of organizations in the world have reorganized their divisions, assets and leveling off of their activities and the divisions would lead to an increase in corporate performance (Bowman & Singh, 2013). Various organizations also respond very fast to new opportunities and pressures that are not expected in order to implement their competitive advantage. The notion of corporate restructuring is to facilitate the continuation of the functioning of an organization which may attain the core competence of the continuous acquisition of other firms that are being restructured in order to maintain particular firm assets while not investing in others.

Restructuring refers to the alteration of the structure of an organization’s business and financial structure. Lebans and Euske (2012) notes that the organizations that have undergone restructuring in an effective manner will be theoretically more efficient organized and focused in the achievement of a strategic financial plan. According to Lal, Pitt and Beloucif (2013), the act of restructuring has been applied by managers in several companies in order to level off costs, increases in productivity and revenues and an improvement in the welfare of employees, a rise in the wealth of shareholders will lead to an enhanced efficiency and an improvement in performance levels.

1.1.1 Corporate Restructuring

Fleming (2010) stated that corporate restructuring can redesign a number of organization issues. The process of reorganization of a firm will depend on various elements such as the company’s position in terms of its competitiveness, the survival of a company within a particular economic climate and the self-confidence of the organization in heading towards a particular direction (Koplan, Steven & Morgan, 2011). Corporate restructuring
may have a main aim or may have a number of aims (Koplan, Steven & Morgan, 2011). Corporate restructuring is therefore essential in eliminating all the money issues thus improving the performance of the company (McConnel & John, 2010).

Bowman and Singh (2013) strategies of corporate restructuring involve 4 approaches; financial, portfolio, the operational and organizational restructuring. The term portfolio restructuring refers to the changing and manipulation of a portfolio by auctioning the assets that are not needed and replacing them with the assets that are more preferred (Maria, Angel & Javier, 2015). Financial restructuring is a process aimed towards the prevention of a company’s liquidation. It mainly concerns agreements among third parties for the purposes of fulfilling the claims of the creditors who are governed by the terms and conditions of agreement (Lal, Pitt & Beloucif, 2013).

Organizational restructuring stems from the variations in human resource institutional policies (Bowman & Singh, 2013). The current human resource policies need to undergo changes as time and situations change. Operational restructuring happens when there exist major changes in the surrounding business which may be in the form of technology and innovations in products, changes in laws related to taxes, deregulations, laws and foreign competition. This type of restructuring can be seen to be vital in the turnaround proposed action for an organization in an unpleasant situation; more often during an economic down turn. Reorganizations are seen to be particularly painful for enterprises where layoffs and stringent comes close to home.

If corporate restructuring becomes successful, then businesses have an opportunity to fully revamp its functionality (Roni, Wayne & Shaw, 2011). Corporate restructuring may
have single or multiple aims where the most dominant may be seen to be important in contributing to corporate restructuring that is successful (Hulbert & James, 2010). A corporate restructuring firm that is seen to be doing well will not identify issues where there is loss of funds, but other solutions can be provided in order for a company to find ways to institute the handling of such issues. They will also assist a company to undergo the process of restructuring through the development of forecasts that will ensure that the company is able to secure the funds necessary to make such changes. Corporate restructuring can assist in the restoration, preservation and enhancement of the value of the organization.

1.1.2 Organization Performance

Lusthan and Adrien (2010) stated that organizational performance refers to the ability to fulfill an institution’s objectives using the least amount of resources. Abbasnejad et al. (2017) indicated that organizational performance can be gained as a result of outcomes from work that has been accomplished and the argument is that good performance within the public sector can be measured through four indicators such as relevance, economy, efficiency and effectiveness. Lusthan and Adrien (2011) also support that the measurement of performance can be complicated because factors that measure performance are interpreted differently by different people. Most traditional measures of performance mainly focus on the financial aspect. This has received criticism for not offering a more balanced perspective on the financial and non-financial measures of performance in an organization.

With the growth of the global economy, more institutions undergo an immense level of pressure to do well (Lusthaus, Anderson & Murphy, 2013). To maintain a consistent
availability in the market place, there is need for a higher degree of performance. In the past situations, organizations could function efficiently through the reliance on the process of managing systems and techniques which is seen to no longer be successful in a multi-stakeholder business environment that is very interdependent and competitive that organizations operate currently. In order for organizations to continue surviving they must adopt an outcome-based approach in the process of management. Firms need to have a proper understanding of the elements that measure performance in the present environment in order for them to survive.

For firms within the government and non-profit organizations, the results that have been defined have not on most occasions been expected and such firms have objectives that are broad based that may not easily be understood (Fowler, 2014). It can also be said that in an economy where public spending has reduced organizations can handle the pressure by improving the overall performance through fulfilling of missions, efficiencies and relevance in the organizations in terms of how they handle changing circumstances in the organization.

Most non-profit organizations, such as public institutions, see their performance in terms of how well they are able to handle the specifications as stipulated in their mission or goal statements. According to Lusthaus, Anderson and Murphy (1995) pointed out that specific forces have an effect on the levels of performance such as the ability of an organization and the forces in the surrounding and the internal drivers of the organization. Therefore an organization is said to be effective to the level where it is able to achieve its mission and objectives. According to Lusthaus, Anderson and Murphy (1995) state that concepts that have been used in the determination of organizational performance are
efficiency and effectiveness. Nevertheless, since the 1970s, there have been various variables that have been used to define organizational performance. These concepts include innovation, morale, adaptability, change orientation and turnover. Also, there have been a wide range of notions that have been circulating, though it is widely known that difference changes orientation. Thus Lusthaus, Anderson and Murphy (1995) conclude that organizations perform when they are able to strike a balance between effectiveness, efficiency and applicability.

1.1.3 National Police Service

In the past few years, the Kenya Police force has undergone a significant growth. The expansion has been experienced in the General Service Unit, the criminal investigation department, the police and other service units that have undergone specialization. The administration police also have a unit for deployment; they also secure government buildings and patrol units to the border. Just as any other organization, the security arena along with other police units has gone through reformation for the purposes of restructuring. The promulgation of the 2010 constitution also contributed to other reforms within the police force. The Kenya Police and Administration police form the National Police Service (Constitution of Kenya, 2010).

The choice to form a National Police Service after many years is for the purpose of reformation of the police force through the investments on several initiatives. The National Task Force on Police Reforms was formed in 2009 by the state in order to initiate reforms on the police. The consultations that were conducted led to the production of more than 200 endorsements with the inclusion of proposals that aim at restructuring the police force in order to form new institutions responsible for making policies on the
police. In the year 2011, the state published a 3 year reform police programme for the purposes of transforming the police service into a trusted and effective agency for security in Kenya. Key changes were witnessed in the promulgation of the 2010 constitution in terms of the command and structure of the police. This bill was then instituted in order to facilitate the implementation of the constitution.

In order to reform the sector on security, the state has continued to inject funds heavily toward the security sector through the hiring of more police and the equipping of police so as to contribute towards their overall welfare. In spite of the process of restructuring, the police have still fallen short in terms of their duties to deliver quality policing that the people of Kenya expect. Based on a report by the NPS (2017) on crime, there was an indication that an estimated total of 77,992 crimes were reported in 2017 in comparison to 76,986 reported in 2016. This implied that the number of cases increased by an overall 3 percent. The rise in reported cases is accredited to an increased tendency to steal which is 12 percent of the cases, theft of stocks (11 percent), offences against individuals (1 percent), theft by servant (8 percent), economic crimes (5 percent), vehicle theft (4 percent), offences caused by police (51 percent), homicide (1 percent) and robbery (1 percent) increase. Nevertheless, a reduction in the category of crimes that were listed such as the offence against morality (12 percent), abuse of dangerous drugs (10 percent), other penal case offenses (4 percent), traffic offences (50 percent) and corruption comprising 18 percent of the cases. The cause may be attributed to the electioneering period in 2017. The reforms were made as a result of their negligence during the 2007 and 2008 post-election violence. Aside from the background and statistic of the study, the
aim of the study is to assess the effect of restructuring on the performance of the police service.

1.2 Statement of the Problem

The National Police Service has the responsibility to provide security to the citizens of Kenya from disobedience and attack of set laws and regulations. Nevertheless, the study that was carried out by Transparency International Kenya (2016) showed that 54 percent of Kenyans were of the perception that sufficient security was not being provided by the institution as indicated in the constitution, 26 percent felt that moderate security was being maintained and the remainder 20 percent felt that the services of the police were sufficient and that the country was secure. Another viewpoint indicated that half of the police service that was heading the security of the country stated that the state of security was average while 65 percent stated that the country wasn’t secure. It was also found that 75 percent of citizens were procuring a bribe to the police in order to be served. KHRC (2017) confirmed that the performance of the police was not good. Also, 53 percent of the citizens expressed dissatisfaction in the manner in which cases were handled. The outcomes are in conformation of the Ipsos Synovate (2016) survey in which 58 percent of the crimes reported to police in the year 2015-2016 were not properly addressed. Based on the TI-Kenya’s East Africa Bribery Index trends analysis (2012-2016), there were positive observable outcomes reported within the police service in the 5 years that were being reviewed. In addition, the probability of asking for a bribe from the police had also reduced. Nevertheless, the actual bribe payment had risen.

In spite of the constitutional structure proposed by the Kenyan constitution, the state is still garnering for more changes to the National Police Service so that the administration
police can be converted into regular police. The study therefore intends to investigate whether these changes in the structure will lead to a rise in performance in the sector and whether there is a need for the change.

The institutions that fail are those that are being led by those who cannot adopt themselves to change. As indicated in the background of the study, it is necessary that organizations restructure in order to facilitate better performance and remain up to date with current changes as with corporate restructuring. It therefore needs to be timely and appropriate in order to guarantee organizational success.

Local studies that have been conducted include Airo (2009) who analyzed the restructuring of institutions in terms of their financial status and Ochira (2009) also studied the impact of restructuring on the well-being of employees and their accreditation on the Kenya Railways Corporation. Munjuri (2011) conducted a study on the impact of restructuring on the workers who found that most took part in restructuring by the Kenya Commercial banks which was also associated with retrenchment of workers. This was seen to reduce costs and maximize profits. Ayoo (2011) wanted to assess the effects of corporate restructuring on the level of job satisfaction of workers at KCB Nairobi. Riany (2012) assessed the impact of restructuring on the performance of mobile phone providers of service. The study found that after restructuring the firms saw a rise in returns. In spite of the Kenyan studies conducted, there have been few studies conducted to illustrate the effect of restructuring on performance. Therefore, this study aimed to assess the effect of corporate restructuring on organization performance of National Police Service in Kenya.
1.3 Objective of the study

1.3.2 Main Objective
This study aimed to investigate the effect of corporate restructuring on organization performance of National Police Service in Kenya.

1.3.3 Specific Objectives
The study was guided by the following objectives:

i. To determine the extent to which portfolio restructuring affects the performance of the National Police Service in Kenya.

ii. To evaluate the effect of financial restructuring on the performance of the National Police Service in Kenya.

iii. To establish the effect of organizational restructuring on the performance of National Police Service in Kenya.

iv. To assess the effect of operational restructuring on the performance of the National Police Service in Kenya.

1.4 Research Hypothesis
The study was guided by the following hypothesis:

H₀₁ Portfolio restructuring has no significant effect on performance of National Police Service in Kenya.

H₀₂ Financial restructuring has no significant effect on performance of National Police Service in Kenya.

H₀₃ Organizational restructuring has no significant effect on performance of National Police Service in Kenya.
H04 Operational restructuring has no significant effect on performance of National Police Service in Kenya.

1.5 Scope of the Study

The objective of the study was to assess the effect of corporate restructuring on organizational performance of NPS in Kenya and more specifically the head office where all the management functions and policies are created. The study was conducted in Nairobi as it is the headquarters of NPS in Kenya along with other branches. Nairobi was suitable as it serves clients from various social classes in the urban areas of the city. The respondents of the study were composed of the staff. The time frame of this study was between June to September 2018.

1.6 Significance of the Study

The study mainly served the management of the National Police Service in Kenya as they are able to understand the effect of corporate restructuring on organization performance with focus to National Police Service in Kenya. Effective strategies were also formed on corporate restructuring and organizational performance. Bank managers and key players found the study useful when making decisions on restructuring plans and processes.

The study also enabled policy makers to understand how they could be able to design strategies that improved corporate restructuring within organizations in order to improve the organization and performance of the retail business.
The outcomes of the study also contributed towards value addition to researchers within the same field of study in the provision of applicable material that was used in analyzing future research. In addition to this, it also provided a foundation for future research.

1.7 Limitations of the Study

The main limitation of the study was that it didn’t include other organizations. This is due to the fact that it focused its attention on a specific institution. The study ought to have involved other organizations from other sectors in order for the study to conduct an analysis that is broad based. However, time and resource were the limiting elements while conducting the study. The researcher also faced the issue of non-cooperation from NPS in Kenya as it was tiring to convince workers to fill questionnaires which limited the researcher from reaching the stipulated target for the sample size. In order to deal with this limitation, the researcher provided assurance to the respondents that the outcomes were to be used strictly for academic purposes.

1.8 Organization of the Study

The study was divided into five chapters. Chapter one comprised of the introduction, background, problem statement, study objectives and research questions. The chapter went further to highlight the significance of the study, scope and finally the limitations. In the second chapter, the literature review dealt with the topic and included the view points from other researchers, scholars and academicians in a similar field. The chapter also included the theoretical, empirical and critical review, research gap and finally the conceptual framework. The third chapter discussed the methodology that was applied in analyzing this study. Chapter four covers data analysis and interpretation of the research
findings. In chapter five, the researcher looked at the discussion, summary, conclusion and recommendation drawn based on the objectives of the study.
CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction

The chapter analyzed the empirical review on the impact of corporate restructuring on performance of corporations owned by the state with a specific focus on National Police Service in Kenya. The chapter also provided literature that analyzed the specific aims of the research. The section also conceptualizes the theories of the study.

2.2 Theoretical Framework

The research was based on the theories such as the Resource Based View, Traditional Organizational theory, financial intermediation and open systems.

2.2.1 Resource Based View Theory

Resourced based view theory was advocated by Barney's 1991. It provides emphasis that the resources internal to an organization can attain a sustainable competitive advantage within its respective markets (Barney & Clark, 2007). Firms that have possession and exploitation that are high in value rarely achieve a competitive advantage (Barney, 1991). Resource-based theory has the aim of ensuring that the market imperfections would lead to the growth of a firm and the sustainability of the economic costs. The organization’s resources can be restructured in order to meet the company’s competitive advantage. The capabilities existent within the organization is what leads to the organization making strategic decisions that is able to satisfy the company’s external environment. These organizational capabilities comprise of human skills, incentives and valuable information that increase the company’s performance levels (Chandler, 1982).
Examples of firm resources include managers, employees, firm capabilities and knowledge, assets that are specific to the firm’s performance, sustainability and evolution (Conner, 1991; Peteraf, 1993). The resource-based theory is becoming increasingly popular among firms that experience variations in terms of performance. These variations have made the firms to direct their focus towards identifying the effects of resources on the firms’ strength in generating revenues. Therefore, a firm needs to develop its dynamic capabilities (Teece et al., 1997). This will in essence enable the firm in the development of new resources that will enable the firm to benefit from its newly developed resources.

According to scholars’ resource-based view theory is the best strategy route of firms’ growth, hence the relative merit acquired. Collis and Montgomery (1995) says that RBV approach is used in identifying characteristics involved in creating firms’ competitive advantage like competitive superiority and rareness. Moreover, the RBV enables firms to function efficiently, effectively and less costly than competitors. This perspective is significantly divergent from the market-based view analysis alternative. Based on the RBV heterogeneous view, several scholars state that a firm should put more focus on how to structure resources and processes to create dynamic capabilities compared to possessed resources. As such the system of Toyota demonstrates JITs inventory system as dynamic inventory-based capability through the supplier’s key capacities and inclusion capacities (Schonberger, 1987). This gives them chance to gain competitive advantage over their competitors. Therefore, the analysis of porters’ industry is equally applicable in all firms; there is a powerful impact for heterogeneity between firms left by RBV approach.
The criticism of resourced based view can be reviewed. This theory makes assumptions that market product is stable and ignores the resource real value. As mentioned, this theory is seen as tautological. Based on Porter (1991) argument resource based does not consider the question of process explication thus creates a merit and that activities should be a more applicable focus than resources. RBV is not able to give tangible operating firm translation. Furthermore, the approach seems to be limited to narrow implications as the role of strategic management arguments are to be processed rather than from the operational functions of the firm’s resources. However, dynamic capabilities serve as an extension of the RBV analysis to incorporate a better understanding of how merits are acquired and maintained over time. Also, the RBV’s ambiguity and duration enhances the development that increases the value of resources and potential sustainability of competitive advantage.

This theory is applicable in this study since according to the theory restructuring organizational resources like employees, firm capabilities, knowledge assets etc. meet organizational goals and objectives. In portfolio restructuring, to affect performance management, a company can restructure its enterprise to increase its focus by disposing a unit that is cognizant with the core business so as to increase the level of capital and do away with the ineffective operation through the action of a division. The study uses this theory that organizational resources can be restructured to help in attaining organizational goals.

**2.2.2 Financial Intermediation Theory**

This theory was advocated by Merton (1995), it seeks to explain that within the institutions, there exists information asymmetries that are dependent in nature and very
costly in terms of the transaction costs. This theory contends that in order for an organization to experience an improvement in terms of the financial performance, there is need for an improvement in the company’s activities in terms of its processes, institutional innovation and capacity building along with the production of new products and services that lead to a rise in the overall share in the market through the creation of a larger pool of customers. This facilitates the aspect of financial inclusion.

In cases where service firms are not efficient in extending their services, they go through the restructuring process so as to increase their bases of capital or enhance their operation in the same time changing and maintaining the status quo. Kaplan and Norton (1996) stated that in order to measure the performance of an institution, there is dire need to identify the metric for financial performance. The author agrees that the method of the balanced score card stems from the notion of non-financial data and financial data which is prerequisite for the measurement of financial performance in organizations which is important in attaining credible sources for the firm. Kaplan and Norton (2001) also stated that in order to measure performance, there must be the inclusion of the financial, internal business environment, customer and product innovations perspectives. Each and every score card is reliant on the financial goals of earning of assets, profitability and mobilization of incomes and revenues.

The goal of financial perspectives is to assist the senior management enterprises to provide a specification of the measurement of long-term success and the final outcome of the goals. When metric that measures the ability of the manager and the efforts that are exerted in the organization is at its peak then the balanced score card is adopted as a system of control that is interactive (Lipe & Satterio, 2000). Theory is cognizant with the
study as it provides an explanation of the theory of financial intermediation which contends that in order for the organization to have an improvement in its financial performance, there needs to be an improvement in the way operations are conducted, improvement in institutional innovations and capacity building. This not only explains outreach but also enhances financial inclusion.

Financial intermediaries cost advantages include; risk aversion assist in ensuring risk are minimized totally and that the chance of them to occur are minimal, reconciling conflicting preferences of lenders and borrowers, intermediaries concentrate on the demands of the lenders and borrowers and are able to enhance, using financial intermediaries reduces the costs of lending and borrowing (economies of scale). There are also some disadvantages noted in the climate context of finance and development of financial institutions. These include failure to link directly to proven developmental impacts, a lack of transparency and inadequate attention to social and environmental concerns.

Financial intermediation theory is applicable in this study for it states that for an organization to experience improved financial statement there should be improvement of company’s activities in terms of its processes, institutional innovation and capacity building along with the production of new products and services that lead to a rise in the overall share in the market through the creation of a larger pool of customers. For its seen in financial restructuring that for a company to generate economic value it must restructure its corporate financial structure like contracts of debt and equity, degree, nature and cost of overheads, distribution of spending between the present and the future revenue potential among others. The theory helps in explaining how improved companies’ activities can affect performance of an organization.
2.2.3 Traditional Organizational Theory

This theory was advocated by Weber, (1947). The development of the theory occurred around the 19th century that adopted a culture of bureaucracy, which is represented by one bureaucratic head manager who is responsible for many bureaucracies (Borjas, 2012). The main authority in an organization is responsible for supervising the roles of various managers who are below him in the hierarchy (Armstrong, 2010). The costs of operation in the organization are affected by the firm functions and the individual who play the key role of implementing each function (Lee & Teo, 2005). In spite of the fact that the manager’s roles consist of planning, staffing, organizing and controlling, it is a sad fact that the structure of the organization does not provide room for rewarding the human motivational skills that enable the workforce to become productive (Armstrong, 2009). This is because employees are seen as individuals that are unable to govern themselves and therefore require the constant supervision of the manager in order to keep them in check with their respective responsibilities.

Traditional organizational theory involves organizational analysis approaches. Organization is a social unit of people that are managed and structured to achieve a specific need, or to pursue collective goals. Theories of organization include contingency theory, division of labour, bureaucratic theory and rational system perspective. There are two significant parts in organization rational system; specificity of formalization and goals. Specialization is the division of individual labor role so as to increase trade and output. The authors of modernization theories say that modern institutions are transparently purposive and everyone is at the center of progression of evolution towards more efficient forms. The bureaucracy conception is characterized by availability of
impersonal positions that are inherited and earned, making decisions, rule governed, defined responsibility, professionalism, bounded authority and chain of command.

According to Dwight Waldo (1978) organizational theory includes; heterogeneity, vogues, counterclaims and claims and bigger theory differentiation and development of practice since then. This theory can’t be described in an orderly progression of ideas or unified knowledge body in which all building develops and extends the one before it. Rather the theory development and prescription for practice show purposed disagreement and uses of organization theory, self-addresses issues such as supervisory style and organizational culture and variable concept that should enter such theory.

Traditional organizational theory can be related to this study for it states that the costs of operation in the organization are affected by the firm functions and the individual who play the key role of implementing each function which in organizational restructuring and performance variable we see that sacking of workers in an organization to be a form of organizational change which may negatively affect the level of performance. The theory helps in explaining the importance of employees in an organization and how they impact day to day company’s operation.

2.2.4 Strategy-Structure Contingency Theory

Shelley at al. (1998) discusses agency theory and relates it to restructuring. The theory of agency states that the management and ownership separation in corporation is pareto optimal, despite the conflict of interest potential, if the mechanism of corporate governance safeguards shareholders adequately. The authors states that the activity of
organization re-organization happened in 1980s as a response to mistakes that occurred during 1960 to 1970 as a way to ensure control measures are taken.

The main reasons for restructuring efforts are strategy shifting, to introduce the company with new technology, to exploit the business unit’s relatedness, to make acquisition follow-up so as to build a critical mass, to sell units which are unneeded and to make efficient use of leverages and cash. After occurrence of restructuring, the company’s current operation should be more efficient, more effective in risk management and more adaptive to its environment. The author determines that voluntary restructuring of corporate effort are used as preemptive measures against intervention of external market capital. Shelley et al. (1998) also determines that the non-tax benefits and restricting associated cost determines the market value. Frantz (1999) introduces the analytical model that tries to give explanation of write-down discretionary, write offs and other restructuring provisions.

The model comprises of a manager, financial market and a firm that is about to be constructed. The model manager has private information on the restructuring success effort likelihood, and managers may recognize the expenditure restructuring provision in discretionary reporting. The managers decide whether to report a provision or not, thus recognizing that the restructuring impact have no compensation. The paper shows that the manager can give his or her private information to investors through deciding if to release or not to release provisions.

Atiase et al. (2004) determines if the restructuring changes have association with improved performance. The author chose a sample of undergoing operation restructuring
examination from 1991-1993 and found that there is an increase of restricting firms earnings compared to the immediately before restructuring earning. Although the author findings show that the cause of the results can be from multiple firm restructurings and firm reported losses in restructuring year. They found that restructuring charges and changes of post restructuring are not associated with earning compared to years before restructuring. Atiase et al. (2004) stated that charges of restructuring are associated with improved earning not necessarily with improved operating performance.

2.3 Empirical Review

This section provides a review literature on how corporate restructuring has enhanced organizational performance. The content is based on other journals and scholarly works that have been conducted on corporate restructuring.

2.3.1 Portfolio Restructuring and Performance

Portfolio mainly adds great variations that include a myriad of assets that are in the firm’s ownership or the operating lines of a firm which includes the asset sales, spin offs, liquidation and divestitures (Maria, Angel & Javier, 2015). The management of a company may tend to restructure its enterprise so as to increase its focus through disposing a unit that is cognizant with the core business so as to increase the level of capital and do away with the ineffective operation through the action of a division (Wu & Delios, 2010). In addition, companies can involve a combination of divestitures and acquisitions that assist in the process of restructuring its portfolio.

According to the findings of Bowman and Singh (2013) spin-offs and sell-offs tend to produce profits whereas acquisitions and divestments provide no credible improvements
on average. These outcomes have variations which differ over time and among countries. In the process of divesting an enterprise due to the underperformance levels, research illustrates that it may not be a simple process. Firms tend to address the variations that exist in human resources, research and design and profiles of knowledge during the time when a business is being divested (Thornhill & Saunders, 2011). This implies that enterprises that are underperforming that are in line with a business will not be divested. The commitment of the chief executive officer tends to have an effect on the determination on whether or not to divest in a firm.

Robin, Bruce, and Lamont (2013) did a study on the restructuring of a portfolio through initial diversification and the reactions of the investor. They found that the performance of the reactions in the market is categorized into two forms of business portfolio restructuring which are repositioning and refocusing. The study showed that the performance of the market was predicted to have two forms of strategic restructuring which may be viewed favorably in the market which tends to enhance the performance which provides for better prospects for transformation to occur. The findings show that there is a positive significant effect of initial diversification posture on the restructuring of a firm’s decisions. The market was also seen to have a positive response to the repositioning and restructuring of decisions.

Donald (2012) sought to study whether the restructuring of portfolio had an effect on the variations experienced within the product-market uncertainty and what it implied to financial performance of a firm. The model incorporated information-processing and theories such as the resource-based theory which was applied in panel data involving 168 out of 500 fortune companies. The findings from the analysis indicated that the
uncertainty experienced within the product market had 2 forms of restructuring strategies which was an illustration of the theoretical notion of restructuring of a firm’s portfolio. The outcome indicated further that the restructuring of portfolio needs to be implemented in order to achieve the highest level of financial performance.

2.3.2 Financial Restructuring and performance

In order to facilitate financial restructuring, there needs to be great variations in terms of the structure of capital of an organization, leveraged buyouts, recapitalizations and equity and debt swaps (Cascio, 2012). Financial structure is defined as the distribution of corporate flow cash-funds or credit and the strategic and contractual choice rules that govern the flow and which are used to dictate the value added and its allocation among diverse corporate constituencies (Bowman & Singh, 2013).

According to Donaldson (1994) the factors of corporate financial structure involve a combination of defensive reserves and investments, investment base, focus of investment, proportion of earning investments, contracts of debt and equity, degree, nature and cost of overheads, distribution of spending between the present and the future revenue potential and the character and timeline of wage and benefit contracts. The outcomes of Bowman and Singh (2013) showed that economic value is generated from financial restructuring. Most of the financial restructuring studies added leveraged and management buyouts. The evidence presented indicated that the managers were equipped with sufficient knowledge on the true pricing of firm assets compared to the outsiders. In 10 years, the consultancy firms used new methods of value based systems of financial management which dealt with the issues that were thought to be in existence.
Stern and Stewart (2011) invented the financial management system termed as EV which is the net operating profits after tax less the company’s cost of capital which is inclusive of the cost of equity and debt which is subject to the number of data adjustments to that which has been stated in financial statements. Cascio (2012) adds that the act of turning managers to owners is evidenced to be one way of creating value. The author also provides an indication that the ownership should exceed money, pride and sensible risk taking and the acceptance of one’s responsibility in order to determine the success or failure of the business. The author also supports the notion of value sharing and the transforming of every meaningful partner into one who adds value. Value is said to be created through the improving of operations and efficiency levels in order to facilitate the growth of profits through the act of rationalizing an existing enterprise that is unrewarding through liquidation and investing capital that is deemed not beneficial is not viable.

2.3.3 Organizational Restructuring and performance

Organizational restructuring also involves variations that are significant in the structure of an organization which may also involve the creation of new divisional boundaries, reduction of hierarchy levels and the spread of control, reducing diversification of a product, re-examining the compensation, leveling the processes, and reforming of governance while reducing employment (Davis, Eisenhardt & Bingham, 2009). The findings of Bowman and Singh (2013) stated that the sacking of workers in an organization is another form of organizational change which may negatively affect the level of performance. Reducing announcements that are associated with organizational restructuring are likely to have a positive effect, though it may have an insignificant
effect on performance. The changing environment in which organizations function is said to vary and therefore should always be aware of new ways of structuring and financing an enterprise.

The process of creating value as illustrated by Pike and Neale (2014) is associated with the review of the financial corporate structure from the perspective of the shareholder. Putting into consideration the variations in the structure of the capital and the ownership would lead to a rise in the value and efficiency levels and the reduction of the cost after taxation of capital that result from borrowing. The improvement of cash flows occurs through the concentration on the creation of opportunities to facilitate investments, the improvement of profits and the reduction of overhead reduction programmers and divestiture and the pursuance of finance through the use of new financial tools (Davis, Eisenhardt & Bingham, 2009).

Balogun, Jarzabkowski and Seidl (2010) found out the following techniques fostered the enhancement of value which is the ability to control premium product prices, the achievement of a reduction of average cost and the achievement of a reduction of capital intensity, the reduction of normal costs, the ability to acquire equity, the manipulation of the capital structure that is deemed to be more efficient through competition and the acquisition of firms through the swapping of undervalued equities. Organizations that are successful are dependent on the creation of value which involves a better knowledge of managers on the ways of increasing the improvement of enterprises. According to Campbell, Goold and Alexander (1995) the creation of value is founded on the special knowhow or experience of the reasons to justify why some businesses perform well while
others experience issues related to maximization of a firm’s potential and methods that managers can adopt in order to affect the business and increase the performance levels.

Davis, Eisenhardt and Bingham (2011) stated that the creation of values leads to an improvement in performance levels and the value of the enterprise, sales returns and volumes. The insight on value creation is related to enterprises which have opportunities to enhance performance which leads to key success elements which managers tend to have an understanding of. Significant changes in organizational structure is caused by organizational restructuring which is drawn from divisional boundaries in the degree of the hierarchy and the spread of span control while reducing the diversification of the product, and reconsidering the compensation, changing the corporate governance and reducing employment levels.

With reference to the above arguments also, Cappelli (2014) noticed five individual structures that have assisted in the growth of value which involves the capital, asset, governance, cost and organizational structure. Johnson and Scholes (2010) also added that the structure of the asset is an indication of the goals of the firm. The capital structure is based on the form and the average level of security needed to be issued so as to fund the investments. It may also refer to the combination of long-term of equity and the firm which utilizes finance to fund its operations. The restructuring of capital changes the combination. The structure of the government is also composed of various forms of incentives through processes of dispute resolution processes which are used to control the behaviors of different stakeholders. The governance system is seen to be ideal when it provides the freedom to conduct business and to ensure accountability. The structure of costs is composed of overheads and operations. The variation in the structure of costs
such as the relocation of production that is labor intensive with a reduction in labor cost is to improve the business’s profitability. The structure of the organization can have an effect on the information flow through communication which can assist in improving the value of the organization.

Johnson and Scholes (2010) in their study focus on the choices and operations that are judged on the basis of the amount of value that has been created and the process of creating value is encouraged throughout the entire organization. The establishment of culture that is brought about by value creation requires a large extent of transformation of the organization and in various cases the most drastic change is needed at the top of the organization. Monnery (2013) is of the argument that the creation of values demands that managers have efficient knowledge on their target which implies the measurement of the value that has been created. Managers therefore need to be equipped with the understanding on how to attain their objectives and what the specific factors that lead to value creation are. Managers also need to instill morale on employees to conduct their activities in a different way.

2.3.4 Operational Restructuring and Performance

Management across the sectors is mostly witnessed in operational restructuring which is needed in order to improve the efficiency levels and associated costs with dealing with the dynamic environment (Eloranta, 2010). Some forms of restructuring enable the establishments of firms in a manner that is deemed efficient and the competitive position which may cause varying interruptions in the organization, the issue that businesses face, uncertainties in the future of the firms, earnings from operation and the flow of cash. Restructuring can sometimes prove to be ineffective in solving issues related to
operations and finances (Matzler, Bailom, Ansohober & Richardson, 2010). Operational restructuring usually happens as a result of significant variations in the climatic changes of the enterprise, the innovation of technology and the product, the variations in the tax laws, foreign competition and deregulations.

Operational restructuring has been an instrument that assists firms that are failing to improve from bad situations such as the economic recession. Nevertheless, the risk associated with restructuring is deemed to lead to future prospects of restructuring which reduces the workforce and leads to the reduction in the size of large-scale assets (Cascio, 2002). Moreover, organizations that have high debt levels are unable to reduce the costs through the reduction of its core competences. Turnarounds that also include the incorporation of restructuring are able to reduce costs and maximize revenues, increase in productivity and it also assists in the maintenance of customers (Appelbaum, Lavigne-Schmidt, Peytchev & Shapiro, 2010). Turnarounds do not deal with operational issues that lead to failure. In the past, there were companies that were successful and that were able to set and achieve their financial targets without having to pay sufficient attention on the improvement of procedures, infrastructure and policies.

Every turnaround professional understands that they need to acquire buy-ins from difficult pieces of any turnaround which involves identifying turnaround managers that are skilled who may be difficult to achieve (Fisher & White, 2012). Similarly, some individuals have an intellectual, artistic or athletic gift while others are gifted in the area of operations. They may have the ability to pay attention to detail in terms of the company’s people, practices, procedures and processes which can be changed in order to enable the company to function and operate in the most customer intensive and cost
effective way (Lee & Teo, 2011). Identifying a manager who can reduce the overall expenses or improve the particular processes is not as difficult. Identifying the manager that is gifted in terms of operations who is able to have a vision and produce the dramatic improvements is not an easy task. Those organizations that lack this type of manager may resort to outsourcing from outside the organization (Patching, 2010). This is done through recruiting the consultant or employee by analyzing their experience as hands-on managers and their individual efforts of restructuring.

Manipulation and institutionalization must be assessed carefully by the management control system which writes the strategic and operational plans (Armstrong 2011). It may surpass the controls put in place in the area of finance and accounting and may also involve other aspects such as organizational charts and job descriptions that do not have operational loopholes which may lead to outcome based hiring and the techniques that are used in the measurement of the required forms of activities and outcomes with the addition of relevant accountability and feedback mechanisms and reward systems that encourage the employees to conduct business in accordance to the interests of the firm (Appelbaum & Donia, 2009).

2.4 Summary of Research Gaps

There are various research studies both locally and internationally that have been conducted on corporate restructuring. From the research, gaps in knowledge have been found and tabulated in order to facilitate an easier identification of the reference, a summary of studies is provided in Table 2.1.

Table 2.1: Summary of Research Gap
<table>
<thead>
<tr>
<th>Author and Year</th>
<th>Focus of the study</th>
<th>Findings</th>
<th>Research gap</th>
<th>Focus of current study</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jarso (2013)</td>
<td>Restructuring strategy and performance of major commercial banks in Kenya.</td>
<td>The study found that restructuring directly related to increased profitability</td>
<td>The study did not focus on the models of restructuring that were carried out in the banks. The current study targets NPS which is public institution</td>
<td>This study will investigate the specific restructuring approaches that were adopted and how they affect organization performance.</td>
</tr>
<tr>
<td>Harwood &amp; Nakola (2013)</td>
<td>Effects of organizational restructuring on firm performance: a case of national bank of Kenya</td>
<td>The study concluded that organization restructuring positively affects firm performance</td>
<td>The study did not clearly highlight the key restructuring models adopted by the firms which this study aims to investigate. The study relied on secondary data, while this study will focus on primary data.</td>
<td>The study will look more on specific restructuring model adopted rather than staff restructuring that was adopted by this study</td>
</tr>
<tr>
<td>Mwenda (2013)</td>
<td>Corporate restructuring and its effects on Kenya commercial bank performance</td>
<td>The study found that the main drivers for restructuring were competition, new company strategy, budgetary cuts, public pressure and change in government policy.</td>
<td>The study focused on banking sectors where as in other sectors there is restructuring taking place. The current study will be conducted at NPS headquarter</td>
<td>The study will be carried out in police unit to depict how restructuring affects such units.</td>
</tr>
<tr>
<td>Amboka (2012)</td>
<td>Organizational Restructuring as a Strategic</td>
<td>The study found that Safaricom had undergone an</td>
<td>The study focused on how the organization</td>
<td>This study will focus on how specific</td>
</tr>
<tr>
<td>Author</td>
<td>Title</td>
<td>Description</td>
<td>Result</td>
<td></td>
</tr>
<tr>
<td>-----------------</td>
<td>-----------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>-----------------------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Kiarie (2009)</td>
<td>Turnaround strategies adopted by Uchumi supermarket ltd: under receivership</td>
<td>The study established that interim management team put together Uchumi Recovery Plan</td>
<td>This study focused on the said approaches without considering the specific restructuring model adopted. The current study will target respondent in different department in the NPS and will concentrate on four objectives (Portfolio, financial, organizational and operational restructuring)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Approach to Performance by Safaricom Limited</td>
<td>organizational restructuring process.</td>
<td>restructuring affects the organization performance.</td>
<td></td>
</tr>
</tbody>
</table>

### 2.5 Conceptual Framework

The conceptual framework describes the scientific process of research that identifies the specific terms in a metric form in order to bring clarity to the concept. Mugenda and Mugenda (2003) stated that conceptual framework is represented in the form of an illustration that provides the link between the response and explanatory variables. In this study, the independent variables were portfolio restructuring, financial restructuring,
organizational restructuring and operational restructuring while the dependent variable was organizational performance.

**Corporate Restructuring**

**Independent Variables**

- Portfolio restructuring
  - Diversification strategies
  - Resource coordination
  - Sharing of responsibility
  - Cooperation

- Financial restructuring
  - Training cost
  - Operation cost
  - Consultancy cost
  - Outsourcing
  - Debt

- Organizational restructuring
  - Reforming governance
  - Streamlining processes
  - Revising compensation
  - Reducing complexity and duplication of duties

- Operation restructuring
  - Morale
  - Innovation
  - Turnover
  - Adaptability
  - Change orientation

**Dependent Variable**

- Organization performance
  - Effectiveness
  - Efficiency
  - Relevance

**Figure 2.1: Conceptual Framework**

The conceptual model therefore is a systematic illustration that depicts the link among variables. In this study the dependent variable was organizational performance whose indicators comprise of efficiency, relevance and effectiveness.
CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction

This chapter provided the methodology which was used to conduct the study. It also provided a description on the type of data and their sources, the target populations and the techniques of sampling that were used in selecting the sample size and it also indicated the overall presentation of data. It also provided a description on the data gathered and assessed. The most suitable methods of the study provided the guidelines for the information collected and the information that was processed.

3.2 Research Design

Orodho (2003) also provides a definition of the research design and the scheme and outcome that can be used to provide the answers to the research issues. The study adopted a descriptive research design in order to study the research problem. Creswell (2008) indicated that the descriptive technique of research involves the collection of information concerning an existing condition. Also, emphasis was laid on the description rather than on the interpretation. The main benefit of using a descriptive research design is because it has the ability to give information that has been extracted from a large sample of people. The use of this study design mainly focused on acquiring the qualitative and quantitative data from targeted respondents.

3.3 Target Population

The target population is comprised of a group of members in a study that is presumed to be hypothetical in terms of individual’s objects or events that a researcher utilizes so as to
make assertions of the impending results (Borg et al 2009). The target populations in the study involved the National Police Service in Nairobi while the 296 officers were the main units of analysis who work at the national police service in Nairobi. The following departments were assessed, the administration, finance, the operation and the planning department. The members of staff were responsible for handling strategic issues in police unit. Mugenda and Mugenda (2003) stated that the target population needs to have characteristics from which the researcher can draw generalizations on the population. The population is also assumed to not be homogenous.

Table 3.1: Target Population

<table>
<thead>
<tr>
<th>Description of Target Population</th>
<th>Population</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance Department</td>
<td>13</td>
<td>4</td>
</tr>
<tr>
<td>Administration</td>
<td>12</td>
<td>4</td>
</tr>
<tr>
<td>Operation</td>
<td>200</td>
<td>67</td>
</tr>
<tr>
<td>Planning Department</td>
<td>76</td>
<td>25</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>296</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Author (2017)

3.4 Sampling Technique

3.4 Sampling Design

The study used a stratified method of sampling in generating a sample size of 60 officers from a population of 296 officers. Mugenda and Mugenda (2003) indicate that for descriptive studies 10%-40% of the population that can be accessed is representative. Stratified random sampling is probabilistic form of sampling that groups together a
population that is heterogeneous into subsets that are homogenous through selection in order to guarantee the nature of representativeness. In terms of the subjects of random sampling there exist smaller sub-groups of the population that are said to be less representative in the given sample (Mugenda & Mugenda, 2003). This study employed 20% of the total population to get a sample size of 60 respondents.
Table 3. 2: Sampling Design

<table>
<thead>
<tr>
<th>Description of Target Population</th>
<th>Population</th>
<th>Sample Population</th>
<th>Sample Size</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance Department</td>
<td>13</td>
<td>20</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Administration</td>
<td>12</td>
<td>20</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Operation</td>
<td>200</td>
<td>20</td>
<td>40</td>
<td>67</td>
</tr>
<tr>
<td>Planning Department</td>
<td>76</td>
<td>20</td>
<td>15</td>
<td>25</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>296</strong></td>
<td><strong>20</strong></td>
<td><strong>60</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Author (2017)

3.5 Data Collection Procedure

Primary data was used in this study. Collection of data involved the use of questionnaires. The most appropriate method to use is questionnaires for the collected information may have an abstract character attached to it such as feelings, attitudes, motivations, fulfillments and experiences of the individuals (Mellenbergh, 2008). Both open and closed ended questions were used in the questionnaires. Franker (2006) stated that a questionnaire is very important in the collection of objective data as the respondents may not be manipulated in any manner by the investigator. Also, the questionnaires have the benefit of being cost friendly and less time consuming as other instruments of collecting data. The instrument was also utilized to answer the research goals by sub-dividing them in two segments. The first segment enquired on the general information of the respondents while the other segment addressed the four specific goals. The questionnaires were provided through a drop and pick technique.
3.6 Validity, Pilot Testing, and Reliability of Data Instrument

3.6.1 Validity

Validity is the manner of inputting accurate and meaningful inferences that are premised on the research outcomes (Mugenda & Mugenda, 2003). One of the main reasons for carrying out a pilot test is to safeguard the validity of the questionnaire. The study therefore needed to undergo a content validity in order to validate the responses of the questionnaires. In order to ensure validity, the tools of research were analyzed by the research supervisor. If the content validity produces a meaningful argument as to whether it answers the research questions. It also made sure that the respondents were able to understand the items in the questionnaire properly and fully. Response choices were also given to make sure that the questions answered related to the research questions.

3.6.2 Pilot Testing

The study involved a pilot testing being carried out by way of a questionnaire on 4 staff within NPS. Random sampling was used to select the group. The sample recommended for conducting a pilot was 10 percent of the total sample size (Mugenda & Mugenda 2003). The main aim of the study was to validate the research and test the reliability of the instruments of research in order to improve the validity of the study (Joppe, 2000).

3.6.3 Reliability

Reliability defines the consistency of measurement that is used to analyze a number of conditions in order to derive similar outcomes (Nunnally, 1978). In other words, reliability measure the degree to which measurements are repeated when various individuals perform the same measurements on various instances under different
circumstances which can act as alternative instruments to measure the same thing (Nunnally, 1978).

Internal consistency is the measure of the reliability of contents of a test. The internal consistency measures how correct an instrument is in terms of measurement and the resultant reaction that is exhibited within the state. In order for the test to remain consistent, the estimated reliability must be determined on the basis of average inter-correlations that are found within items of the test. Popular methods used in testing internal consistency such as the behavioral sciences such as in the coefficient alpha. The coefficient alpha which has been popularized by Cronbach (1951) recognized its usefulness. The rise in the internal consistency increases as more items are added up to a certain level. It becomes useful in estimating reliability for item-specific variances for a unidimensional test (Cortina, 1993). The average degree of reliability is dependent on the manner in which the measure is being used. Nunnally (1978) provided a suggestion of where one can hypothesize the measures of a construct where a reliability of 0.7 or higher will indicate the items’ internal consistency.

3.7 Data Analysis and Presentation

This area provided a discussion on the methods that were utilized to study the data and test the study variables. The preparation of the data was conducted before the responses were processed which was conducted on the questionnaires that were fully filled through editing, coding, entering and the cleaning of the data. The study also produced quantitative and qualitative data. Data coding was carried out on the quantitative data and entered through the use of the Statistical Packages for Social Scientists (SPSS Version 23) and analyzed through the use of descriptive statistics. The qualitative data was also
based on the content of the answers given by the respondents. The responses had patterns that were common and were thereby grouped under the same category.

The statistical tools that were utilized assisted the researcher in providing a description of the data and the determination of the respondents’ level of agreement with the different statements indicated under each element. The descriptive statistics also used and involved the use of absolute and relative percentages along with the measures of central tendencies. Tables and figures were used to analyze the quantitative data which was then presented in continuous prose form. Additionally, the investigator carried out a multiple regression analysis in order to establish the degree of the relationship between the dependent and independent variables.

The regression equation is:

\[ Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \alpha \]

Where: \( Y \) is the dependent variable (Organization performance),
\( \beta_0 \) is the regression coefficient/constant/\( Y \)-intercept,
\( \beta_1, \beta_2, \beta_3 \) and \( \beta_4 \) are the slopes of the regression equation,
\( X_1 \) is the portfolio restructuring
\( X_2 \) is the financial restructuring,
\( X_3 \) is the organizational restructuring,
\( X_4 \) is the operational restructuring,
\( \alpha \) is an error term normally distributed about a mean of 0 and for purpose of computation, the \( \alpha \) is assumed to be 0.
3.8 Ethical Considerations

The researcher gained permission to conduct research from the ministry of education and the National Commission of Science and Technology (NACOSTI). The respondents were also fully informed on the main aim of the study and the confidentiality of the respondents was also guaranteed throughout the whole research process. The study used numbers instead of names to identify the respondents in order to hide the identities of the respondents. The information gained was used only for the purposes of the study.
CHAPTER FOUR
DATA ANALYSIS, AND INTERPRETATION OF FINDINGS

4.1 Introduction

This chapter presents data analysis and interpretation on corporate restructuring and organization performance with focus to National Police Service in Kenya. The chapter is thus categorized into data analysis, interpretation and discussion of the study findings.

4.2 Response Rate

The researcher targeted 60 officers working at the National Police Service in Nairobi. The questionnaires were sent to 60 officers working at the NPS out of which 51 fully completed questionnaires were received back making a response rate of 85%. According to Mugenda and Mugenda (2003) for generalization purpose a response rate of 50% is adequate for analysis and reporting, 60% is good and a response rate of at least 70% is excellent. This response rate was accredited to the data collection procedure, where the researcher in person administered questionnaires, reminded the respondents to fill in the questionnaires, and picked them later on.

4.3 Pilot Test

The researcher carried out a pilot study to pretest the validity and reliability of data collected using the questionnaire. Cronbach’s Alpha was used in the evaluation of the questionnaire. It measures consistency as it shows if two test measures similar constructs, even if the research would be done again later. The pilot study done showed that organizational restructuring had the greatest reliability ($\alpha = 0.802$), followed by operational restructuring with alpha value of ($\alpha = 0.751$), financial restructuring was third
with $\alpha = 0.723$, and portfolio restructuring where $\alpha = 0.713$. This therefore means that of the four scales used, all proved to be reliable as they ranged between 0.7 to 1 as shown in table 4.1 below.

**Table 4.1 Reliability Coefficients**

<table>
<thead>
<tr>
<th>Scale</th>
<th>Cronbach's Alpha</th>
<th>Number of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portfolio restructuring</td>
<td>0.713</td>
<td>4</td>
</tr>
<tr>
<td>Financial restructuring</td>
<td>0.723</td>
<td>5</td>
</tr>
<tr>
<td>Organizational restructuring</td>
<td>0.802</td>
<td>5</td>
</tr>
<tr>
<td>Operational restructuring</td>
<td>0.751</td>
<td>5</td>
</tr>
</tbody>
</table>

*Source: Survey Data (2019)*

4.3 Respondents General Information

The study sought to ascertained the general information of the respondents involved in the study. The general information points at the respondents’ suitability in answering the research questions.

4.3.1 Respondent Working Department

The researcher requested respondents to indicate the department they worked in. The results are as shown in Table 4.1.

**Table 4.1: Respondent Working Department**

<table>
<thead>
<tr>
<th>Department</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance Department</td>
<td>8</td>
<td>15.7</td>
</tr>
<tr>
<td>Administration Department</td>
<td>18</td>
<td>35.3</td>
</tr>
<tr>
<td>Operation Department</td>
<td>14</td>
<td>27.5</td>
</tr>
<tr>
<td>Planning Department</td>
<td>11</td>
<td>21.6</td>
</tr>
<tr>
<td>Total</td>
<td>51</td>
<td>100</td>
</tr>
</tbody>
</table>

*Source: Survey Data (2019)*
As indicated in Table 4.1, it was established that 35.3% of the respondents worked in administration department, 27.5% worked in operations department, and 21.6% worked in planning department while 15.7% worked in finance department.

### 4.3.2 Position Held within the Department

Respondents were also requested by the researcher to indicate the position that they held within the department that they worked in. The results are as presented in Table 4.2.

#### Table 4.2: Position Held within the Department

<table>
<thead>
<tr>
<th>Position Held</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manager</td>
<td>5</td>
<td>9.8</td>
</tr>
<tr>
<td>Unit Head officer</td>
<td>13</td>
<td>25.5</td>
</tr>
<tr>
<td>Supervisor</td>
<td>9</td>
<td>17.6</td>
</tr>
<tr>
<td>Departmental Head</td>
<td>10</td>
<td>19.6</td>
</tr>
<tr>
<td>Assistant Manager</td>
<td>8</td>
<td>15.7</td>
</tr>
<tr>
<td>Technical personnel</td>
<td>6</td>
<td>11.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>51</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

**Source:** Survey Data (2019)

As indicated in Table 4.2, it was established that 25.5% of the respondents worked as unit head officers, 19.6% worked as departmental head, 17.6% worked as supervisors, 15.7% worked as assistant managers, 11.8% worked as technical personnel while 9.8% worked as managers.

### 4.3.3 Number of Years Worked at National Police Service

Respondents were requested by the researcher to indicate the number of years they had worked at NPS. The findings are as presented by figure 4.1.
As indicated in Figure 4.1, it was established that 50% of the respondents had worked at NPS for between 6-10 years, 25% had worked for between 11-15 years, 15% had worked for more than 16 years while 10% had worked for between 1-5 years.

### 4.3.4 Educational Level

Researcher requested the study respondents to indicate their highest educational level.

The findings of the study are as presented by figure 4.2.

**Figure 4.2: Educational Level**

Source: Survey Data (2019)
As indicated by Figure 4.2, it was established that 45% of the respondents had undergraduate degree as their highest educational level, 30% had attained post-graduate degree, 20% were diploma holders while 5% had certificate as their highest education attainments.

4.4 Corporate Restructuring

4.4.1 Effect of Portfolio Restructuring on Performance of National Police Service

The researcher requested respondents to indicate the extent to which they agreed that portfolio restructuring affect performance of National Police Services.

Table 4. 3: Effect of Portfolio Restructuring on Performance of NPS

<table>
<thead>
<tr>
<th>Portfolio Restructuring</th>
<th>Mean</th>
<th>St. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>NPS has adopted diversification strategy to gain confidence among the citizens</td>
<td>3.725</td>
<td>0.223</td>
</tr>
<tr>
<td>NPS has ensured resources are distributed to the lowest level of ranking in the police units with aim of securing the country</td>
<td>3.615</td>
<td>0.185</td>
</tr>
<tr>
<td>The aim of the portfolio restructuring was to ensure that responsibilities are shared among different units in the police service</td>
<td>3.549</td>
<td>0.083</td>
</tr>
<tr>
<td>Portfolio restructuring undertaken in response to changes in product-market uncertainty has implications for financial performance</td>
<td>3.308</td>
<td>1.078</td>
</tr>
<tr>
<td>NPS encourages cooperation among the different units to ensure it delivers to the expectation of the citizens</td>
<td>3.941</td>
<td>0.047</td>
</tr>
<tr>
<td><strong>Aggregate Mean Score</strong></td>
<td>3.6276</td>
<td>0.3232</td>
</tr>
</tbody>
</table>

Source: Survey Data (2019)

As indicated in Table 4.3, respondents to a very large extent agreed that portfolio restructuring affect performance of National Police Services by encouraging cooperation among different units to ensure it delivers to the expectations of the citizens as indicated
by the mean score of 3.941. Additionally, respondents to a very large extent agreed that
NPS has adopted diversification strategy such as coming up with different units within
the police to gain confidence among the citizens and also that it has ensured resources are
distributed to the lowest level of ranking in the police units with aim of securing the
country as indicated by the mean scores of 3.725 and 3.615 respectively. On the other
hand, respondents to a large extent agreed that the aim of the portfolio restructuring at
NPS was to ensure that responsibilities are shared among different units in the police
service and that they are undertaken in response to changes in product-market uncertainty
has implications for financial performance as depicted by the mean scores of 3.549 and
3.308 respectively. The study established with a mean score of 3.941 that respondents to
a very large extent agreed that it encourages cooperation among different units to ensure
it delivers to the expectations of the citizens.

The study established that respondents strongly agreed that that portfolio restructuring
influence organization performance as shown by aggregate mean of 3.6276. This is
supported by respondents indicating that NPS has adopted diversification strategy such as
coming up with different units within the police to gain confidence among the citizens.
This concurs with Robin, Bruce, and Lamont (2013) who did a study on the restructuring
of a portfolio through initial diversification and the reactions of the investor and
established that the performance of the reactions in the market is categorized into two
forms of business portfolio restructuring which are repositioning and refocusing. The
findings showed that there is a positive significant effect of initial diversification posture
on the restructuring of a firm’s decisions. In addition, the study established with a mean
score of 3.615 that respondents agreed to a very large extent that portfolio restructuring
has ensured resources at NPS are distributed to the lowest level of ranking in the police
units with an aim of securing the country.

4.4.2 Effect of Financial Restructuring on Performance of National Police Service

Respondents were requested by the researcher to indicate the level of agreement that
financial restructuring affects the performance of National Police Service.

Table 4.4: Effect of Financial Restructuring on Performance of NSP

<table>
<thead>
<tr>
<th>Financial Restructuring</th>
<th>Mean</th>
<th>St. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Through financial restructuring, NPS was able to reduce staff training cost drastically.</td>
<td>3.059</td>
<td>0.256</td>
</tr>
<tr>
<td>Through financial restructuring, the operation cost has been minimized</td>
<td>3.353</td>
<td>0.146</td>
</tr>
<tr>
<td>NPS has managed to utilize consultancy cost effectively through ensuring only critical consultancy is sourced</td>
<td>3.157</td>
<td>1.138</td>
</tr>
<tr>
<td>Financial restructuring in the NPS has reduced debts within the institution drastically</td>
<td>3.039</td>
<td>1.296</td>
</tr>
<tr>
<td>Through financial restructuring, NPS has focused on its core business with a revised strategic and financial plan.</td>
<td>3.431</td>
<td>0.109</td>
</tr>
<tr>
<td>Aggregate Mean Score</td>
<td>3.2078</td>
<td>0.589</td>
</tr>
</tbody>
</table>

Source: Survey Data (2019)

As indicated in Table 4.4, respondents to a very large extent agreed that through financial restructuring, NPS has better organized and focused on its core business with a revised strategic and financial plan as shown by the mean score of 3.431. Additionally, respondents to a very large extent agreed that through financial restructuring, the NPS operation cost has been minimized as indicated by the mean score of 3.353. More so, respondents to a large extent agreed that NPS has managed to utilize consultancy cost
effectively by ensuring that only critical consultancy is sourced as depicted by the mean score of 3.157. Further, respondents to a moderate extent agreed that through financial restructuring, NPS is able to reduce staff training cost drastically and has also managed to utilize consultancy cost effectively through ensuring only critical consultancy is sourced as shown by the mean scores of 3.059 and 3.039 respectively.

The study established with a aggregate mean of 3.2078 respondents to a very large extent felt that financial restructuring influence organization performance. NPS is better organized and focused on its core business with a revised strategic and financial plan. Through financial restructuring, the NPS operation costs have been minimized. This study results agrees with Cascio, (2012) who asserts that in order to facilitate financial restructuring, there needs to be great variations in terms of the structure of capital of an organization, leveraged buyouts, recapitalizations and equity and debt swaps.

4.4.3 Effect of Organizational Restructuring on Performance of National Police Service

Respondents were requested by the researcher to indicate their level of agreement that organizational restructuring affects the performance of National Police Service.
As indicated in Table 4.5, respondents to a very large extent agreed that organizational restructuring has allowed duties at NPS to be simplified in a way that there is no duplication and complexity of duties as shown by the mean score of 3.667. Also, respondents to a large extent agreed that NPS restructuring has flattened the hierarchic levels in the forces and enabled processes streamlining and also that NPS conducted restructuring to instill discipline upon the officers by ensuring good governance in the force as depicted by the mean scores of 3.588 and 3.569 respectively. Furthermore, respondents to a large extent agreed that NPS restructuring such as revising compensation had a positive impact on staff performance as shown by the mean score of 3.420. Lastly, respondents to a moderate extent agreed that organizational restructuring at NPS has been able to install high level of confidence to the general public as depicted by the mean score of 3.392.
The study established that organization restricting influence performance of NPS as shown by aggregate mean of 3.527. Organizational restructuring has allowed duties at NPS to be simplified in a way that there is no duplication and complexity of duties. In addition, the study found out with a mean score of 3.588 that respondents to a large extent agreed that NPS restructuring has flattened the hierarchic levels in the forces and enabled processes streamlining. This study result disagrees with Monnery (2013) who is of the argument that the creation of values demands that managers have efficient knowledge on their target which implies the measurement of the value that has been created. Managers therefore need to be equipped with the understanding on how to attain their objectives and what the specific factors that lead to value creation are.

**4.4.4 Effect of Operational Restructuring on Performance of National Police Service**

Respondents were requested by the researcher to indicate their level of agreement that operational restructuring affects the performance of National Police Service.

**Table 4.6: Effect of Operational Restructuring on Performance of NPS**

<table>
<thead>
<tr>
<th>Operational Restructuring</th>
<th>Mean</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Through restructuring staff gains morale to work since their responsibility is clearly stipulated thus effective performance of the police service as whole</td>
<td>3.529</td>
<td>1.255</td>
</tr>
<tr>
<td>Through restructuring staff are encouraged to be creative and innovative</td>
<td>3.608</td>
<td>0.981</td>
</tr>
<tr>
<td>Low staff turnover is reported since majority of the staff feel comfortable at work</td>
<td>3.039</td>
<td>1.216</td>
</tr>
<tr>
<td>restructuring adopted in the NPS is more adaptable to the services bestowed to the police service</td>
<td>3.412</td>
<td>0.119</td>
</tr>
</tbody>
</table>
Restructuring within the NPS is based on the service orientation where the changes are streamlined to the police objectives.

| Aggregate Mean Score | 3.443 | 0.7378 |

Source: Survey Data (2019)

As indicated in Table 4.6, respondents to a very large extent agreed that operational restructuring within the NPS is based on the service orientation where the changes are streamlined to the police objectives as shown by the mean score of 3.627. Also, respondents to a very large extent agreed that through operational restructuring at NPS staffs are encouraged to be creative and innovative as shown by the mean score of 3.608. More so, respondents to a large extent agreed that through operational restructuring at NPS staff gains morale to work since their responsibility is clearly stipulated thus effective performance of the police service as whole and also that operational restructuring adopted in the NPS is more adaptable to the services bestowed to the police service as depicted by the mean scores of 3.529 and 3.412 respectively. Further, respondents to a moderate extent agreed that operational restructuring at NPS has led to low staff turnover being reported since majority of the staff feel comfortable at work.

The study established that operational restructuring influence organization performance as shown by aggregate mean of 3.44. Operational restructuring within the NPS is based on the service orientation where the changes are streamlined to the police objectives. In addition, the study established with a mean score of 3.608 that respondents to a very large extent agreed that through operational restructuring at NPS staffs are encouraged to be creative and innovative. This concurs with Appelbaum, Lavigne-Schmidt, Peytchev and Shapiro (2010) who argue that turnarounds that also include the incorporation of restructuring are able to reduce costs and maximize revenues, increase in productivity.
and it also assists in the maintenance of customers. Further, the study established with a mean score of 3.529 that respondents to a large extent agreed that through operational restructuring at NPS staff gain morale to work since their responsibility is clearly stipulated thus effective performance of the police service as a whole.

4.5 Impact of Organizational Restructuring on Performance of National Police Service

The respondents were requested to indicate the extent to which they agreed that organizational restructuring impact performance of National Police Service.

Table 4.7 Impact of Organizational Restructuring on Performance of NPS

<table>
<thead>
<tr>
<th>Impact of Organizational Performance</th>
<th>Mean</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>In our organization corporate restructuring has affected effectiveness in our operations</td>
<td>3.588</td>
<td>0.023</td>
</tr>
<tr>
<td>Corporate restructuring is key in driving long-term operation effectiveness in national police service</td>
<td>3.647</td>
<td>0.955</td>
</tr>
<tr>
<td>In our organization corporate restructuring has affected efficiency in our operations</td>
<td>3.569</td>
<td>0.171</td>
</tr>
<tr>
<td>Through top down communication in the national police service has greatly improved the NPS operations efficiency</td>
<td>3.608</td>
<td>1.133</td>
</tr>
<tr>
<td>In our organization corporate restructuring has affected relevance skill that are required in our service delivery to public</td>
<td>3.314</td>
<td>1.029</td>
</tr>
<tr>
<td>Corporate restructuring brings the relevant knowledge of the organization and its environment that is needed to make informed decisions about NPS operating mode</td>
<td>3.863</td>
<td>0.980</td>
</tr>
<tr>
<td><strong>Aggregate Mean Score</strong></td>
<td><strong>4.3178</strong></td>
<td><strong>0.8582</strong></td>
</tr>
</tbody>
</table>

Source: Survey Data (2019)
As indicated in Table 4.7, respondents to a very large extent agreed that corporate restructuring brings the relevant knowledge of the organization and its environment that is needed to make informed decisions about NPS operating mode as shown by the mean score of 3.863. Respondent to a large extent agreed that corporate restructuring is key in driving long-term operation effectiveness in NPS, and also that top down communication in the national police service has greatly improved the NPS operations efficiency as depicted by the mean scores of 3.647 and 3.608 respectively. More so, respondents to a large extent agreed that organization corporate restructuring has affected effectiveness and efficiency in their operations as shown by the mean scores of 3.588 and 3.569 respectively. Lastly, respondents agreed to a moderate extent that organization corporate restructuring has affected relevance skills that are required in their service delivery to the public as shown by the mean score of 3.314.

On the impact of organizational restructuring on the performance of National Police Service, the study established to a very large extent there is strong impact of organization restricting on organization performance as indicated by aggregate mean of 4.3178. Corporate restructuring brings the relevant knowledge of the organization and its environment that is needed to make informed decisions about NPS operating mode. More so, the study established with a mean score of 3.647 that respondents to a large extent agreed that corporate restructuring is key in driving long-term operation effectiveness in NPS.
4.6 Inferential Statistics

4.6.1 Correlation Analysis

Table 4. 8 show the correlation (strength) between the study variables and their findings.

The researcher used the Karl Pearson’s coefficient of correlation (r).

Table 4.8 Correlation Analysis

<table>
<thead>
<tr>
<th></th>
<th>Organization performance</th>
<th>Portfolio restructuring</th>
<th>Financial restructuring</th>
<th>Organizational restructuring</th>
<th>Operational restructuring</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organization performance</td>
<td>Pearson Correlation</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Portfolio restructuring</td>
<td>Pearson Correlation</td>
<td>.523</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.0032</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial restructuring</td>
<td>Pearson Correlation</td>
<td>.6140</td>
<td>.3421</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.0021</td>
<td>.0014</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organizational restructuring</td>
<td>Pearson Correlation</td>
<td>.7460</td>
<td>.1240</td>
<td>.0621</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.0043</td>
<td>.0120</td>
<td>.0043</td>
<td></td>
</tr>
<tr>
<td>Operational restructuring</td>
<td>Pearson Correlation</td>
<td>.5210</td>
<td>.3420</td>
<td>.1110</td>
<td>.1660</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.0172</td>
<td>.0031</td>
<td>1.000</td>
<td>.0031</td>
</tr>
</tbody>
</table>

Source: Survey Data (2019)

From the findings, it was clear that there was a positive correlation between organization performance and portfolio restructuring as shown by a correlation figure of 0.523, it was also clear that there was a positive correlation between organization performance and financial restructuring with a correlation figure of 0.614, there was also a positive correlation between organization performance and organizational restructuring with a correlation value of 0.746 and a positive correlation between organization performance
and operational restructuring with a correlation value of 0.521. This shows that there was a positive correlation between organization performance and portfolio restructuring, financial restructuring, organizational restructuring and operational restructuring.

### 4.6.2 Model Summary

Model Summary explains the extent to which changes in the dependent variable can be explained by the change in the independent variables or the percentage of variation in the dependent variable (organization performance) that is explained by all the four independent variables (portfolio restructuring, financial restructuring, organizational restructuring and operational restructuring).

#### Table 4.2 Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.913</td>
<td>0.834</td>
<td>0.751</td>
<td>0.4538</td>
</tr>
</tbody>
</table>

Source: Survey Data (2019)

The four independent variables that were studied, explain only 75.1% on organization performance as represented by the adjusted R². This therefore means that other factors not studied in this research contribute 16.6% of organization performance. Therefore, further research should be conducted to investigate the other factors (16.6%) that affect organization performance.
4.6.3 Multiple Regression

Multiple regression analysis was conducted as to determine the relationship between organization performance and the four variables. As per the SPSS generated Table 4.19, the equation

\[(Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon)\]

becomes:

\[Y= 1.308 + 0.558X_1 + 0.785X_2 + 0.620X_3 + 0.731X_4\]

Table 4.3 Regression Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>1.308</td>
<td>1.342</td>
<td>1.623</td>
<td>.0357</td>
</tr>
<tr>
<td>Portfolio restructuring</td>
<td>0.558</td>
<td>0.310</td>
<td>0.172</td>
<td>4.342</td>
</tr>
<tr>
<td>Financial restructuring</td>
<td>0.731</td>
<td>0.156</td>
<td>0.210</td>
<td>3.532</td>
</tr>
<tr>
<td>Organizational restructuring</td>
<td>0.785</td>
<td>0.322</td>
<td>0.067</td>
<td>3.542</td>
</tr>
<tr>
<td>Operational restructuring</td>
<td>0.620</td>
<td>0.245</td>
<td>0.148</td>
<td>3.458</td>
</tr>
</tbody>
</table>

Source: Survey Data (2019)

The regression equation above has established that taking all factors into account (portfolio restructuring, financial restructuring, organizational restructuring and operational restructuring) constant at zero, organization performance will be 1.308. The findings presented also shows that taking all other independent variables at zero, a unit increase in portfolio restructuring will lead to 0.558 improvement in organization performance; a unit increase in financial restructuring will lead to 0.731 improvement in organization performance; a unit increase organizational restructuring will lead to 0.785 improvement in organization performance and a unit increase in operational restructuring
will lead to 0.620 improvement in organization performance. This infers that organizational restructuring contribute most to organization performance followed by financial restructuring then operational restructuring while portfolio restructuring contributed little to organization performance.
CHAPTER FIVE
SUMMARY, DISCUSSION, CONCLUSION AND RECOMMENDATION

5.1. Introduction
This chapter presents summary, discussion, conclusion and recommendation drawn on the effect of corporate restructuring on organization performance of National Police Service in Kenya.

5.2 Summary of Findings
The study results found out that most of the respondents to a very large extent agreed that the effect of portfolio restructuring on performance of National Police Service is that it encourages cooperation among different units to ensure it delivers to the expectations of the citizens and also that NPS has adopted diversification strategy such as coming up with different units within the police to gain confidence among the citizens. In regression equation, a unit increase in portfolio restructuring will lead to a 0.558 increase of organization performance. From the correlation analysis, it was clear that there was a positive correlation portfolio restructuring and organization performance with a correlation figure of 0.523.

The study findings also established that most of the respondents to a very large extent agreed that the effect of financial restructuring on the performance of National Police Service is that NPS is better organized and focused on its core business with a revised strategic and financial plan and also that the NPS operation costs have been minimized. In regression equation, a unit increase in financial restructuring will lead to a 0.731
increase in organization performance. From the correlation analysis, it was clear that there was a positive correlation financial restructuring and organization performance with a correlation figure of 0.614.

The findings of the study further established that respondents too agreed that the effect of organizational restructuring on the performance of National Police Service is that it has allowed duties at NPS to be simplified in a way that there is no duplication and complexity of duties. In regression equation, a unit increase in organizational restructuring will lead to a 0.785 increase in organization performance. From the correlation analysis, it was clear that there was a positive correlation organization restructuring and organization performance with a correlation figure of 0.746.

The study also found out that most of the respondents to a very large extent agreed that the effect of operational restructuring on the performance of National Police Service is that NPS is based on the service orientation where the changes are streamlined to the police objectives. On the impact of organizational restructuring on the performance of National Police Service, the study findings established that corporate restructuring brings the relevant knowledge of the organization and its environment that is needed to make informed decisions about NPS operating mode. In regression equation, a unit increase in operational restructuring will lead to a 0.720 increase in organization performance. From the correlation analysis, it was clear that there was a positive correlation operation restructuring and organization performance with a correlation figure of 0.521.

5.3 Conclusion

On the first objective, the study concluded that, the effect of portfolio restructuring on performance of National Police Service is that it encourages significant cooperation
between various units of NPS, hence, allowing it to deliver its services as per the expectations of the Kenyan citizens.

On the second objective, the study concluded that the effect of financial restructuring on the performance of National Police Service is that it allows NPS to be well organized and more focused on its core mandate using revised strategic and financial plans, thus, allowing NPS to even minimize its overall operation costs.

On the third objective, the study concluded that the effect of organizational restructuring on the performance of National Police Service is that it has simplified the manner in which various duties are undertaken at NPS in such a way that there is no duplication and complexity of duties.

On the fourth objective, the study concluded that effect of operational restructuring on the performance of National Police Service is that NPS is based on the service orientation where the changes are streamlined to the police objectives. On the dependent variable, the study concluded the impact of organizational restructuring on the performance of National Police Service is that it allows NPS to acquire more relevant knowledge allowing it to execute its duties more effectively.

5.4 Recommendations

Based on the findings of the study on the effect of corporate restructuring on organization performance of National Police Service in Kenya, the researcher recommended the following. First, the study recommends that NPS should ensure that they utilize organizational restructuring in an effort to motivate their employees. Based on this, NPS should make sure that they offer proper guidance on the restructuring process happening
in NPS and should be fair, transparent and honest in their restructuring process especially when officers are being assigned to their duties post.

Since organizational restructuring is aimed at increasing efficiency and effectiveness of duty performance, the study recommends that NPS should restructure the way in which the police force work in Kenya and instill strict discipline upon their officers by ensuring good organizational governance so that the overall image of the NPS doesn’t continue being jeopardized. NPS should adopt corporate restructuring as a strategy to improve their service delivery to public, they need to match their objectives with all relevant strategies, and that NPS should solely rely on corporate restructuring to achieve their objectives.

Finally, the study recommends that NPS should be very careful when choosing the kind of organizational restructuring to employ by establishing suitable policies that governs and are specific to the manner in which police forces work in order to achieve maximum positive results.

5.5 **Recommendations for Further Study**

The key objective of this study was to establish the effect of corporate restructuring on organization performance of National Police Service in Kenya. However, this scope excluded national policing bodies such as Kenya Prison Service, Kenya Wildlife Services, and Kenya Forest Service. Therefore, the researcher recommends that further research that includes the effect of corporate restructuring on organizational performance of each of the above policing bodies be undertaken.
References


Gera, G. C. (2009). *Do EoC companies adhere to the principles and values proposed by the EoC ideal?* (Doctoral dissertation, University of Leicester)


APPENDICES

Appendix I: Introduction Letter

Dear Sir/Madam,

REF: REQUEST TO CARRY OUT DATA COLLECTION.

I am a student at KU campus pursuing a Master’s degree in Business Administration. As a requirement in fulfillment of this degree, am carrying out a study on the ‘CORPORATE RESTRUCTURING AND ORGANIZATION PERFORMANCE OF NATIONAL POLICE SERVICE IN KENYA.’

You have been chosen as you are well positioned to provide reliable information that will enable the study achieve its objectives. I intend to research the above though the use of questionnaires.

Any assistance accorded to me in my noble cause and information given shall be treated as confidential and will be used purely for the purpose of this research and a final copy of the document shall be availed to you upon request. Your cooperation will be highly appreciated and thank you in anticipation.

Yours Faithfully,

SUSAN WANJIRU WAWERU
Appendix II: Questionnaire

Section A: General Information

1. Kindly, indicate the department you are working in.

Finance Department [ ]                Administration [ ]
Operation [ ]                        Planning Department [ ]
Any
Any other (specify)…………………………………………………………………

2. Indicate the position that you hold in the department.

Manager [ ]                          Unit Head officer [ ]   Supervisor [ ]
Departmental Head [ ]                Assistant Manager [ ]  Technical personnel [ ]
Any other (specify)………………………………………………………………

3. How long have you been working in National Police Service?

1- 5 years [ ]  11 - 15 [ ]  6 - 10 years [ ]  Above 16 years [ ]

4. What is your highest level of education?

Post Graduate [ ]  Diploma [ ]
Undergraduate [ ]  Certificate [ ]
Any other (specify)………………………………………………………………

Section B: Corporate Restructuring

5. Is there any restructuring that have been conducted in National police service that you know?

Yes [ ]  No [ ]
If yes, kindly name them
6. What are the expectations of risk management strategies adopted by your organization? (Indicate all that apply)

Reduce financial losses [ ] enhance service delivery [ ]
Ease decision making [ ] enhance public confidence [ ]

Section C: Corporate Restructuring

7. Indicate the extent to which the following aspects relating to how corporate restructuring affect performance of National Police Services.

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<thead>
<tr>
<th>Portfolio Restructuring</th>
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<tr>
<td>NPS has adopted diversification strategy such as coming up with different units within the police to gain confidence among the citizens</td>
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<td>NPS has ensured resources are distributed to the lowest level of ranking in the police units with aim of securing the country</td>
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<td>The aim of the portfolio restructuring was to ensure that responsibilities are shared among different units in the police service</td>
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<td>NPS encourages cooperation among the different units to ensure it delivers to the expectation of the citizens.</td>
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<th>Financial Restructuring</th>
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<tr>
<td>Through restructuring, NPS was able to reduce staff training cost drastically.</td>
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<td>Through restructuring, the operation cost have been minimized</td>
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<td>NPS has managed to utilize consultancy cost effectively through ensuring only critical consultancy is sourced</td>
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<td>Restructuring in the NPS has reduced debts within the institution drastically</td>
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</table>
Through financial restructuring, NPS has better organized and focused on its core business with a revised strategic and financial plan.

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<tr>
<td>NPS conducted restructuring to instill discipline upon the officers by ensuring good governance in the force</td>
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<td>NPS restructuring has flattened the hierarchic levels in the forces and enable processes streamlining</td>
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<td>Through organizational Restructuring NPS has been able to install high level of confidence to the general public</td>
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<td>NPS restructuring such as revising compensation had a positive impact on staff performance</td>
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<td>Through restructuring the duties have been simplified in a way that there is no duplication and complexity of duties</td>
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<td>Through restructuring staff gains morale to work since their responsibility is clearly stipulated thus effective performance of the police service as whole</td>
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<td>Through restructuring staff are encouraged to be creative and innovative</td>
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<td>Low staff turnover is reported since majority of the staff feel comfortable at work</td>
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<td>restructuring adopted in the NPS is more adaptable to the services bestowed to the police service</td>
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<td>Restructuring within the NPS is based on the service orientation where the changes are streamlined to the police objectives</td>
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8. To what extent would you rate organization restructuring has impacted the aspects relating to organization performance in national police service? Use a scale of 1-5, where 1 is to very small extent, 2, small extent, 3 moderate extent, 4 great extent and 5 to a great extent.

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<tr>
<td>In our organization corporate restructuring has affected effectiveness in our operations</td>
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Corporate restructuring is key in driving long-term operation effectiveness in national police service

In our organization corporate restructuring has affected efficiency in our operations

Through top down communication in the national police service has greatly improved the NPS operations efficiency

In our organization corporate restructuring has affected relevance skill that are required in our service delivery to public

Corporate restructuring brings the relevant knowledge of the organization and its environment that is needed to make informed decisions about NPS operating mode

9. What would you recommend to be done to enhance performance in National Police service through corporate restructuring?

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........................................................................................................................................

THANKS FOR YOUR CORPORATION