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ABSTRACT

This study sought to establish the effects of organization restructuring on strategic competitiveness of commercial banks in Kenya, Kakamega County. The study employed descriptive survey design on Population target of the management of commercial banks from the region. A sample size of respondents was drawn from the population using stratified random sampling method. Data collection was done by use of structured Questionnaires. Analysis of data was done by use of statistical package for social sciences (SPSS 23) for the purpose of solving concerned information of descriptive and inferential content of the study based on descriptive statistics of (frequencies, percentages and means), correlation analysis, and regression analysis. The results revealed that the four effects of organization restructuring influenced strategic competitiveness of commercial banks in Kenya, Kakamega County. The study concluded that down-sizing, outsourcing, re-engineering and centralization had a significant influence on strategic competitiveness of commercial banks in Kenya Kakamega County. Study recommendation was that; downsizing should not limit the commercial bank's outreach capabilities, the more an organization outsourced the higher its organizational growth and organizational productivity, re-engineering could be used as a way of adaptation of new technology by the commercial banks to enhance operations and centralized systems should not experience effect challenges in time sharing. More so, the study recommended for further research on strategic management practices to be carried out on identifying other elements that could be critical to the success of organization development.

Key Words: *Down-Sizing, Outsourcing, Re-Engineering, Centralization, Strategic Competitiveness*

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INTRODUCTION

Existence of turbulent business environment has encouraged the ability for decision makers to formulate on how the organization or business unit should position strategically for future and gain from competitive advantage over others (Sauerhoff, 2014). Organizations have been under increasing competitive pressure to perform for the sake of survival and remain relevant in the market (Mahdavian, Mirabi, & Haghshenas, 2014). Hence managers have to be strategic in every aspect of the management function of the organization with consideration of changing business environment that is characterized by stiff competition, raised stakeholder expectations and the need to maximize utilization of organizational resources by operating more efficiently (Cascio, 2003)

In the study by Gopinath (2000) on conditions of divesture, most affected business organizations are commercial banks whose operating environment has reflected a number or players emerging with similar and even different product offerings that affect their product performance. Some of these players include micro-finance institutions, Sacco's and the mushrooming mobile phone based micro-loaning firms. According to Barlett (2000), changing environment necessitates a change in strategic initiatives.

In the study by Parkhe (2007) on Strategic competitiveness, it is the ability of an organization to perform activities in a more different way than competitors, hence realized through organizational structure and implementation processes. According to Hill (2001), an organization is said to possess competitive advantage of it makes or has the potential to make higher profits compared to its rivals within the same market. Porter (1985) argued that competitive advantage was a firm's ability to earn returns that could consistently be above the average for the industry. In the study by Barney (2008), competitive advantage was sustainable if rival firms were unable to copy source of competitive advantage or come up with a better offering. According to Cascio (2003), hence competitive advantage could be temporary or sustainable. More so competitive advantage earns a firm high profits, the profits attract rival firms to find out the successful firms' secrets, resulting to imitations or counter measures by restructuring policies thereby limiting the longevity of competitive advantage.

Existing businesses, irrespective of size have to be part of the global business community affecting and being affected by social change, events and pressures from around the world. This is so because the business environment is changing, dynamic, turbulent, discontinuous and highly competitive (Olanipekun, 2014). More so, the relationship between business and society has changed radically, hence key drivers of this change have been globalization of trade, increased size and influence of corporate organizations, the repositioning of government and the rise in the strategic importance of stakeholder's relationships, knowledge, and brand reputation. (Aremu,2010). The changes in the environments call for changes in strategies in handling businesses hence encouraging restructuring for competitiveness and as well responding to complexity and sophistication of business decision making (Adeleke, Ogundele & Oyenuga 2008).

Africa being a developing continent, strategic competitiveness still possesses inefficiencies that are of internal and external activities that require modern executives' responsibilities. Both internal and external environment give a challenge on how the organization should restructure the policies and face reality of what business should be (Olanipekun, 2014). Organizational restructuring could be defined as fundamental rethinking and radical redesigning of organizational structures, business processes, procedures and functional structures (Porter, 1985). What is clear from these definitions is that at the heart of the restructuring process is the notion that some activities within the business value chain are more critical to the success of the business strategy than others.

Kenya being a developing country, has witnessed a number of Commercial Banks coming up and increasing due to growth in the economy. All these coming up commercial banks face competition challenges among themselves for sustainability and growth (Muriuki, 2014). According to kariuki (2014) on the study of internet banking,opening up of the financial industry has enabled more microfinance institutions to offer fully fledged banking services and as such has further increased competition among the banks. This has resulted in the scramble for the available customers and their ever changing needs. More so such moves necessitates an increased perfection of customer services and customer satisfaction strategies in order to attract and retain the existing customers.

In the study by Muriuki (2014) on entrance of telecommunication companies in banking sector, companies such as Safaricom offers a great challenge to commercial banks,especially in the field of money transfer business by use of Mpesa.Competition in the banking sector has been heightened by the fact that, the cost of banking technology, once prohibitive, is no longer a barrier to entry into the industry. Because of developments in technology and general erosion of entry barriers into banking, it is easier for non-bank financial institutions to move into banking than banks to diversify out of financial services. Gitonga (2014) embraces shifting market shares among the leading banks in the country and further illustrating the banking sector hyper competitiveness. Due to these factors, it is therefore necessary for local banks to search for innovative ways through which they can fight competitors while maintaining their focus of providing banking facilities to those without access to them.

Kiragu (2005) highlighted performance in terms of four perspectives which were the financial namely; customer, internal processes and innovativeness. More so, the scholar regarded financial perspective identifying key financial drivers of enhancing performance which are profit margin, asset turnover, leverage, cash flow, and working capital, accordingly the impression was key indicators were as a result of strategic competitiveness after inclusion of restructuring capabilities by firms. In the study by Luoma (2015) on performance, customer focus describes performance in terms of brand image, customer satisfaction, customers' retention and customer profitability. Internal processes involve the efficiency of all the systems in the organization while innovativeness is concerned with the ease with which a firm is able to adapt to changing conditions in the environment. However, there are many strategic competitive measures and this study chose on restructuring and focused on independent variables; downsizing, outsourcing, re-engineering and centralization.

Statement of the Problem

Business environments have been enlarging globally due to many organizations indulging in technological changes. According to Prahalad (2000), trading transactions have become paperless allowing real time executions and as well enabling immediate response to the clients, hence justifying competitive strategies employed by organizations for sustainability and growth. Increase in the banking sector environment has encouraged complexity in strategic competitiveness among organizations. In the study by Munjuri (2011) on commercial banks, many banks and micro- finance firms have sprung up and for long- term survival such firms require strategic competitiveness, otherwise many firms fail to succeed on the market. Many studies have been done by researchers on strategic competitiveness, among them Singh (2008) but did not link organization restructuring and strategic competitiveness on commercial banks specifically in Kenya. This necessitates for a research gap to be explored on

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organization restructuring on strategic competitiveness with consideration of independent variables; down-sizing, outsourcing, re-engineering and centralization. In the study by Munga (2018) on challenges facing banks, several banks have actively resorted to organizational restructuring in a bid to maximize on their resources and compete among themselves. The high operating costs and rising income to expense ratio created are driving the bank's policy decision makers to come up with transformation agenda to review their business models, structures and strategies, processes and procedures, risk management mechanisms as well as people related issues like numbers, placement, remunerations, performance management. Hence, this study sought to establish the effects of organization restructuring on strategic competitiveness of commercial banks in Kenya.

Objectives of the Study

The study's general objective was to establish the effect of organization restructuring on strategic competitiveness of Commercial banks in Kenya, Kakamega County. The specific objectives were;

- To examine the effects of Down-Sizing on Strategic Competitiveness of Commercial banks in Kenya, Kakamega County
- To establish the effects of Outsourcing on Strategic Competitiveness of Commercial banks in Kenya, Kakamega County
- To determine the effects of Re-engineering on Strategic Competitiveness of Commercial banks in Kenya, Kakamega County
- To ascertain the effects of Centralization on Strategic Competitiveness of Commercial banks in Kenya, Kakamega County

The study hypotheses were;

- **H_{01}:** Downsizing has no significant effect on Strategic Competitiveness of Commercial banks in Kenya, Kakamega County
- **H_{02}:** Outsourcing has no significant effect on Strategic Competitiveness of Commercial banks in Kenya, Kakamega County
- **H_{03}:** Reengineering has no significant effect on Strategic Competitiveness of Commercial banks in Kenya, Kakamega County
- **H_{04}:** Centralization has no significant effect on Strategic Competitiveness of Commercial banks in Kenya, Kakamega County

LITERATURE REVIEW

Resource Based View Theory

Resource-based view of the firm and the resultant resource-based theory provide an important framework for explaining and predicting the basis of a firm's competitive advantage and performance (Vorhies & Morgan 2005). In the study by Barney (1991) on firm's success, prior works had identified organizational resources as important to a firm's prosperity; it was not until 1980s that the resource based view of the firm began to take shape due to increase in emerging firms and widening of business environment. According to Peteraf and Barney (2003), a firm could achieve a competitive advantage when it was able to generate "more economic value than the marginal (breakeven) competitor in its product market". In the study by Mwailu and Mercer (1983) on resource-based view as a basis for the competitive advantage, a firm lied primarily in the application of a bundle of valuable tangible or intangible resources at the firm's disposal. Peteraf (1993) embraced transformation of a short-run competitive advantage into a sustained competitive advantage required resources that are heterogeneous in nature and not perfectly mobile.

Wenerfelt (1984) stipulated Resource Based View theory being resources possessed by a firm where by being primary determinants of its performance, hence these contributes to a sustainable competitive advantage of the firm. According to Barney (1991), the concept of resources included all assets, capabilities, organizational processes, firm attributes, information, knowledge controlled by a firm that enabled the firm to conceive of and implement strategies that improve its efficiency and effectiveness. According to Daft (1983) a competitive advantage could be attained if the required strategy was value-creating, and not currently being implemented by present or possible future competitors. Sustainability in the context of a sustainable competitive advantage is independent with regard to the time frame. More so Rumelt (1984) expressed a competitive advantage being sustainable when the efforts by competitors to render the competitive advantage redundant cease (Rumelt, 1984).

Life-cycle Theory

The product life-cycle theory is an economic theory that was developed by Raymond Vernon in response to the failure of the Heckscher-Ohlin model to explain the observed pattern of trade. In the study by Miller and Friesen (1984) on product life cycle, the theory suggests that early in a product's life-cycle all the parts and labor associated with that product come from the area in which it was invented. After the product becomes adopted and used in the world markets, production gradually moves away from the point of origin. In some situations, the product becomes an item that is imported by its original country of invention. A firm grows and eventually matures while moving through different stages of the corporate lifecycle. Each of the stages differs from the other in terms of characteristics and firm structure. Life cycle theory suggests the unique firm life cycle characteristics of birth, growth, maturity, and decline and how these characteristics affect the decisions a firm makes, especially in situations such as financial distress and the threat of bankruptcy (Koh, Dai, & Chang, 2012).

According to Koh, Dai and Chang (2012), at birth phase a firm is in the initial stage of starting up business operations. The firm is therefore more geared towards expansion and is mostly action oriented. As it progresses into growth stage, the firm is more or less successful and experiencing growth in terms of strong business and cash flows. The firm then enters maturity. Here, the firm is cash rich, financially oriented, and focuses more on low risk projects. Eventually, at decline stage firms has limited investment opportunities and generally are incapable of generating sufficient resources. Given that at different life cycle stage a firm is faced with different challenges, management must have adjusted decisions that account for these differences. Accordingly this scholar embraces Life cycle characteristics present limited options for restructuring to managers, this especially when firms are faced with distress.

In the study by Wruck (1990) on life cycle, considering the stage in the Lifecycle in which the firm is, the specific life cycle characteristics will affect the restructuring strategies that the firm may employ if in financial distress, namely; managerial, operational, asset and financial strategies. For example, mature firms replace top level management while growth, mature and decline firms reduce dividend payments and raise funds from external sources. Corporate finance theory, on the other hand, argues that states of financial distress, default and bankruptcy present a fundamental stage in the life cycle of firms. The survival of a firm is therefore not only dependent on its ability to remain profitable, to maximize shareholder wealth and to avoid financial distress but also on its ability to make decisions which take into consideration its stage in the life cycle. There is therefore a need to effectively deal with financial distress and immediately so, especially given that it precedes bankruptcy. How effectively a firm responds when it is in financial distress is crucial when it comes to recovery.

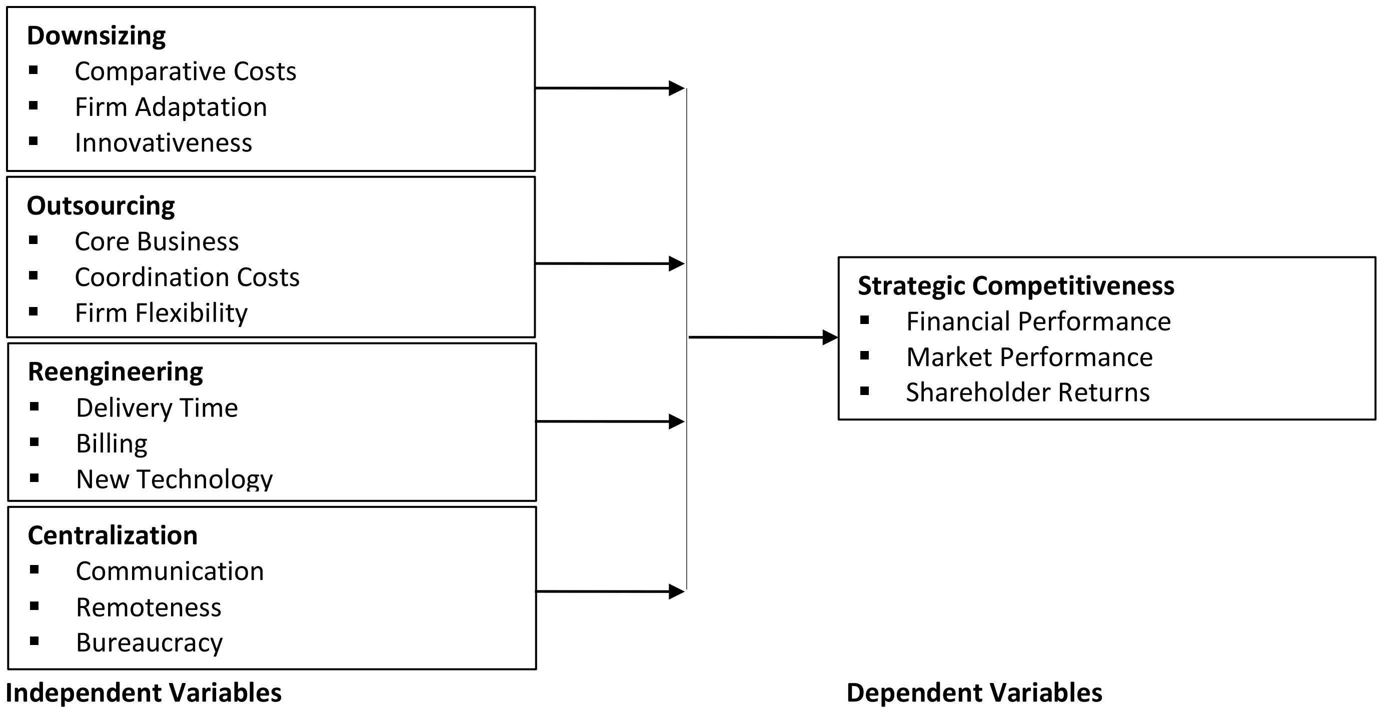

Figure 1: Conceptual Framework

Empirical Review

Tashonna (2011) examined the effects of down-sizing on Organizational Performance using panel data from 2174 product innovations that were initiated during a 39 month period at one telecommunications firm in the United States of America during down-sizing event. This study found that the general effect of down-sizing increases the likelihood of project withdrawal. Convergence protects radical innovations and buffers them from withdrawal; no effect on completion. Re-orientation enhances the likelihood of starting new projects and this prospect increases for more radical product categories. Overall, it takes time for managers to get up to speed with the strategic implications of down-sizing and resources are wasted, a potential pitfall for innovation.

Duran (2008) carried out an empirical investigation on the impact of organizational down-sizing on corporate and strategic business unit economic performance focusing on the role of work force reduction, the study revealed that when controlling for other factors that affect organizational performance, downsizing has some negative and some positive effects on strategic business unit, corporate performance and these effects persist for a limited period of time.

Rehmanand and Naeem (2011) investigated the impact of down-sizing on the performance of survived employees in Pakistan. The study established that down-sizing affected employees' loyalty, perception about the job insecurity and their commitments toward the organization and resulting in the poor performance of the employees as well as the organization. The downsizing consequently lowers loyalty, which increases job in-security and severely affects performance of employees working under such tense environment. Downsizing strategies affect survivors because they have fear of loss of their jobs, which generates stress, dissatisfaction, increased absenteeism, higher turnover and lastly result in their increased intentions to leave the organization.

Sikayena, Amoahand and Ankomah (2016) carried out a study on the effects of downsizing on employee and organizational performance in Ghana. The study

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revealed downsizing has a significant negative relationship on employee and organizational performance. Also, early retirement, attrition, voluntary and compulsory termination are some of the downsizing strategies employed and could be attributed to factors such as cost reduction, an increase in the levels of efficiency and organizational competiveness. It was also revealed that employees are normally ignored when taking downsizing decisions causes emotional and behavioural effects on both the downsized workers and the remaining employees. The study therefore recommended that management should have an open and honest communication regarding downsizing and involve employees in the exercise.

Sarifuzzaman (2012) examined the impact of outsourcing on company performance using a local public limited company in Bangladesh as a case study. The study established that outsourcing can be an element of competitive advantages for businesses. For outsourcing to be successful the decision needs to be informed. Good, hard, detailed information in the hands of capable management can help avoid a costly step, one that is not easily reversed. Ultimately, for outsourcing in any form to be successful, quick response times to strategic opportunities and threats are essential. Effective management of the outsourcing relationships is an organizational imperative. Study conclusion was that outsourcing brings lots of benefits for the organizations.

Rajee and Akinlabi (2013) examined outsourcing service as a strategic tool for organizational performance using data generated from fifteen (15) companies in the Nigeria food, beverage, and tobacco industry, within the period 2000-2010. The results revealed that the more an organization outsourced, the higher its organizational growth and organizational productivity are positively correlated to the amelioration of competitive advantage of labor productivity and average production cost. The study also revealed that outsourcing is beneficial to organizational performance, and enhances firm's financial economies and competitive advantage in the market place.

Sungau and and Msanjila (2012) studied the role of Information Technology in enabling of Business Process Reengineering in organizations in Tanzania. The study established that both in practice and literature Information Technology played a very crucial role in Business Process Re-engineering which have been identified and classified in relation to transactional, analytical, knowledge management, geographical, informational, automatic, sequential, tracking and disintermediation roles.

Eke and Adaku (2014) examined Business Process Re-engineering in Organizational Performance in Nigerian Banking Sector. The findings revealed that Business Process Re-engineering helps in focusing on end-customer by providing competitive advantages to the organization. Business Process Re-engineering has become useful weapon for any corporate organizations that seeks for improvement in their current organizational performance and intends to achieve cost leadership strategy in its operating industry and environment.

Mwaura (2016) sought to establish the Business Process Re-engineering and operational performance at the Nairobi City County. From the study findings, it was established that, Business Process Reengineering in its entirety had a significant influence on operational performance of Nairobi City County. The massive investment in Information Communication Technology tools and equipment had a significant influence on the operational performance of the Count.

Eriksson and Gustavsson (2013) carried out a study of centralized goal-settings effect on employee motivation in a multiunit organization in Sweden. The study found that centralized assigned goals have a negative effect on motivation for most of the employees, who have trouble accepting and feeling committed to the goals. However, the assigned goals can temporarily trigger motivation to sell certain products, for example through a competition. The study further argued that the distribution of the centrally assigned goals have to be well communicated and explained to the employees, and that organizations give room for local adjustment of the centrally assigned goals.

Gómez *et al.*, (2015) examined the impact of organizational culture on competitiveness, effectiveness and efficiency in Spanish-Moroccan International Joint Ventures based on information provided by the Chief Executive Officers of Spanish-Moroccan International Joint Ventures between small- to medium-sized firms, the present study shows that levels of competitiveness, effectiveness and/or efficiency in these organizations are influenced by the involvement of staff in management, the degree of centralization of decision taking and the firms' emphasis on results or on procedures.

METHODOLOGY

This study used descriptive survey design which involved collecting data of the answered questions about the respondents of the study. The study was carried out in Kakamega County in Kenya where there was 26 commercial banks branches in operation, hence the study had have a total target of 104 respondents including branch managers, credit managers, customer relationship managers, and operations managers drawn from all the banks. The researcher used close ended (structured) questionnaires to collect primary data from Commercial banks in Kakamega County through endulgement of Branch managers, Credit managers, Customer relationship managers and operation managers. Data was collected by self-administered questionnaire. The quantitative data collected was analyzed by Statistical Package for Social Sciences (SPSS 23) where descriptive statistics were computed to help in describing and interpreting data in line with study objectives.

FINDINGS AND DISCUSSIONS

Descriptive Statistics on Downsizing and Strategic Competitiveness of Commercial Banks in Kenya; Kakamega County

This section was in line with the first study objective which sought to examine the effects of downsizing on strategic competitiveness of commercial banks in Kakamega County. Table 1 showed the statistical results in details.

Table 1: Descriptive Statistics for Downsizing

Statements on Downsizing	SA (%)	A (%)	N (%)	D (%)	SD (%)	Mean	Std. Dev
We use downsizing in our firm as a cost cutting measure	43.0	32.9	16.5	7.6	0.0	4.11	.947
Downsizing has enabled us to achieve cost advantages	40.5	46.8	8.9	3.8	0.0	4.24	.772
Downsizing has brought with it challenges of adaptation for our firm	36.7	25.3	24.1	11.4	2.5	3.82	1.130
Through downsizing we are able explore other modes of adaptation	35.4	32.9	21.5	10.1	0.0	3.94	.992
Downsizing affects our innovativeness	24.1	34.2	24.1	16.5	1.3	3.63	1.064
Downsizing limits our outreach capabilities	36.7	49.4	5.1	7.6	1.3	4.13	.911
Overall mean						**4.11**	

From table 1, the findings of the study established that the participants strongly agreed (mean = 4.11; Std. dev = .947) that commercial banks used downsizing as a cost cutting measure which is consistent with the findings of Javeed (2013) whom carried out a study on the impact of downsizing on organizational performance in Pakistan and reported that downsizing was recognized to have positive result for the organization. In many situations organizations are continuing to use the downsizing policy as a cost cutting strategy they are beginning to evaluate the comparative costs and benefits against the negative impact of downsizing on employees. The findings also concurred (mean = 4.24; Std. dev = .772) that the commercial banks has achieved cost advantage through downsizing. However, with regards to adaptation, the respondents largely agreed (mean = 3.82; Std. dev = 1.130) that downsizing has brought with it challenges of adaptation for their firms while a significant number of the respondents remained neutral. Besides, the study revealed that while a significant majority of the respondents agreed (mean = 3.94; Std. dev = .992) that through downsizing the commercial banks are able explore other modes of adaptation as reported by (Bloise, Cook and Hunsaker, 2013) who stated that organizations should be flexible and ready to adapt the changes that might occur in their businesses in order to stay alive and also for the accomplishment of organizational objective. In addition, the respondents were in agreement (mean = 3.63; Std. dev = 1.064) that downsizing affects their innovativeness. Moreover, it was generally concurred (mean = 4.13; Std. dev = .911) that downsizing limits the commercial bank's outreach capabilities. These findings were consistent with those of Rehmanand and Naeem (2011) who investigated the impact of downsizing on the performance of survived employees in Pakistan. The study established that downsizing affected employees' loyalty, perception about the job insecurity and their commitments toward the organization and resulting in the poor performance of the employees as well as the organization. The downsizing consequently lowers loyalty, which increases job in-security and severely affects performance of employees working under such tense environment.

Descriptive Statistics on Outsourcing and Strategic Competitiveness of Commercial Banks in Kenya; Kakamega County

This section was in line with the second study objective which sought to examine the effects of outsourcing on strategic competitiveness of commercial banks in Kakamega County. Table 2 showed the statistical results in details.

Table 2: Descriptive Statistics for Outsourcing

Statements	SA (%)	A (%)	N (%)	D (%)	SD (%)	Mean	Std. Dev
We at times outsource part of our core business functions	49.4	43.0	6.3	1.3	0.0	4.41	.670
We are very rigorous when selecting a partner to outsource our core business function	46.6	50.6	2.5	0.0	0.0	4.44	.549
Outsourcing reduces our coordination costs	36.7	39.2	20.3	3.8	0.0	4.09	.850
Outsourcing helps us to accurately plan our coordination costs	40.5	55.7	3.8	0.0	0.0	4.37	.559
Outsourcing enables us to achieve organizational flexibility	40.5	45.6	11.4	2.5	0.0	4.24	.755
Outsourcing enables us to prioritize other activities	15.2	49.4	12.7	21.5	1.30	3.56	1.035
Overall mean						**4.41**	

The findings of the study shown on table 2 indicated that the respondents strongly agreed (mean = 4.41; Std. dev = 0.670) that the commercial banks at times outsource part of their core business functions and also concurred (mean = 4.44; Std. dev = 0.549) that the commercial banks are very rigorous when selecting a partner to outsource their core business function. In addition, the participants also alluded (mean = 4.09; Std. dev = 0.850) that Outsourcing reduces their coordination costs this findings are consistent with those of Akewushola and Elegbede (2014) who conducted a study on outsourcing strategy and organizational performance using empirical evidence from Nigeria's manufacturing sector. The findings revealed that firms that outsource experience reduced average cost, increased sales turnover and profitability, enhance expertise, improve service quality, reduce staff strength, streamline the production process, reduced administrative burden and save time for core activities and also strongly agreed (mean = 4.37; Std. dev = 0.559) that outsourcing helps them to accurately plan their coordination costs. It also emerged that a significant majority of the participants concurred (mean = 4.24; Std. dev = 0.755) that outsourcing enables them to achieve organizational flexibility. It was generally admitted (mean = 3.56; Std. dev = 1.035) that outsourcing enables them to prioritize other activities. These findings were consistent with the findings of Alwanga (2015) who studied the effect of business process outsourcing on the performance of telecommunication firms in Kenya. The findings revealed that outsourcing had a significant effect on operational cost resulting in operational cost reduction in telecommunication companies in Kenya. Cost reduction was mainly cost saving, better resource management and reduction in the number of employees thus promoting of telecommunication companies' overall cost efficiency.

Descriptive Statistics on Re-engineering and Strategic Competitiveness of Commercial Banks in Kenya; Kakamega County

This section was in line with the third study objective which sought to examine the effects of re-engineering on strategic competitiveness of commercial banks in Kakamega County .Table 3 showed the statistical results in details.

Table 3: Descriptive Statistics for Re-engineering

Statements	SA (%)	A (%)	N (%)	D (%)	SD (%)	Mean	Std. Dev
Reengineering has been instrumental in helping our firm manage time well	21.5	51.9	11.4	10.1	5.1	3.75	1.068
Through reengineering, we have been able to improve on delivery time	40.5	35.4	19.0	5.1	0.00	4.11	.891
Our firm has been able to improve its billing demands through reengineering	15.2	49.4	12.7	21.5	1.30	3.56	1.035
Through reengineering we have been able to increase billing efficiency	41.8	39.2	3.8	15.2	0.0	4.08	1.035
Reengineering has enabled us to introduce new technology	36.7	51.9	3.8	7.6	0.0	4.18	.828
Reengineering has meant that new technology can be easily adopted in our firm to enhance operations	40.5	55.7	3.8	0.0	0.0	4.37	.559
Overall Mean						**3.75**	

Table 3 revealed by (mean = 3.75; Std. dev = 1.068) that reengineering has been instrumental in helping commercial banks manage time well. The study indicated (mean = 4.11; Std. dev = .891) that through re-engineering, they have been able to improve on delivery time. This findings were consistent with that of Hellriegel *et al.*, (2009) who stated that the goal is to design the most effective process for making and delivering a product. Effective processes are those that cost the least, while at the same time rapidly producing goods (reliable) and providing service of excellent quality. Benefits may include faster delivery time, more accurate billing and fewer defective products, thus improving productivity. It further showed (mean = 3.56; Std. dev = 1.035) that commercial banks has been able to improve its billing demands through re-engineering and the respondents strongly agreed (mean = 4.08; Std. dev = 1.035) that through reengineering commercial banks have been able to increase billing efficiency. It also emerged (mean = 4.18; Std. dev = .828) that re-engineering has enabled commercial banks to introduce new technology. However, 7.6% of the respondents expressed contrary opinion. Besides, majority of the respondents agreed (mean = 4.37; Std. dev = .559) that re-engineering has meant that new technology can be easily adopted by the commercial banks to enhance operations. These findings are consistent with those of Eke and Adaku (2014) who examined Business Process Reengineering in Organizational Performance in Nigerian Banking Sector. The findings revealed that BPR helps in focusing on end-customer by providing competitive advantages to the organization. BPR has become useful weapon for any corporate organizations that is seeking for improvement in their current organizational performance and intends to achieve cost leadership strategy in its operating industry and environment. Also, BPR implementation was seen in various operations processes in banks and this means the factors of BPR are reliable and valid. Reengineering focuses on changing existing business practices. Strategic reengineering focuses on designing the organization to compete by undertaking strategic initiatives at the start of the reengineering process.

Descriptive Statistics on Centralization and Strategic Competitiveness of Commercial Banks in Kenya; Kakamega County

This section was in line with the fourth study objective which sought to examine the effects of centralization on strategic competitiveness of commercial banks in Kakamega County. Table 4 showed the statistical results in details.

Table 4: Descriptive Statistics on Centralization

Statements	SA (%)	A (%)	N (%)	D (%)	SD (%)	Mean	Std. Dev
Centralization enables us to communicate effectively in the firm	33.5	39.9	18.4	5.1	3.1	3.55	1.008
Through centralization we have been able to determine effective communications channels	35.5	40.4	15.0	9.1	0.00	3.81	.881
Remoteness of the central office does not promote efficiency in our firm	25.2	39.4	22.7	11.5	1.30	4.26	1.075
Remoteness of the administration means we have weak monitoring systems	46.8	34.2	13.8	5.2	0.0	4.08	1.135
Centralization has enabled us to reduce some of the lengthy procedures	41.7	46.9	7.8	3.6	0.0	4.18	.828
Our centralized systems experience challenges in time sharing	40.8	40.2	12.8	6.2	0.0	3.77	.998
verall Mean						**3.55**	

The findings of the study shown on table 4 indicated that the respondents strongly agreed (mean = 3.55; Std. dev = 1.008) that centralization enables the commercial banks to communicate effectively in the

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firm and also concurred (mean = 3.81; Std. dev = .881) that through centralization the commercial banks have been able to determine effective communications channels. In addition, the participants also alluded (mean = 4.26; Std. dev = 1.075) that remoteness of the central office does not promote efficiency in their firm and also strongly agreed (mean = 4.08; Std. dev = 1.135) that remoteness of the administration means they have weak monitoring systems. It also emerged that a significant majority of the participants concurred (mean = 4.18; Std. dev = 0.828) that centralization has enabled the commercial banks to reduce some of the lengthy procedures. The study observed that majority of the sampled respondents (mean = 3.77; Std. dev = 0.998) agreed that the centralized systems experience challenges in time sharing. These findings are consistent with those of Ongwae & Moronge (2016) whom studied the influence of organizational restructuring on performance of commercial banks in Kenya focusing on Kenya Commercial Bank. The study established that the organization had centralized its processes and it enhanced controls in the organization to a great very great extent. The centralization of processes has reduced resource wastage in the organization to a great very great extent and has eased decision making to a great very great extent.

Descriptive Analysis on Strategic Competitiveness of Commercial Banks in Kenya; Kakamega County

This section entailed an analysis of the dependent variable. It examined the perceptions held on strategic competitiveness of commercial banks in Kakamega County. Table 5 showed the statistical results in details.

Table 5: Descriptive Statistics on Strategic Competitiveness

Statements	SA (%)	A (%)	N (%)	D (%)	SD (%)	Mean	Std. Dev
Our financial performance has been improving as a result of restructuring	39.2	48.1	5.1	7.6	0.0	4.19	.848
We have been able to attain profitability with most of our products	36.7	49.4	5.1	7.6	1.3	4.13	.911
Market response to our products has been positive	41.8	54.4	3.8	0.0	0.0	4.38	.562
Most of our products are absorbed by the markets	17.7	38.0	30.4	6.3	7.6	3.52	1.096
We have reduced the levels of no-performing products	16.5	48.1	12.7	17.7	5.1	3.53	1.119
We have been able to operate with low levels of debts	35.4	32.9	21.5	10.1	0.0	3.94	.992
Our profitability margins are improving	41.8	39.2	3.8	15.2	0.0	4.04	1.032
Overall Mean						**4.19**	

From table 5, the results of the study indicated that the respondents strongly agreed (mean = 4.19; Std. dev = .848) that their financial performance was improving as a result of restructuring. A similar structure can be located in the World Competitive Yearbook. In the WCY principle, of “world competitiveness” is a blend of intrinsic resources that have been created and a practice of transferring resources into financial results (Man, 1998). More so it also concurred (mean = 4.13; Std. dev = .911) that they have been able to attain profitability with most of their products. This is consistent with the statement of Hill (2001) that competition erodes competitive advantage. This arises because higher than normal profits send a signal to competing firms within the industry that the company has acquired some valuable distinctive competence that have enabled it create superior value. However, with regards to the market, the respondents largely agreed (mean = 4.38; Std. dev = .562) that the market response to their products has been positive. Besides, the study revealed that most of their products are absorbed by the markets. The respondents agreed (mean = 3.53; Std. dev =1.119) that they have reduced the levels of no-performing products. Further the respondents were in agreement (mean = 3.94; Std. dev =1.992) that they have been able to operate with low levels of debts. Moreover the respondents agreed (mean = 4.04; Std. dev =1.032) that their profitability margins are improving.

Correlations Analysis

The Pearson product-moment correlation coefficient was used to obtain a measure of the strength of association between two variables (Independent and Dependent). The Pearson correlation coefficient, *r*, can take a range of values from +1 to -1. A value of 0 indicates that there exists no association between the independent and the dependent variables while a value greater than 0 indicates a positive association meaning that an increase in the value of one variable leads to the increase in the other. A value less than 0 indicate a negative association meaning that a decrease in the value of one variable would lead to a decrease in the value of the other.

Table 6: Summary of Correlations

		Downsizing	Outsourcing	Reengineering	Centralization	Strategic Competitiveness
Downsizing	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	63				
Outsourcing	Pearson Correlation	.199	1			
	Sig. (2-tailed)	.069				
	N	63	63			
Reengineering	Pearson Correlation	-.001	.184	1		
	Sig. (2-tailed)	.994	.094			
	N	63	63	63		
Centralization	Pearson Correlation	.033	.133	0.419	1	
	Sig. (2-tailed)	.763	.227	.742		
	N	63	63	63	63	
Strategic Competitiveness	Pearson Correlation	.528**	.218*	.096	.443**	1
	Sig. (2-tailed)	.000	.047	.386	.000	
	N	63	63	63	63	63

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

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

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The correlation summary shown in Table 6 indicated that the associations between the independent variables and the dependent variable were significant save for one which was insignificant at the 95% confidence level. Also, the inter-variable correlations between the independent variables were insignificant to affect the relationship with the dependent variable, hence, the effects of multicollinearity were minimized. Therefore, further analysis of the variables were carried out as follows;

Regression Analysis

The multiple linear regressions were undertaken for the purpose of examining the effects of organization restructuring on strategic competitiveness of commercial banks in Kenya focusing on banks in Kakamega County. The model summary on table 7 indicated a multiple linear correlation coefficient R of 0.547 which indicated that the independent variables (downsizing, outsourcing. Re-engineering and Centralization) had a positive correlation with the dependent variable.

Table 7: Multiple Linear Regression Analysis Model Summaries

R	R Square	Adjusted R Square	Std. Error of the Estimate
.547[a]	.300	.264	2.37043

a. Predictors: (Constant), Downsizing, Outsourcing. Reengineering, Centralization

The coefficient of determination (R Square) of 0.300 indicated that the independent variable constituted 30% of the variance in the dependent variable. These results therefore explained 54.7% while the 45.3% is explained by other variables outside the scope of this study.

Table 8: Summary of ANOVA

	Sum of Squares	Df	Mean Square	F	Sig.
Regression	189.856	4	47.464	6.308	.000[b]
Residual	443.894	59	7.524		
Total	633.750	63			

a. Dependent Variable: Strategic Competitiveness

b. Predictors: (Constant), Downsizing, Outsourcing. Reengineering, Centralization

The results of Table 8 indicated that there is a significant difference between means of organization restructuring on strategic competitiveness of commercial banks in Kenya ($F_{o'}$ = 6.308> F_c = 2.50; $\alpha <$ 0.05; df = 4, 59; p = 0.000). In order to determine which of the independent variables was more important when it came to the strategic competitiveness of commercial banks in Kenyathe beta value was used. The results were given in Table 9 which provided a summary of the multiple linear regression analysis correlation coefficients.

Table 9: Multiple linear regression results

	Un-standardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	2.250	4.759		.473	.638
Downsizing	.445	.084	.510	5.295	.000
Outsourcing	.177	.103	.181	1.751	.001
Reengineering	.060	.108	.058	.557	.579
Centralization	.358	.117	.256	3.494	.000

a. Dependent Variable: Strategic Competitiveness

It was deduced that the most influential organization restructuring in the model predicting strategic competitiveness was Downsizing (β = 0.510, ρ = 0.000< 0.05). This was followed by Centralization (β = 0.256, ρ = 0.000< 0.05) and outsourcing (β = 0.181, ρ = 0.001< 0.05) respectively. This indicated that the dependent variable, that is, the strategic competitiveness, would change by a corresponding number of standard deviations when the respective independent variables change by one standard deviation. However, the variable re-engineering was found not to contribute significantly to the model (β = 0. 058, ρ = 0.579>0.05). The study therefore establishes that downsizing, Centralization and outsourcing were factors influencing strategic competitiveness of commercial banks in Kenya focusing on banks in Kakamega County.

Hypothesis Testing

The first hypothesis was tested under the null hypothesis;

H_{01}: Downsizing has no significant effect on strategic competitiveness of commercial banks in Kenya; Kakamega County

The first hypothesis was tested by determining the relationship between downsizing and strategic competitiveness using multiple regressions. The test was done at a significant level 0.05. The test results showed that there exists a statistically significant correlation between downsizing and strategic competitiveness (β = 0.445, ρ = 0.000< 0.05). The result led to the rejection of the null hypothesis, hence a conclusion that there exists a significant effect of downsizing on strategic competitiveness of commercial banks in Kenya.

H_{02}: Outsourcing has no significant effect on strategic competitiveness of commercial banks in Kenya; Kakamega County

The second hypothesis was tested by determining the relationship between outsourcing and strategic competitiveness using multiple regressions. The test was done at a significant level 0.05. The test results showed that there exists a statistically significant correlation between outsourcing and strategic competitiveness (β = 0.177, ρ = 0.001< 0.05). The result led to the rejection of the null hypothesis, hence a conclusion that there exists a significant effect of outsourcing on strategic competitiveness of commercial banks in Kenya.

H_{03}: Re-engineering has no significant effect on strategic competitiveness of commercial banks in Kenya; Kakamega County

The third hypothesis was tested by determining the relationship between re-engineering and strategic competitiveness using multiple regressions. The test was done at a significant level 0.05. The test results showed that there exists no correlation between re-engineering and strategic competitiveness (β = 0.060, ρ = 0.579>0.05). The result led to the failure to reject the null hypothesis, hence a conclusion that there is no significant effect of re-engineering on strategic competitiveness of commercial banks in Kenya.

H_{04}: Centralization has no significant effect on strategic competitiveness of commercial banks in Kenya; Kakamega County

The fourth hypothesis was tested by determining the relationship between Centralization and strategic competitiveness using multiple regressions. The test was done at a significant level 0.05. The test results showed that there exists a statistically significant correlation between centralization and strategic competitiveness (β = 0.358, ρ = 0.000< 0.05). The result led to the rejection of the null hypothesis, hence a conclusion that there exists a significant effect of centralization on strategic competitiveness of commercial banks in Kenya.

Therefore, the emergent linear model after removal of Re-engineering variable, was;

$$Y = 2.25 + .445X_1 + .177X_2 + .358X_4$$

Where the variables are as follows;

Y=Strategic Competitiveness, X_1= Downsizing, X_2 = Outsourcing, X_4 =Centralization

CONCLUSIONS AND RECOMMENDATIONS

The study concluded that commercial banks use down-sizing as a cost cutting measure. The findings also concluded that the commercial banks have achieved cost advantage through downsizing. However, with regards to adaptation, the study concluded that downsizing has brought with it challenges of adaptation for their firms. Besides, from the study the researcher concluded that through downsizing the commercial banks are able explore other modes of adaptation. In addition, it's concluded that downsizing affects their innovativeness. Moreover, from the findings it is concluded that downsizing limits the commercial bank's outreach capabilities. Further, from the correlation results was concluded that a strong positive significant relationship existed. This led to the rejection of the null hypothesis and subsequently the adoption of the view that downsizingwas instrumental in ensuring effective strategic competitiveness of commercial banks in Kakamega County.

The study concluded that the commercial banks at times outsource part of their core business functions and also concurred that the commercial banks are very rigorous when selecting a partner to outsource their core business function. In addition, it was concluded that outsourcing reduces their coordination costs. Besides, firms that outsource experience reduced average cost, increased sales turnover and profitability, enhance expertise, improve service quality, reduce staff strength, streamline the production process, reduced administrative burden and save time for core activities and also strongly agreed that outsourcing helps them to accurately plan their coordination costs. In addition it can be concluded that outsourcing enables commercial banks to achieve organizational flexibility. Moreover, it can be concluded that outsourcing commercial banks to prioritize other activities. Cost reduction was mainly cost saving, better resource management and reduction in the number of employees thus promoting of telecommunication companies' overall cost efficiency. A correlation analysis was also done to determine whether outsourcing had a significant effect on strategic competitiveness of commercial banks in Kakamega County. The results showed a significant relationship existed between the two variables. The degree of the association of the two variables was weak but positive suggesting that outsourcingwas not a strong factor in the effective strategic competitiveness of commercial banks in Kakamega County. The results revealed that the more an organization outsourced, the higher its organizational growth and organizational productivity are positively correlated to the amelioration of competitive advantage of labor productivity and average production cost. From the hypothesis test results it can be concluded that there exists a statistically significant correlation between outsourcing and strategic competitiveness. The result led to the rejection of the null hypothesis, hence a conclusion that there exists a significant effect of outsourcing on strategic competitiveness of commercial banks in Kenya.

Based on the results of the study, it was concluded that re-engineering has been instrumental in helping commercial banks manage time well. Also, through reengineering, commercial banks have been able to improve on delivery time. It further showed that commercial banks has been able to improve its billing demands through re-engineering and the respondents strongly agreed that through reengineering commercial banks have been able to increase billing efficiency. Moreover, it can be concluded that reengineering has enabled commercial banks to introduce new technology. Besides, majority of the respondents agreed that reengineering has meant that new technology can be easily adopted by the commercial banks to enhance operations.The correlation analysis showed that there was no significant relationship existing between the two variables. From this result it can be concluded that the way things were at the moment, reengineeringwas not a priority to the commercial banks in Kakamega County. From the hypothesis test resultsit can be shown that there exists no correlation between reengineering and strategic competitiveness. The result led to the failure to reject the null hypothesis, hence a conclusion that there is no significant effect of reengineering on strategic competitiveness of commercial banks in Kenya.

Finally, from the results, it was concluded that centralization enables the commercial banks to communicate effectively in the firm and also concurred that through centralization the commercial banks have been able to determine effective communications channels. In addition, a conclusion was drawn that remoteness of the central office does not promote efficiency in their firm and also strongly agreed that remoteness of the administration means they have weak monitoring systems. Besides, centralization has enabled the commercial banks to reduce some of the lengthy procedures. In addition a conclusion can be made that majority of the sampled the centralized systems experience challenges in time sharing. From the correlation analysis it can be concluded that the relationship is, in fact, significant.Further from the hypothesis test result sit can be concluded that there exists a statistically significant correlation between centralization and strategic competitiveness. The result led to the rejection of the null hypothesis, hence a conclusion that there exists a significant effect of centralization on strategic competitiveness of commercial banks in Kenya

The study recommended that commercial banks should use downsizing as a cost cutting measure. From the conclusions the study also recommended that, commercial banks should achieve cost advantage through downsizing. However, with regards to adaptation, the study recommended that down-sizing has brought with it challenges of adaptation for their firms thus commercial banks should be cautious while implementing it. Besides, from the study the researcher recommended that through downsizing the commercial banks are able explore other modes of adaptation. In addition, it's recommended that downsizing should not be implemented in a way that it affects the commercial banks innovativeness. Moreover, from the findings it is recommended that downsizing should not limit the commercial bank's outreach capabilities.

The study recommended that the commercial banks should at times outsource part of their core business functions and also commercial banks should be very rigorous when selecting a partner to outsource their core business function. In addition, it was recommended that outsourcing should be used to reduce commercial banks coordination costs. Besides, firms that outsource experience reduced average cost, increased sales turnover and profitability, enhance expertise, improve service quality, reduce staff strength, streamline the production process, reduced administrative burden and save time for core activities and also strongly agreed that outsourcing helps them to accurately plan their coordination costs. In addition it was recommended that outsourcing should enable commercial banks to achieve organizational flexibility. Moreover, it can be recommended that outsourcing should be prioritized by commercial banks to other activities. Cost reduction was mainly cost saving, better resource management and reduction in the number of employees thus promoting of telecommunication companies' overall cost efficiency. The results led to the recommendation that the more an organization outsourced, the higher its organizational growth and organizational productivity are positively correlated to the amelioration of competitive advantage of labor productivity and average production cost.

Based on the results of the study, it was recommended that re-engineering should be instrumental in helping commercial banks manage time well. Also, through re-engineering, commercial banks can improve on delivery time. It further recommended that commercial banks should be able to improve its billing demands through reengineering also through reengineering commercial banks have been able to increase billing efficiency. Moreover, it was recommended that reengineering has enabled commercial banks to introduce new technology. Besides, reengineering can be used as a way of adaptation of new technology by the commercial banks to enhance operations.

Finally, from the study it was recommended that centralization should enable commercial banks to communicate effectively in the firm and also that through centralization the commercial banks should be able to determine effective communications channels. In addition, a recommendation can be drawn that remoteness of the central office should promote efficiency in their firm and also remoteness of the administration should not mean the commercial banks have weak monitoring systems. Besides, centralization should enable the commercial banks to reduce some of the lengthy procedures. In addition a recommendation can be made that the sampled centralized systems should not experience challenges in time sharing.

Areas for Further Research

Further research on strategic management practices should be carried out to identify other elements that appear to be critical to the success of organization development. These comprise of situational analysis, strategic direction setting, policy development and strategic control.Also, further studies should be carried out to assess the proactive organization restructuring on strategic competitiveness in other sectors other than in the banking sector

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