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ORGANIZATIONAL RESTRUCTURING AND ORGANIZATIONAL PERFORMANCE OF SELECTED COMMERCIAL BASED PARASTATALS IN KENYA

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ABSTRACT

This study examined the effect of organizational restructuring on the organizational performance of selected commercial-based parastatals in Kenya. Guided by the Contingency Theory, the study utilized a quantitative approach, collecting primary data from 85 senior management, 265 middle management, and 850 operational staff across ten commercial parastatals with the largest net profits in FY2022/2023. Stratified random sampling ensured the representativeness of the sample, while structured questionnaires captured data relevant to the research objectives. The findings revealed that organizational restructuring positively influences performance by streamlining roles, enhancing decision-making, and improving operational efficiency. The regression analysis showed strong relationships between organizational restructuring and performance. The study's contributions include insights into the synergistic effects of strategic change interventions and actionable recommendations for parastatal managers and policymakers. Limitations include the study's focus on commercial parastatals in Kenya, reliance on cross-sectional data, and self-reported responses, which were mitigated through rigorous methodological designs and diagnostics. The study recommended longitudinal research to assess the long-term impacts of these interventions, comparative studies across sectors, and further exploration of moderating factors such as organizational culture and external dynamics. The findings provide valuable guidance for enhancing organizational performance through well-planned and executed strategic interventions.

Key Words: *Organization Reforms, Change Management, Decision Making, Changes, Structures*

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INTRODUCTION

Strategic change interventions in commercial-based parastatals are critical for enhancing organizational performance. These interventions, which include restructuring, technology adoption, leadership development, and cultural transformation, are necessary for parastatals to stay competitive and effective in their markets (Johnson, 2021). These organizations often face the dual pressures of meeting commercial objectives while fulfilling public service mandates, necessitating robust strategies to balance these demands. The primary goal of these interventions is to improve a range of performance metrics such as financial performance, customer satisfaction, operational efficiency, and employee engagement (Smith, 2020, Williams, 2022). Understanding how these strategic changes impact performance is essential for ensuring the success and sustainability of parastatals.

Anderson (2021) opine that aligning organizational structures and processes with strategic objectives is a vital aspect of strategic change. This alignment often involves restructuring departments, redefining roles and responsibilities, and implementing new management practices. Decentralizing decision-making processes, for instance, can enhance an organization's responsiveness to market changes and foster innovation, which is crucial for maintaining competitiveness (Clark, 2022). Effective restructuring helps parastatals operate efficiently and achieve their strategic goals, thereby enhancing overall performance. These structural changes create a more agile and adaptable organization capable of meeting both commercial and public service objectives (Harris, 2024).

The organizational performance of commercial-based parastatals in the United Kingdom has seen significant evolution in recent years. These entities, often involved in sectors like transportation, energy, and utilities, have undergone extensive restructuring to enhance efficiency and service delivery. For instance, the privatization and subsequent performance improvements of British Rail have been a topic of extensive study (Smith, 2020). Similarly, the energy sector, particularly with companies like National Grid, has focused on integrating advanced technologies to boost operational efficiency and customer satisfaction (Johnson, 2021). These changes have been driven by a need to remain competitive and ensure the sustainable delivery of public services (Williams, 2022).

In South Africa, commercial-based parastatals such as Eskom and Transnet play critical roles in the country’s economy. Eskom, the national electricity provider, has faced significant challenges, including financial instability and operational inefficiencies. To address these issues, Eskom has implemented strategic interventions focused on restructuring and improving governance to enhance performance. For example, measures to reduce debt, improve maintenance of power plants, and tackle corruption have been prioritized (Maseko, 2019; Dlamini, 2020). Similarly, Transnet, responsible for freight logistics, has undertaken significant reforms aimed at increasing efficiency and expanding infrastructure to meet growing demand. Strategic investments in rail and port infrastructure have been essential to support South Africa's economic growth and improve global trade competitiveness (Nkosi, 2021). These changes are essential for improving service delivery and economic stability in South Africa.

Parastatals such as the Nigerian National Petroleum Corporation (NNPC) and the Power Holding Company of Nigeria (PHCN) are pivotal to the national economy. The NNPC has undertaken substantial reforms aimed at improving transparency, efficiency, and profitability in the oil sector. Efforts to restructure the corporation, introduce new management practices, and implement transparency measures have been crucial for improving operational performance and addressing corruption (Okoro, 2021; Adewale, 2022). PHCN has focused on restructuring and privatization to enhance operational efficiency and service delivery in the power sector. These strategic

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changes, including the unbundling of PHCN into successor companies, are critical for addressing Nigeria's energy challenges and fostering economic growth (Eze, 2019). These interventions are expected to provide more reliable electricity supply and stimulate economic development.

Kenya's commercial-based parastatals play a pivotal role in the country's economic development and infrastructure. One of the key entities, Kenya Power, has focused extensively on improving operational efficiency and reducing system losses. Through strategic investments in technology, such as the implementation of smart meters and grid modernization projects, Kenya Power has significantly reduced electricity theft and enhanced service reliability. These measures are crucial for improving the financial health of the organization and ensuring a steady supply of electricity to consumers. Moreover, initiatives like the Last Mile Connectivity Project aim to expand electricity access to rural areas, thereby driving socio-economic development (Ochieng, 2020; Mwangi, 2021; Kamau, 2019). The success of these interventions is evident in the improved service delivery and customer satisfaction metrics reported in recent years.

Kenya's commercial-based parastatals are integral to the country's economic development and infrastructure. One of the most prominent entities is Kenya Power, which has been focusing on improving operational efficiency and reducing system losses. Strategic investments in technology, such as smart meters and grid modernization projects, have been crucial in reducing electricity theft and enhancing service reliability. Additionally, initiatives like the Last Mile Connectivity Project aim to expand electricity access to rural areas, fostering socio-economic development. These measures have significantly improved the financial health of Kenya Power and ensured a steady supply of electricity to consumers (Ochieng, 2020; Mwangi, 2021; Kamau, 2019).

Statement of the Problem

Organizational restructuring has been proposed as a critical intervention to address the performance challenges faced by these parastatals. However, resistance to change and bureaucratic hurdles have slowed progress. Data from the Ministry of Public Service shows that efforts to restructure key parastatals have only been implemented in 25% of targeted organizations between 2019 and 2022, leaving the majority without the necessary strategic realignment . This failure to restructure has led to a stagnation in performance, with many parastatals unable to meet their annual financial targets. For example, Kenya Airports Authority (KAA) recorded a 7% decline in passenger and cargo throughput in 2022, a direct result of inadequate restructuring and poor resource allocation.

The existing studies on organizational restructuring, technological upgradation, process reengineering, and stakeholder engagement have predominantly been conducted in contexts significantly different from the commercial-based parastatals in Kenya, leading to a contextual gap. For instance, Pieczynska (2024) analyzed organizational restructuring in a European cultural institution, while Solanki and Baroda (2024) focused on global research trends without specific reference to Kenyan parastatals. Additionally, studies by Wang, Zhu, and Jin (2024) and Aliyah and Wahyuni (2024) were set in the contexts of SMEs in China and MSMEs in Indonesia, respectively, which differ greatly from the Kenyan parastatals in terms of economic environment, regulatory frameworks, and organizational culture. Conceptually, while various dimensions of organizational performance have been explored, such as high-performance work systems, technological innovation, and process reengineering, many studies have focused on isolated aspects or lacked an integrated framework. For example, Muchlisa, Hendarso, and Nadjib (2024) examined job satisfaction in the context of restructuring without exploring other critical factors, and Felix et al. (2024) and Muthimi (2023) did not consider the interplay between different strategic interventions. Addressing this conceptual gap required an integrated approach that examines the organization restructuring on organizational performance, providing a holistic understanding tailored to the Kenyan commercial-based parastatals.

Research Objective

This study examined the effect of organizational restructuring on organizational performance of selected commercial based parastatals in Kenya. The study was guided by the following hypothesis;

- **H_0:** Organizational restructuring has no significant effect on organizational performance of selected commercial based parastatals in Kenya.

LITERATURE REVIEW

Theoretical Framework

Contingency Theory

Contingency Theory, developed by Fred Fiedler in the 1960s, posits that there is no one-size-fits-all approach to organizational management and effectiveness. Instead, the optimal course of action is contingent upon internal and external conditions (Perez, 2020). This theory emphasizes the importance of situational variables and suggests that organizational structures must adapt to the specific circumstances in which they operate to enhance performance (Young, 2024). This foundational principle of Contingency Theory is particularly relevant in examining the relationship between organizational restructuring and performance in commercial-based parastatals in Kenya (Brown, 2020).

Commercial-based parastatals often operate in dynamic environments characterized by changing regulations, market conditions, and technological advancements. According to Contingency Theory, these organizations must continuously adapt their structures to align with these external contingencies (Mwangi, 2021). For instance, Kenya Power's implementation of smart grids and advanced metering infrastructure was a strategic restructuring effort in response to technological advancements and the need to reduce electricity theft. This alignment with technological contingencies has improved operational efficiency and service delivery. Therefore, Contingency Theory explains how restructuring to incorporate new technologies can enhance organizational performance (Kamau, 2019).

Another aspect of Contingency Theory is the need for organizations to align their internal structures with their strategic goals. For commercial-based parastatals, restructuring efforts often aim to streamline operations and improve efficiency. For example, the Kenya Ports Authority's reorganization to enhance cargo handling capabilities and expand port infrastructure was driven by the strategic goal of positioning Mombasa as a leading regional hub (Mwita, 2020). This restructuring allowed the KPA to better handle increasing trade volumes, thereby improving service delivery and contributing to economic growth. Contingency Theory thus elucidates the relationship between strategic restructuring and achieving organizational objectives (Karanja, 2021).

Leadership and governance structures are also critical contingencies that influence the effectiveness of organizational restructuring. Contingency Theory suggests that the leadership style and governance framework should be aligned with the organizational environment and goals. For instance, Kenya Airways' restructuring efforts included changes in leadership and management practices to enhance competitiveness and financial stability (Njoroge, 2020). By aligning leadership capabilities with the organizational need for strategic partnerships and market expansion, Kenya Airways improved its performance and market position. This demonstrates how Contingency Theory can guide leadership restructuring to achieve desired performance outcomes (Muthoni, 2021).

According to Mutua (2020), financial resources and constraints are another key contingency affecting organizational restructuring. According to

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Contingency Theory, the availability of financial resources can determine the scope and success of restructuring efforts. Parastatals like the Kenya National Highways Authority (KeNHA) have leveraged public-private partnerships to finance major infrastructure projects such as the Nairobi Expressway. This financial restructuring enabled KeNHA to undertake significant projects that enhance connectivity and support economic activities, thereby improving organizational performance. Contingency Theory helps explain how aligning financial strategies with organizational needs can drive successful restructuring and performance improvement (Kilonzo, 2021).

Employee involvement and cultural considerations are also vital contingencies in the restructuring process. Contingency Theory suggests that organizational culture and employee engagement must be considered to ensure the success of restructuring initiatives. The National Social Security Fund (NSSF) in Kenya faced challenges in implementing digital transformation due to employee resistance (Otieno, 2020). Addressing this contingency through comprehensive change management and training programs helped align employees with the new strategic direction, leading to improved operational efficiency and service delivery. This illustrates the importance of aligning restructuring efforts with cultural and human resource contingencies (Wambua, 2021).

External regulatory and market conditions are significant contingencies impacting parastatals. Contingency Theory posits that organizations must adapt their structures to comply with regulatory requirements and respond to market dynamics. The restructuring of the Kenya Railways Corporation to develop the Standard Gauge Railway (SGR) was driven by the need to enhance transportation efficiency and reduce logistics costs in response to market demands (Ndungu, 2019). This alignment with external contingencies has positioned Kenya as a regional transportation hub, demonstrating improved performance through strategic restructuring. Contingency Theory thus provides a framework for understanding how external factors drive organizational restructuring (Omondi, 2020; Mwangi, 2021; Kamau, 2019).

Stakeholder expectations and engagement are crucial contingencies that influence organizational restructuring. Contingency Theory suggests that parastatals must align their restructuring efforts with stakeholder needs to ensure support and resources (Garcia, 2021). The Kenya Medical Supplies Authority (KEMSA) restructured its procurement and distribution processes to improve efficiency and transparency, addressing public and governmental expectations. This alignment with stakeholder contingencies resulted in better service delivery and restored public trust in KEMSA's operations. Contingency Theory thereby explains how considering stakeholder contingencies can enhance the effectiveness of organizational restructuring (Muchiri, 2020; Wairimu, 2021).

The choice of Contingency Theory to explain the relationship between organizational restructuring and performance in commercial-based parastatals is justified by its emphasis on situational variables. This theory provides a comprehensive framework for understanding how various internal and external contingencies influence the success of restructuring efforts. By aligning organizational structures with specific contingencies, parastatals can achieve improved performance, making Contingency Theory a valuable lens through which to analyze and guide restructuring initiative.

Empirical Literature Review

Organizational Restructuring and Organizational Performance

The study titled "The history and development of an organizational structure of the Józef Elsner Opole Philharmonic in the years 1952–2022" by Pieczynska (2024) aimed to analyze the evolution of the organizational structure of the Opole Philharmonic and its impact on management efficiency and overall performance. The research used a historical and archival research methodology, examining organizational patterns preserved in both philharmonic and state archives. This detailed analysis identified significant events and transformations that influenced the institution's management style over seven decades. The study found that the predominant organizational structure; a flat, linear, and functional model—has facilitated high management availability and clear command chains, essential for the institution's artistic and administrative activities. Significant changes include the merging of programming, promotion, and education departments into a single unit to enhance operational efficiency. Recommendations emphasizd the need to maintain this effective structure while remaining adaptable to future changes in management and departmental roles. A critique of the study acknowledges its robust historical analysis but suggests that incorporating quantitative performance metrics and employee feedback could provide a more comprehensive understanding of the structure's impact.

Solanki and Baroda (2024) conducted a study on the three decades of research in the perceived organizational performance: a bibliometric analysis. The study aimed to provide a comprehensive scientific analysis of perceived organizational performance research from 1994 to 2023. By utilizing bibliometric methods, including data from Scopus and Web of Science, the researchers identified significant journals, influential authors, and prevailing research trends. The research methodology involved using Biblioshiny, an R-language application, for conducting social and conceptual network analyses. The findings revealed an evolution in the field from a focus on basic performance metrics to encompassing broader themes like leadership, corporate social responsibility, and cross-national comparisons. This interdisciplinary expansion highlights areas that require further exploration and collaboration. The study recommends that future research should delve into underexplored topics and leverage interdisciplinary approaches to enrich the field. While the study effectively synthesizes vast amounts of literature, a critique points out that deeper qualitative insights into emerging themes and a focus on practical implications for managers could enhance its applicability.

Wang, Zhu and Jin (2024) examined the effect of a high-performance work system (HPWS) on organizational innovation performance: the mediating effect of employees' intrinsic motivation and the moderating effect of person–organization fit. Systems. This quantitative study collected data from 309 employees of small and medium-sized enterprises (SMEs) in China, employing structural equation modeling (SEM) for analysis. The findings indicate that HPWS significantly enhanced innovation performance, primarily through increased intrinsic motivation among employees, and that this effect is strengthened when there is a high degree of person-organization fit. The study recommends that organizations should implement HPWS to foster an innovative culture and ensure that recruitment and management practices enhance person-organization fit. A critique of the study appreciates its empirical rigor and practical relevance but suggests that future research should explore additional moderating variables, such as organizational culture and external environmental factors, to provide a more comprehensive understanding of the innovation process.

The study on the effect of organizational restructuring on employee performance through job satisfaction at the PUTR Office in Selayar Regency by Muchlisa, Hendarso and Nadjib (2024) aimed to analyze the indirect effects of organizational restructuring on employee performance mediated by job satisfaction. Using a quantitative research methodology and Structural Equation Modeling (SEM) with Partial Least Squares (PLS) on data from 170 employees, the study finds that job satisfaction significantly mediates the relationship between restructuring and employee performance. This indicates that while restructuring directly impacts performance, its effect is more pronounced when it also enhances job satisfaction. The study recommends that organizations undergoing restructuring should focus on maintaining and improving job satisfaction to ensure a positive impact on performance. A critique of the study highlights its robust methodological approach and practical implications but suggests that longitudinal studies would provide a deeper understanding of the long-term effects of restructuring on employee performance and satisfaction.

Ngouo (2024) explored the effectiveness of the organizational development (OD) approach in managing the complexities and unintended consequences of administrative reforms. Using a realist literature review methodology, the study examined various reform initiatives and their outcomes, focusing on how OD principles can mitigate the adverse effects of overly idealistic or technocratic reform models. The findings suggest that OD approaches, which emphasize stakeholder engagement, continuous learning, and adaptive change processes, are effective in aligning reform goals with practical implementation realities. The study recommends adopting OD strategies in public policy and administrative reforms to enhance performance and stakeholder satisfaction. While the theoretical framework and comprehensive literature review are strong points, a critique notes that empirical validation through case studies and field experiments could provide more concrete evidence of the OD approach's effectiveness.

Umar (2023) reviewed literature on corporate restructuring strategies, examining their impact on organizational performance. The study employed a systematic literature review methodology, focusing on key theories such as dynamic capabilities, resource-based views, and strategy-structure contingency. By analyzing empirical studies and theoretical frameworks from 2017 to 2023, the research identifies various restructuring strategies—such as mergers, acquisitions, divestitures, and organizational redesign—that positively impact performance by enhancing strategic alignment and resource optimization. The study recommends that managers carefully plan and implement restructuring efforts with a focus on long-term strategic goals. While the literature synthesis is thorough, a critique suggests incorporating more real-world case studies and empirical data to contextualize the theoretical insights and provide actionable recommendations for practitioners.

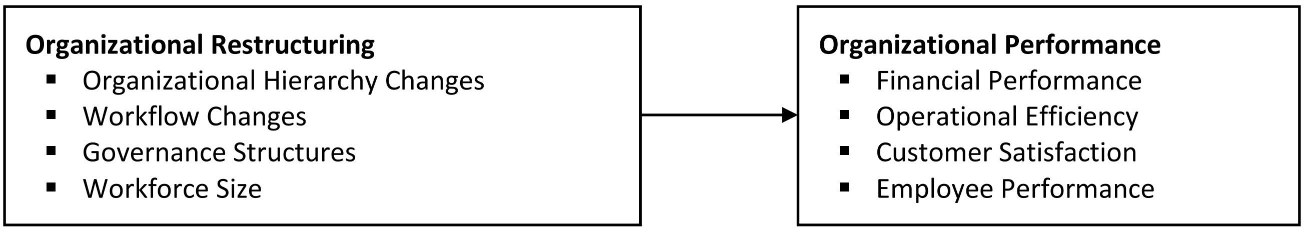
Ariza et al. (2023) investigated the impact of restructuring strategies on the performance of Tier III commercial banks. Using a descriptive and correlational research design, the study collected data from 105 respondents, including loan officers, finance managers, and operations managers. The analysis reveals that loan restructuring and asset restructuring significantly improve bank performance, measured in terms of profitability, customer satisfaction, and market share. The study recommends regular reviews of loan policies and proactive asset management to enhance performance. A critique of the study commends its empirical approach and practical relevance but suggests that comparative studies with higher-tier banks could provide insights into the relative effectiveness of restructuring strategies across different organizational contexts.

Bida and Darmanto (2022) examined the combined impact of restructuring and organizational commitment on employee performance. Employing a causal quantitative research design and regression analysis on data from 55 employees, the study finds that both restructuring and commitment significantly enhance performance. The research used Melcher's theory to measure restructuring and Meyer and Allen's theory to assess commitment, analyzing dimensions such as workflow, task complexity, and affective commitment. Recommendations include fostering a supportive work environment and effective communication during restructuring processes to maintain high levels of commitment and performance. A critique highlights the study's methodological robustness but suggests exploring external factors like market conditions and organizational culture that might influence the observed relationships.

Djani and Sayrani (2022) examined how bureaucratic restructuring affects public service efficiency and organizational performance. Using qualitative research methods, including interviews and document analysis, the study applies Robbins' organizational structure dimensions; complexity, formalization, and centralization to assess changes in the Regional Office of the Ministry of Religion. The findings indicate mixed results: while formalization has improved, vertical differentiation remains a challenge, and decision-making processes have not significantly changed. The study recommends comprehensive training for functional roles and continued assessment of restructuring impacts. A critique notes the valuable qualitative insights but calls for quantitative data to validate the findings and provide a more balanced view of the restructuring outcomes.

Kinyua and Kihara (2021) explored the effects of various restructuring practices on the performance of media firms. Using a descriptive research design and inferential statistics, the study surveys 183 managerial employees from major Kenyan media firms. The findings indicate that cost restructuring, governance reformation, and downsizing positively and significantly influence performance, while process centralization has a lesser, albeit positive, effect. Recommendations include enhancing governance structures, optimizing cost management practices, and carefully planning downsizing activities to minimize negative impacts. The study's robust methodology provides clear insights, but a critique suggests the inclusion of longitudinal studies to assess the long-term sustainability of these restructuring practices and their impact on organizational performance.

Conceptual Framework



Independent Variable **Dependent Variable**

Figure 1: Conceptual Framework

METHODOLOGY

This study adopted a descriptive research design to comprehensively explore the relationship between strategic change interventions and organizational performance in commercial-based parastatals in Kenya. The study's target population consisted of 85 Senior Management, 265 Middle Management, and 850 Operational Staff from the top 10 commercial state corporations with the largest net profits in FY2022/2023 (Kenya Electricity Generating Company, Kenya Ports Authority, Kenya Pipeline Company, Kenya Reinsurance Corporation, Geothermal Development Company, Kenya Maritime Authority, Kenya Seed Company, Industrial and Commercial Development Corporation, Agricultural Finance Corporation, and Kenya Airports Authority). For this study, the unit of analysis was the commercial state corporations. The unit of observation was the entity from which data was collected. The sampling frame for this study consisted of a comprehensive list of all eligible participants within the targeted commercial state corporations, specifically including Senior Management, Middle Management and Operational Staff from the top 10 commercial state corporations with the largest net profits in FY2022/2023.

Primarily, the study looked at survey results. Information that was provided or acknowledged as factual and served as the basis for a research conclusion is called data (Gujarati, 2020). The completed surveys were reviewed for accuracy, and any blanks were addressed immediately after each interview. After collection, the quantitative data was processed, categorized, and checked for anomalies and inconsistencies. When analyzing the data, the researcher used SPSS version 29, which stands for the Statistical Package for the Social Sciences. Descriptive statistics were employed to create charts, graphs, and frequency tables, providing a clear summary of the data.

RESULTS AND DISCUSSIONS

Response Rate

A mere 150 of the 300 distributed questionnaires were completed and returned. The rate of response was 50%. Stinchcombe (2020) posits that a response rate of 60% is regarded as favorable, while a rate of 70% or higher is deemed exceptionally commendable, and a rate of 50% is considered satisfactory. Consequently, a response rate of 50% in this study is commendable and aligns with anticipated outcomes. This level of response also reflects the practicality and feasibility of conducting surveys in organizational settings, where competing priorities and time constraints often limit full participation. Consequently, the achieved response rate supports the robustness of the study's outcomes while acknowledging the realities of data collection in complex organizational contexts.

Descriptive Results

This section presents the findings in a descriptive manner. The analysis conducted in the study employed standard deviations, means, frequencies, and percentages as its foundational statistical tools. The findings illuminated the sentiments of respondents regarding the diverse assertions presented in the survey. This section provides a summary of the descriptive results pertaining to the dependent variable.

Organizational Restructuring

The descriptive statistics for organizational restructuring provide a comprehensive understanding of employee perceptions regarding recent changes in organizational hierarchy, workflow processes, workforce size, and governance structures. The overall average mean score is 3.31, with a standard deviation of 1.12, reflecting moderate agreement and some variability in responses. The statement, "The recent changes in the organizational hierarchy have improved overall communication within the organization," garnered a relatively high level of agreement, with 16.67% strongly agreeing and 42% agreeing. This is reflected in a mean score of 3.47 and a standard deviation of 1.11. This suggests that while many respondents perceive improvements in communication, a considerable percentage remain uncertain (16%) or disagree (22%). Similarly, the restructuring's impact on decision-making efficiency received a slightly lower mean of 3.29, with 16.67% strongly agreeing and 26.67% agreeing. The higher level of uncertainty (30%) indicates that the effects of these changes on decision-making are less universally acknowledged.

Changes in workflow processes appear to have had a positive, albeit less unanimous, impact. The statement, "Changes in workflow processes have increased the overall efficiency of the organization," received 18% strong agreement and 36% agreement, yielding a mean of 3.39. However, the variability in responses, as indicated by a standard deviation of 1.19, highlights differing opinions. Task redundancy reductions received a mean score of 3.27, with agreement levels slightly lower (14.67% strongly agreeing and 31.33% agreeing). The relatively high proportion of disagreement (24%) points to potential challenges or inconsistencies in the implementation of new workflows.

The optimality of the current workforce size for achieving organizational goals elicited mixed reactions, with a mean score of 3.24. While 16% strongly agreed and 28.67% agreed, a significant portion of respondents (30%) disagreed. This indicates a divide in perceptions regarding whether workforce adjustments align with organizational objectives. Similarly, the statement regarding the beneficial impact of workforce size changes received the lowest mean score (3.19) among all items, suggesting this area remains contentious or less impactful according to respondents.

The governance-related changes received moderate levels of agreement. The effective communication of governance changes scored a mean of 3.3, with 12% strongly agreeing and 36% agreeing. A notable 26% expressed uncertainty, indicating potential gaps in communication strategies. The enhancement of transparency in decision-making through new governance structures received a slightly higher mean of 3.31. Although agreement levels (11.33% strongly agreeing, 38% agreeing) are moderate, the persistent uncertainty (25.33%) highlights room for improvement in fostering confidence in governance reforms.

The findings suggest that organizational restructuring efforts have had a generally positive, though uneven, impact on communication, decision-making, and governance. However, the areas of workforce size adjustments and workflow efficiency highlight significant variability and some disagreement among respondents. The relatively high standard deviations across most statements indicate differing perceptions, which may stem from variations in how changes were implemented or experienced by employees.

The results emphasize the need for tailored strategies to address areas of contention. Enhancing communication around governance changes and workforce decisions could foster greater buy-in and alignment. Furthermore, addressing concerns around workflow redundancy and optimizing workforce size could significantly bolster employee confidence in restructuring efforts. Overall, the average mean score of 3.31 reflects moderate success, but further refinements in implementation and communication are necessary to maximize the benefits of organizational restructuring.

These findings align with the study conducted by Djani and Sayrani (2022) examined how bureaucratic restructuring affects public service efficiency and organizational performance. Using qualitative research methods, including interviews and document analysis, the study applies Robbins' organizational structure dimensions; complexity, formalization, and centralization to assess changes in the Regional Office of the Ministry of Religion. The findings indicate mixed results: while formalization has improved, vertical differentiation remains a challenge, and decision-making processes have not significantly changed. The study recommends comprehensive training for functional roles and continued assessment of restructuring impacts. A critique notes the valuable qualitative insights but calls for quantitative data to validate the findings and provide a more balanced view of the restructuring outcomes.

In addition, Kinyua and Kihara (2021) explored the effects of various restructuring practices on the performance of media firms. Using a descriptive research design and inferential statistics, the study surveys 183 managerial employees from major Kenyan media firms. The findings indicate that cost restructuring, governance reformation, and downsizing positively and significantly influence performance, while process centralization has a lesser, albeit positive, effect. Recommendations include enhancing governance structures, optimizing cost management practices, and carefully planning downsizing activities to minimize negative impacts. The study's robust methodology provides clear insights, but a critique suggests the inclusion of longitudinal studies to assess the long-term sustainability of these restructuring practices and their impact on organizational performance.

Table 1: *Organizational Restructuring*

Statements	S.A (%)	A (%)	U (%)	D (%)	S.D (%)	Mean	S.D
The recent changes in the organizational hierarchy have improved overall communication within the organization	16.67	42.0	16.0	22.0	3.33	3.47	1.11
The restructuring of our organizational hierarchy has led to more efficient decision-making processes.	16.67	26.67	30.0	22.67	4.0	3.29	1.11
Changes in workflow processes have increased the overall efficiency of the organization.	18.0	36.0	20.67	18.0	7.33	3.39	1.19
The new workflow processes have reduced redundancy in tasks.	14.67	31.33	25.33	24.0	4.67	3.27	1.12
The current workforce size is optimal for achieving our organizational goals.	16.0	28.67	22.0	30.0	3.33	3.24	1.15
Changes in workforce size have been beneficial to the organization's performance.	15.33	26.67	28.0	22.0	8.0	3.19	1.18
The organization's governance changes have been effectively communicated to all employees.	12.0	36.0	26.0	22.0	4.0	3.3	1.07
The new governance structures have enhanced transparency in decision-making.	11.33	38.0	25.33	21.33	4.0	3.31	1.06
Average						**3.31**	**1.12**

Organizational Performance

The descriptive statistics for organizational performance highlight a moderately positive perception of the organization's key performance indicators, such as revenue growth, profitability, operational efficiency, and market share. Employees rated the organization's revenue growth most favorably, with a mean score of 3.65, reflecting a strong perception that financial performance has improved over the past year. A significant majority of respondents (22.67% strongly agreed, 42.67% agreed) believe the organization is generating higher revenue, with low levels of uncertainty (14%) and disagreement (18%). However, perceptions of profitability improvements were slightly less favorable, scoring a mean of 3.38. While 16.67% strongly agreed and 30.67% agreed, a notable 29.33% of respondents were uncertain, suggesting that profitability gains may not have been effectively communicated or evenly experienced across the organization.

Operational efficiency emerged as another area of strength, with respondents expressing high agreement that processes have been streamlined and are contributing to better outcomes. The mean score of 3.50 for this aspect reflects positive employee perceptions, supported by 16.67% strongly agreeing and 41.33% agreeing. Similarly, operational cost reductions due to improved efficiency received a moderate mean score of 3.37, with 14% strongly agreeing and 36% agreeing. However, a notable 25.33% of respondents expressed uncertainty, indicating that the visibility of cost-saving initiatives may not be consistent throughout the organization.

Customer feedback and employee development emerged as areas with mixed perceptions. The integration of customer feedback into service improvement efforts was rated relatively lower, with a mean score of 3.29. While 15.33% strongly agreed and 33.33% agreed, a significant 28% of respondents disagreed, pointing to potential inefficiencies in feedback mechanisms or their perceived impact on services. Similarly, training and development opportunities for employees were rated moderately, with a mean score of 3.27. Despite 14.67% strongly agreeing and 28% agreeing, a significant proportion (32%) expressed uncertainty, suggesting that access to training programs may not be equitable or their relevance to job roles may not be clear.

Employee productivity and market share were perceived favorably but not without some reservations. The increase in productivity over the past year achieved a mean score of 3.43, with 14.67% strongly agreeing and 38% agreeing. This reflects a broadly positive view of workforce performance improvements, though 26% of respondents remained uncertain. Similarly, the organization's ability to improve its market share was rated at a mean of 3.38, with 11.33% strongly agreeing and 40% agreeing. However, the 26.67% uncertainty indicates that efforts to capture market growth may not be fully visible to all employees.

Overall, the findings underscore the organization's strengths in revenue growth, operational efficiency, and employee productivity, while revealing areas that require further attention. The relatively high levels of uncertainty across several aspects suggest that enhanced communication could help bridge gaps in awareness and alignment. Providing employees with regular updates on organizational performance, improving the visibility of customer feedback outcomes, and ensuring equitable access to training programs could enhance perceptions and outcomes. Additionally, fostering broader participation in profitability and market growth initiatives may strengthen employee buy-in and engagement. With an average mean score of 3.41, the organization demonstrates a solid foundation for performance, yet there is clear potential to further optimize its strategies to achieve even greater success.

Table 2: ***Organizational Performance***

Statements	S.A (%)	A (%)	U (%)	D (%)	S.D (%)	Mean	S.D
Our organization has experienced growth in revenue over the past year.	22.67	42.67	14.0	18.0	2.67	3.65	1.1
The organization's profitability has improved significantly.	16.67	30.67	29.33	20.67	2.67	3.38	1.07
The organization's processes are streamlined and efficient.	16.67	41.33	20.67	18.0	3.33	3.5	1.07
Operational costs have decreased due to improved efficiency.	14.0	36.0	25.33	22.0	2.67	3.37	1.06
Customer feedback is regularly collected and used to improve services.	15.33	33.33	20.0	28.0	3.33	3.29	1.13
The organization provides adequate training and development opportunities for employees.	14.67	28.0	32.0	20.67	4.67	3.27	1.09
Employee productivity has increased over the past year.	14.67	38.0	26.0	18.0	3.33	3.43	1.05
Our organization has improved its market share over the past year.	11.33	40.0	26.67	19.33	2.67	3.38	1.01
Average						**3.41**	**1.07**

Correlation Analysis

The correlation matrix reveals the strength and significance of relationships between the independent variables (organizational restructuring, technological upgradation, process reengineering, and stakeholder engagement) and the dependent variable (organizational performance). All independent variables demonstrate significant positive correlations with organizational performance, indicating that improvements in these areas are associated with enhanced organizational outcomes. The correlations are significant at the 0.01 level, as shown by the p-values (Sig. = .000).

Organizational restructuring exhibits a moderate positive correlation with organizational performance ($r = .622$, $p < .01$). This suggests that efforts to optimize organizational hierarchy, decision-making processes, and workflow efficiency positively impact performance outcomes. However, the strength of this relationship is lower than for other variables, indicating that while restructuring is important, its impact may be less pronounced compared to other factors such as stakeholder engagement. This could be attributed to potential challenges in effectively communicating or implementing restructuring changes across the organization.

Table 3: ***Correlation Analysis***

		OR	TU	PR	SE	OP
OR	Pearson Correlation	1	.757**	.755**	.722**	.622**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	150	150	150	150	150
TU	Pearson Correlation	.757**	1	.829**	.681**	.692**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	150	150	150	150	150
PR	Pearson Correlation	.755**	.829**	1	.726**	.736**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	150	150	150	150	150
SE	Pearson Correlation	.722**	.681**	.726**	1	.846**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	150	150	150	150	150
OP	Pearson Correlation	.622**	.692**	.736**	.846**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	150	150	150	150	150

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

KEY: OR=Organizational Restructuring, TU= Technological Upgradation, PR= Process Reengineering, SE= Stakeholder Engagement, OP=Organizational Performance

Hypotheses Testing

The null hypothesis (H_0) states that organizational restructuring has no significant effect on organizational performance. The regression results show that the coefficient for organizational restructuring is 0.176, with a t-statistic of 2.512 and a p-value of 0.013. Since the p-value is less than the 0.05 significance level, we reject the null hypothesis ($H0_1$). This indicates that organizational restructuring has a statistically significant positive effect on organizational performance. The positive coefficient suggests that improvements in organizational restructuring, such as enhanced decision-making processes and optimized workflows, contribute to better organizational outcomes. Thus, the study confirms that restructuring initiatives play a meaningful role in enhancing performance.

CONCLUSIONS AND RECOMMENDATIONS

The study established that organizational restructuring significantly and positively influences organizational performance. The regression results indicated a positive coefficient of 0.176 with a p-value of 0.013, affirming the significance of restructuring initiatives. Structural changes such as optimizing workflows, decentralizing decision-making processes, and aligning roles with strategic objectives were noted to enhance efficiency and responsiveness. The findings suggest that organizations that embrace restructuring can

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achieve better operational outcomes and align more effectively with dynamic market conditions.

The study concludes that organizational restructuring is a critical strategic intervention for enhancing organizational performance. By strategically realigning structures, roles, and processes, organizations can improve decision-making frameworks, streamline workflows, and optimize resource allocation. These changes enable organizations to respond more effectively to external pressures, such as regulatory changes, market competition, and technological advancements, while ensuring internal coherence and operational efficiency. Organizational restructuring also fosters accountability by clarifying reporting lines and aligning departmental goals with the organization's broader objectives. For commercial-based parastatals, this adaptability is particularly crucial in navigating complex environments and achieving long-term sustainability.

The study recommended the following;

- Conduct periodic reviews of organizational structures to ensure alignment with strategic objectives. Emphasis should be placed on streamlining decision-making processes, optimizing workflows, and delegating authority to improve efficiency and responsiveness.
- Develop incentive programs, such as tax breaks or grants, to encourage the adoption of advanced technologies in parastatals. Policies should also promote digital transformation and innovation in state-owned enterprises.

Areas for Further Research

Further research could explore the long-term impact of stakeholder engagement on organizational sustainability and investigate how organizational culture moderates the relationship between strategic interventions and performance. Comparative studies across different sectors, such as private enterprises or non-governmental organizations, would provide insights into contextual variations in the effectiveness of these strategies. Additionally, examining external influences, such as regulatory frameworks and economic conditions, and identifying optimal combinations of strategic interventions, could enhance organizational resilience and adaptability. These areas of inquiry would contribute to a deeper understanding of the dynamics of strategic change and provide actionable insights for policymakers and managers seeking to optimize organizational performance.

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