THE EFFECT OF ORGANIZATIONAL RESTRUCTURING ON PERFORMANCE

OF THE NATIONAL SOCIAL SECURITY FUND (NSSF), KENYA

By

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DECLARATION

I declare that this thesis is my original work and has not been submitted to any other university or college for academic credit.

Signed: ………………………...   Date: …………………….

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This research proposal has been presented for examination with our approval as the University supervisors.

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DEDICATION

I dedicate this work to my family who have been there for me all through the pursuance of this course. My young and very ambitious sister Mercy Ngura who called me every night to encourage me as I sat revising, my brother James Nyamu who kept on telling me, “you will make it”. May the good Lord reward each one of them for encouraging and motivating me to work through and finish despite the challenges of the office work load.

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ABSTRACT

This research carried out a study on enhancing performance through organizational restructuring at the National Social Security Fund (NSSF), Kenya. The aim was to determine: the extent of influence of job redesign, influence of compensation changes and effect of reviewed policies in enhancing firm performance. The target population was management and senior employees of NSSF working in selected departments namely finance, IT and compliance. The study adopted purposive sampling. It used both qualitative and quantitative data. Data was collected using questionnaires. Analysis was done by use of computer packages. The study findings established that employees were quite satisfied with the challenging and interesting tasks that make up their job. They were committed to successful completion of goals. The findings indicated the importance of reviewed policies and practices as the employees placed high importance on the medical schemes given, welfare, training and development, compensation, leave management, recruitment and promotion. The study's conclusion showed a positive relationship of organizational restructuring to firm performance. The study contributed to the pool of knowledge in relation to restructuring of pension schemes in Kenya. The research brought out the need to incorporate the transformational leadership style in restructuring organizations. Various recommendations were put forth. Among them that the organization implements viable trainings and development programs to equip employees with the required skills; increase the scope of the available benefits and membership coverage; and review the policies and practices so as to factor in environmental changes and align to the firm's strategy.

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ACRONYMS

AMREF	Africa Medical Research Foundation
CEO	Chief Executive Officer
COTU	Central Organization of Trade Unions
DB	Defined Benefits
DC	Defined Contribution
FKE	Federation of Kenya employers
GM	General Manager
GOK	Government of Kenya
HR	Human Resource
HRM	Human Resource Management
ICT	Information and Communication Technology
ILO	International Labour Organization
KCB	Kenya Commercial Bank
NGO	Non-Governmental Organization
NHIF	National Hospital Insurance Fund
NSE	Nairobi Securities Exchange
NSSF	National Social Security Fund
NSSPT	National Social Security Pensions Trust
PWC	Price Waterhouse Coopers
RBA	Retirement Benefits Authority
RBT	Resource Based Theory
RBV	Resource Based View
SCA	Sustained Competitive Advantage
SPSS	Statistical Package for Social Sciences

OPERATIONAL DEFINITION OF TERMS

Corporate Restructuring: This is a corporate action that leads to significant modification of the structure or operations of an organization (Bowman et al., 2013). It can also be the process by which an organization breaks down or dismantles its structural confines so as to achieve certain major predetermined goals.

Portfolio Restructuring: This is the process of making significant alterations or modifications in the composition of assets owned by an organization or the lines of business in which it has control. Such modifications of assets or lines of business may include liquidations, divestitures, demergers' asset sales, acquisitions and spin-offs (Vance, 2010).

Financial Restructuring: This is alteration of the firm's capital structure which means changing the composition of debt and equity of a company. It can take the form of equity swaps, leveraged buyouts, management buyouts or recapitalization (Berman & Knight, 2009).

Organizational Performance: Organization performance may be viewed differently from one organization to another. However, in general terms, organizational performance may be seen as the results or output of the analysis of a firm's inputs and activities against the predetermined objectives or goals at any given time. This is the firm's ability to effectively and efficiently achieve its performance goals with the available resources (Leban & Euskke, 2006).

Job Redesign: It is a human resource management process which relates to the job contents, method and job relationships that help the staff to meet the organizational goals, their personal goals or needs and other social goals. This is the process of reviewing job responsibilities and tasks, leading to possible job re-allocations among staff so as to improve the outputs (Armstrong, 2012). This review can look at the way tasks are combined to form complete jobs, recollect and revise job-related information so as to determine the inconsistency between a person and the job (Robbins & Stuart-Kotze, 2013).

Policies Review: Policies recognize the central role of stake holders, employees and organizational governance. Leaders must be able to formulate effective policies that help employees to collectively perform in their various functions so as to improve an organizations performance from time to time. Policy changes can lead to improved employee performance with effective leadership. According to Kotter J. (2012) leadership establishes direction by formulating the vision. This is seen in the effectiveness of the formulated policies.

Restructuring: This is the process through which an organization reorganizes its structures with a view to improve its profits and performance based on its current needs (Noley, Swanson & Marshal, 2012).

Organizational Restructuring: This is the process of altering the original organizational setup to form a new one. Bowman et al. (2013) define organizational restructuring as making substantial changes in the organizational structure of the company.

CHAPTER ONE :INTRODUCTION AND BACKGROUND OF THE STUDY

Introduction

This chapter gives an outline of the background of the study, the statement of problem, the objectives guiding the study, hypotheses of the study and the research questions. It also gives the scope of the study, limitations and delimitations.

Background of the Study

Advanced technology coupled with increased global competition and global climate changes are some of the major factors that drive changes in organizations. Adopting to continuous changes of structures, strategies, methods and practices in organizations is inevitable if they are to remain competitive. Some organizations require complete transformation of their rigid bureaucratic operations to leaner ones (Cummings &Worley, 2009). Restructuring is perceived as one of the significant forms of organizational change that affects the whole organization rather than the peripheral changes commonly found in work places (Kieselbach et. al., 2009).

Researchers have come up with various theories in support of corporate restructuring. Two such theories are Resource Based and Agency theories. The Resource based theory suggests that at any given time resources in an organization are the major determinants of performance. The restructuring strategies implemented should enhance proper utilization of available resources so as to positively impact on the organization's performance. The agency theory presents restructuring as the overall solution to conflicts in an organization as opposed to the board of directors. According to this theory, there exists a relationship between employees, directors and stakeholders in an organization. Another theory is the Life Cycle Theory. Restructuring proponents in as far as the Life Cycle Theory is concerned suggest that organizations go through various stages in their lives.

It is believed that these stages depict levels of growth which are seen to have different characteristics and firm structure. Restructuring must involve specific strategy at each stage or the life cycle. More details about each of the theories will be discussed in chapter two of this paper.

Restructuring takes various forms which include relocation, off shoring, outsourcing, bankruptcy, merger/acquisition, internal restructuring and business expansion. Companies and economies in developed and developing countries have used restructuring as a tool for achieving higher performance or as a means for survival. Restructuring can occur at any level namely; macroeconomic, sectoral or enterprise levels. Restructuring at the macroeconomic level involves the long-term response to trends in the market, changes in technology and policies relating to macroeconomics. The sector level restructuring responds to production changes. Restructuring at the firm level responds to business expansion or growth strategies and internal reorganizations with an aim of adapting to any new requirements in the market (Osoro, 2014).

Bowman & Singh (2013) define restructuring as the process of changing or transforming the legal, ownership, operational or any other structures of a company with the view to making the company more profitable and better organized for achieving its set goals. According to Bowman (2013), other restructuring reasons include changes in ownership, demergers, responses to crisis or major changes in the businesses such as bankruptcy, repositioning or even buyouts. Armed with these reasons he concluded that organizations that have successfully gone through restructuring emerge out more efficient and quite focused than before restructure.

The strategy of restructuring has been in use by many organizations which are geared towards reducing their operation cost while maximizing on their levels of productivity with improved revenues as well as maximization of shareholders equity. Declining profits, poor performance readjustments of the strategies that have been put in place and reduction of expenditure are some of the reasons that cause restructuring decisions to be considered by organizations (Alias, Yaacob & Jaffer, 2017). In many scenarios, the expected results or performance of corporates may not be achievable unless the strategy and structure of the organization are subjected to some major changes. In such situations, restructuring stops to be an option and becomes a necessity to ensure the corporate survives and grows (Rogosky, et al., 2005).

According to the 2018 global restructuring report by PricewaterhouseCoopers (PWC), restructuring in various industries is inevitable due to working capital and debt management issues coupled with the dynamic technology that the world faces today. Diverse economic political and regulatory realities faced by many countries, global trade and currency depreciations also contribute to some of the major global forces of restructuring of various industries. Stress in financing pension schemes in most developed countries like UK due to collapse of various industries, longer life for pensioners, more public scrutiny and need for more dividends is calling for restructuring of the schemes so as to increase contributions. There has been much focus on changing from defined benefits (DB) to defined contribution (DC) schemes (PWC, 2018).

Studies in the Chinese context depicted three different opinions on restructuring. The first opinion emphasises that restructuring leads to improved performances (Donng, Puterman & Unell, 2004). The next outcome asserted that performance might not improve after restructuring. The final assertion was that when restructuring alone is done to improve performance, the results may be unsatisfying as they may also depend on the strategy used. This is reinforced by unsettled evidence from the Wen (2002) study which indicated that restructuring in organizations led to improved profitability. Bowman et al. (1999) relative studies showed contrary results whereby there was positive change in performance for firms that implemented portfolio or financial restructuring and negative change in performance results for those that adopted organizational restructuring.

On the Kenyan front, there has been tremendous restructuring activities within the banking sector due to growth in automation of banking services (PWC, 2012). Debate about restructuring the public service pension scheme to allow public servants contribute for their retirement so as to reduce the tax payers' pensions' burden is ongoing (Public Servants Superannuation Scheme Act, 2012)

Considering the case of the NSSF, it is a pension scheme that was founded in 1965 through the Parliament Act, Cap 258 of the laws of Kenya. Its operation kicked-off in 1966 as a department under the Ministry of Labour until an amendment was made in 1987 which transformed it into a State Corporation manned by a Board of Trustees. This would later bring about continuous changes in job redesigns and improved staff compensations all intended to give the organization a changed corporate status. In 1988, nine representatives from the Federation of Kenya Employers', COTU and the government came together to form the Board of Trustees. This composition of the board aimed at accommodating the opinions and perspectives of the government, the employees and employers in policy formulation and in running of NSSF. New policy formulation was embarked on with a view to improving the firm's performance.

The National Social Security Fund through Cap 258 of the Laws of Kenya together with the Ministry of Labour published a Legal Notice on 30th October, 2009, No. 159 that required all Kenyan employers to submit to NSSF monthly contributions on behalf of their employees. This was to also comply with the requirements of the ILO. Thus, NSSF is a mandatory Provident Fund to which every employer contributes the stipulated amount on behalf of their staff with exception of firms that are exempted from doing so by the RBA or the Ministry of Labour. Being a Provident Fund means that members are paid a lumpsum amount once they attain the retirement age.

According to 2015/2016 records from NSSF, the total registered members of the Fund are way above three million. Those that are active total to about 1.2 million (2015/2016 NSSF Audited accounts). The firm has put in place measures to ensure that all the employers comply in remitting employee contributions as required. To make these contributions earn great value to the contributors, NSSF invests the funds in portfolios that yield considerable returns. The formal sector workers in Kenya are covered by a limited number of Pensions schemes. The ILO estimates show that about eighty four percent of the labour force in Kenya is not included in any pension schemes. Those that are covered end up receiving insufficient and unreliable benefits.

To counter the limitations prevailing in the fund, the concerned partners focused on putting in place a plan that would transform the Provident Fund with an initial proposal to amend the NSSF Act, Cap 258 and convert the NSSF from a Provident Scheme into a Social Insurance Pension Scheme which would expand to cover workers in the informal sector. It would eventually pay a life time monthly pension to employees who are members once they retired.

This conversion would then see NSSF as the 1^{st} pillar in provision of social security. Occupational and private schemes would complement the Fund as the second and third pillars.

This was realized in 2013 when the President accented into law the NSSF Act No. 45 of 2013. The Act changed NSSF from a Provident Fund to a Pension Fund running two funds; the old and the new fund. The old fund should have been closed in 2019. Roll out of the new Act has faced a lot of challenges due to many court cases by parties and stakeholders challenging some sections of the Act in Court. Some of those cases are still pending in courts and consequently interfering with the full implementation of the Act. This has seriously slowed down the organization's transformation into a Pensions Scheme. One of the stakeholders went to court barring NSSF from collecting the new rates of contributions from the members as stipulated in Act No. 45 of 2013 (HCC No. 249 of 2014).

The Industrial court received a petition No. 34 from various workers unions. FKE and COTU also went to court seeking removal of certain sections in the new Act due to what they considered to be inconsistencies with some of the articles (Kenya law; Cause 1997 of 2014). Other petitions to the Industrial court in Nakuru; Petition No. 11 of 2014 by Kenya Plantation and Agricultural Workers, seeking to prohibit NSSF from registering and collecting the enhanced member contributions is still pending. In their petition No. 38 of 2014, the Kenya Tea Growers Association also sought to bar NSSF from registering and colleting the new rates of contributions from members (Kenya law; Cause 1997 of 2014). To date the scheme awaits determination of the outcome of these cases in accordance to the Kenyan justice system. With all these outstanding matters, the scheme may not operate optimally.

It is quite clear that there has been a considerable pressure on the fund to push forward and implement the envisaged transformation and keep up with changes in the pensions industry and the competition in the market. This has fuelled it into considering strategies for organizational restructuring in order for it to continue to fulfil its mandate, stay in the market and grow its membership base in the wake of fundamental reviews of pensions financing mechanisms.

Problem Statement

Turbulent business environment due to rapid technological changes and increased globalisation has stressed businesses resulting to poor performance. It is evident that most firms are restructuring to turn around their performance. The process of restructuring enhances projections for enhanced performance for firms through reorientation of strategies, organizational restructuring and governance structural adjustments (Hoskisson & Turk, 2010). It helps provide opportunities that may translate to increased profits only if the restructuring process is handled diligently. A new corporate conformation succeeding restructuring provides the possibility for enhancing the effectiveness of the management, which is further replicated in the firm's profitability and viability.

The pensions sector in Kenya has recently been growing at a high rate due to entrant of new players in the industry of social security, previously solely managed by NSSF. This has led to a competitive situation where social security institutions are searching for ways to manage in this competitive sector. In order for NSSF to fully address the needs and requirements of the Act No. 45 of 2013, the speculated organizational strategies ought to be adopted. NSSF has considered restructuring on account of improving their pension services to match the international market.

In the recent years, the portfolio restructuring strategy adopted by NSSF has yielded benefits. It has seen the pension scheme grow its fund assets to over 200 billion Kenya shillings. Full performance has not yet been attained.

In support of restructuring as adopted by NSSF, local studies have been done to depict the implications of restructuring on performance. In their study, Rianny et al. (2012) paid attention to the rate at which an organization undertakes portfolio, financial and organizational restructuring techniques. Their study established that these restructuring techniques favourably affect the market share and growth of an organization. Their findings further indicated that market share of a firm was greatly affected by financial restructuring. Portfolio restructuring came second. Finally was organizational restructuring which portrayed observable effect on the rate at which the markets were growing. A different study by Ithiiri (2013) on the performance of Kenya Commercial Bank (KCB) observed that the key restructuring drivers were competition, new strategies in the organization, cuts in the existing budget, pressure from the public and government policy changes.

Most local studies focus more on banking, oil and other industries. Other studies that had close focus on pensions examined the challenges of implementing the NSSF Act (Wangui, 2014) and the strategic responses by NSSF on competition (Koimur, 2011). So far, there are limited studies on organizational restructuring and its effect on the performance of NSSF among other pension providers in Kenya. From the above mentioned, studies on restructuring and performance the findings gathered mixed and inconclusive results, thus recommending for further research to be undertaken (Waguru, 2011).

This study consequently pursued to address the inherent gap in the areas of examining the effect of organizational restructuring on the performance of NSSF, Kenya and the impact that job redesign, improved/enhanced compensation and reviewed policies has had on the performance.

Objectives of the Study

General Objective

1. To investigate the effect of organizational restructuring on NSSF performance.

Specific Objectives

1. To examine how job redesign has affected NSSF performance.
2. To determine the effect of improved or enhanced compensation on NSSF performance.
3. To explore the effect of reviewed policies on NSSF performance.

Hypotheses of the Study

$H_0 1$: Job redesign has a significant effect on the performance of NSSF.

$H_0 2$: Improved/Enhanced compensation has a significant effect on the Performance of NSSF.

$H_0 3$: Reviewed policies have a significant effect on the performance of NSSF.

Research Questions

1. To what extent has job redesign affected NSSF performance?
2. To what extent has improved/enhanced compensation affected NSSF performance?
3. To what extent has reviewed policies affected NSSF performance?

Significance of Study

The study findings will offer assistance to the leadership and managerial staff of NSSF responding to the problems encountered during the restructuring process. The findings will also provide a clear way through which key decisions will be made based on prior performances and evaluating the achievements so far realized. The pension scheme will easily be able to create new policies, structures and better systems that are able to enhance the service delivery using recommendations and suggestions provided.

The study findings will offer guidance to the policy makers in establishing the most important policies that guide restructuring in order to promote the growth of pension schemes in Kenya. The study findings will assist the government with information that may help in improving the legislative and regulative framework of pension schemes in the country.

To the various readers, it will offer adequate knowledge on restructuring. This knowledge may be useful to the management as it can be essential in making policies and in day to day managerial decisions.

The results obtained in this study will also provide extra research and study materials to other researchers and scholars. To future scholars, the study findings will be considered as a reference for further studies in the area of organizational restructuring. It will also offer suggestions for further study where scholars can broaden the pool of knowledge on restructuring.

Scope of the Study

This study mainly focused on examination of organizational restructuring and how it improves performance at the NSSFs headquarters in Nairobi and branches within Nairobi County. The choice of this is because the Pensions industry in Kenya controls Assets worth over one trillion shillings. NSSF is the largest with an asset value of over 200 billion shillings (RBA Pensions Report, 2016). NSSF’s contribution to the economy is quite large. Its performance after any form of a restructuring initiative is critical to the Kenyan Economy.

For this study, the population was limited to the management and senior staff of the selected departments. This constituted a total of 294 employees in the departments of finance, IT and compliance due to their crucial role in the core business of NSSF. Compliance department was important in the study due to its role in growing membership and contributions through educating members, registering them, ensuring compliance to the NSSF Act and collecting all contributions. Improved performance in NSSF is realized with increase in contributions. Finance department supports this function by ensuring proper accountability for all contributions and future payment of benefits to members.

High returns on member benefits translate to good performance. The ICT department ensures that a most efficient and effective ICT infrastructure is in place. Proper ICT infrastructure translates to good member data maintenance and high performance in terms of service delivery. The staffs of the three departments perform functions that directly define the role of NSSF as a pension scheme. Any kind of major restructuring in the firm touches the staff of these departments directly. NSSF performance in all areas directly mirrors the functions of the three departments thus justifying the choice of the three for this study.

This study focused on job redesign, improved/enhanced compensation and reviewed policies although there were other factors which affected organizational restructuring. This is because it is not possible to review all the variables in a study (Bhattacharyya &Chatterjee, 2005).

Justification of the Study

NSSF is a Government corporation that runs a pensions fund. According to the RBA report of June 2017, it is the largest pension fund in the country, with an asset value of over 196 billion shillings in 2017. The assets are mainly deployed in government securities, listed shares, a portfolio of prime land and properties in Nairobi and other towns in the country. NSSF is a major player in the growth of the Kenyan economy. It is one of the largest institutional investors on the Nairobi Securities Exchange which was ranked the best performing stock markets in Africa in 2012 (NSE Report, 2013).

Pensions funds help improve financial markets. Within the financial sector, pensions funds enhance savings, government's domestic borrowing, helps improve liquidity of various intermediaries like custodian banks and funding investment instruments like government and corporate bonds. This clearly demonstrates the significant role played by NSSF in the Kenyan economy. This calls for focused transformational leaders who will articulate the most appropriate restructuring strategies. Pension funds are engines of economic growth. Appropriate management of such is of paramount importance to the leaders if they have to deliver in their mandate as they positively impact the economy. In order to deal with the continuously changing business environment, technology, social economic and political environments, portfolio, legal infrastructure and operational restructuring like job redesign and compensation changes or transformations can impact performance in organizations.

Limitations of the Study

According to Mugenda & Mugenda (2008), study limitations come about due to process related factors that may affect outcomes but which have not been taken into consideration.

Tight working schedules. Employees operated on tight schedules with strict daily outputs relating to data collected from employers. Compliance employees cover vast geographical areas in search of employers and workers who may not be located in clear designated areas.

Incomplete and turn down questionnaire filling. Some respondents did not complete the filling of questionnaire in the given time. This overstretched the data period. Some of the respondents turned down the filling of the given questionnaires as a result of suspicion/apathy regarding to the use of information gathered by the researcher.

Generalization. This study was carried out in NSSF which is one of the major pension schemes in Kenya. NSSF covers basically employees who are in the formal sector, offering a lump sum payment at retirement (Provident Fund Scheme). Thus, the results obtained may not be used for generalization.

Delimitations of the Study

The researcher handled the problems raised in the limitations section as below:

Tight working schedules. The study made use of email and face to face contact with the target personnel in order to convince and have them complete and return the inquiry forms.

Email facilitated reaching out to as many as the expected target. Face to face contact with the respondents helped clarify any queries that were raised in filling the questionnaires. It made the responses faster. Many questionnaires would be completed in one sitting.

Turn down questionnaire filling. The researcher ensured that all questionnaire forms were accompanied with an introduction letter from the University having to guarantee each one of them that the information gathered will be handled would confidentiality. The identities of the respondents remained anonymous. The respondents were also assured of the sole use of the data to be for academics only.

Generalization. The study countered the generalizability limitation by recommending that parallel researches be considered in the other pension schemes in the other economic sectors in order to obtain more findings and conclusions relating to restructuring in the pensions sector since they vary in size, mandate and consequently the kind of pensions or products. A study of insurance schemes that provide pensions payments on a monthly basis or other private schemes would possibly give more insights into restructuring of the same in the light of their prevailing infrastructure.

Chapter Summary

This chapter covered the basics of organizational restructuring and how it impacts on the performance of an organization. It covered the background, the problem statement and objectives that guided this research study. It also covered the actions taken to mitigate against such limitations. In the next chapter, the researcher will discuss the concept of restructuring and organizational restructuring as provided by previous researchers, the theoretical framework or a review of some theories that advocate organizational restructuring and the conceptual framework of this study.

CHAPTER TWO: LITERATURE REVIEW

Introduction

This chapter covers a broad summary of previous researches on restructuring of organizations from books and scholarly articles together with existing theories that relate to this study. To help understand the key concepts in this study the chapter also covers an illustration of the expected variables mapping out their relationships. The chapter is made up of three parts: literature review, theoretical review and conceptual framework. Literature review gives an overview of the concept of restructuring and organizational restructuring as provided by other researchers. Theoretical framework reviews the theories that back up organizational restructuring. The conceptual framework gives the theorized interrelationships between independent and the dependent variables.

Literature Review

Organizations are facing serious challenges as they strive to build competitive environments especially in this era of increased competitions and changes in the market. The various changes occurring in the environment call for changes in the strategy initiatives adopted by the organizations. Organizations ought to, amid other choices, decrease their operating costs, enhance the quality of products, services and increase their reactive capacity as a way of responding to emerging openings in the market. Changes in strategies such as mergers and acquisitions, new products and market strategies call for restructuring of the firms. The process to restructure involves fundamental changes which create critical challenges for such firms. For instance, it is capable of creating lots of uncertainties and suspicions between staff members if unmanaged. Companies ought to manage this process very carefully to ensure minimum pain or disruptions that may end up affecting the business adversely.

Over the years, various researchers have conducted several studies to determine the impact of organizational restructuring on performance in various industries. Such studies are like the one done by Kithinji & Waweru (2007) who carried out a research on commercial banks' mergers with a sample that included 20 Kenyan banks that had merged during the period 1993 to 2000.

The findings of this study indicated an improvement in performance of finance ratios before mergers and a subsequent decrease in profitability rations after such mergers were completed. Rainy, Muusa & Odera (2012) in their study came to the conclusion that the decisions to restructure as adopted by an organization ought to be at par with the climatic conditions relating to the social, political and the economical environs. Lenah (2017) in her research on how the process of restructuring impacted the insurance industry determined that organizational restructuring was the main form of restructuring which often resulted to improved performance. It was engineered mainly by financial distress.

A study by Rhono (2011) on outsourcing as an example of restructuring strategy had one of its recommendations that there is need for an extended study aimed at determining exactly how outsourcing may affect the performance of a firm. Airo (2019) outlined that restructuring led to improvements in the performance of an organization in general. He recommended that further investigations be conducted as these improvements in performance were unsustainable. A study by Ithiiri (2013) observed the key restructuring drivers to be competition, new strategies in the organization, cuts in the existing budget, pressure from the public and any changes in policies from the government. According to Jarso (2013), it was observed that restructuring will bring successful outcome only if the management prioritizes the needs and worries of the employees and feature them when planning and during the implementation of the various strategical plans. Kiplang'at (2006) established that mergers led to improvement in performance. His findings were seconded by those of Ireeri (2011). Their findings cannot be generalized and thus recommended further studies to be done in other industries so as to document comprehensive empirical answers to the real effects on performance, taking into consideration the inherent factors within the specific industry.

Organizational Restructuring

In the context of economy, the term structure is considered to imply to the exact, constant association of the major elements constituting a given process. The term restructure is used to refer to the process of altering the structure of a given institution successfully (Hane, 2012). This structure defines the constraints under which institutions function in their day-to-day operations and their pursuit of better economic performances. Restructuring can also be interpreted as an attempt made to change the structure of an institution in order to relax some or even all the short-term constraints.

Restructuring is also concerned with altering the structures in pursuit of a long-term strategy. Restructuring may include portfolio, financial or organizational restructurings. Portfolio restructuring involves substantial changes on how the assets that a firm owns or its lines of business operations are combined. These changes may also include liquidation, spin-offs, sale of assets and divestitures (Vance, 2010). The management of a firm may adopt portfolio restructuring so as to narrow its focus by way of letting go of a given unit that is fringe to creation of value. A firm can aggressively combine acquisition and divestiture to change its portfolio structure. From the findings of Lazonick (2006), it was established that the adoption of acquisitions and divestitures to alter firm's portfolio generates no improvements on average. Spin-offs and sell-offs were found to create substantial improvements on the firm. A firm's substantial change in its capital structure is portrayed by financial restructuring. Changes in capital structure of a firm may take the form of leveraged buyout, recapitalizations and swaps of debts for equity. The allocation of a corporate's flow of funds to various strategic or contractual decisions that are capable of directing, determining value addition and distribution in the existing constituencies in the corporate is referred to as financial structure. Blatz, Kraus & Haghani (2006) stated that corporate financial structure elements include the combination of current ventures, conservative funds, the choice of the source of income and the investment scale base. It also includes the rate of reinvestment of earnings, expenditure dispersal among recent, impending potential proceeds, the nature and the duration of contracts for wages and benefits. The findings of Vance (2010) indicated that there was possible economic value for firms that adopted financial restructuring.

Any substantial changes in the structure of the organization are observed through organizational restructuring. These changes may include redrawing of boundaries in the divisions, pulling down the levels of hierarchy, expanding the control span, reduction of how products are diversified, reviewing employee compensations, reorganizing the firm's processes and governance and employment downsize. Bowman et al. (2013) in his study established a negative impact on performance in cases where an organization engaged in lay-offs only without taking into consideration the other existing organizational changes. He also observed that when downsizing was put together with restructuring, a small impact on performance was observable.

In NSSF, restructuring has been applied as a means to enhance efficiency, facilitate growth in member coverage, contributions and improve governance.

In 1985, NSSF went through a restructuring which saw it change from a department in the ministry of Labour to an autonomous Government parastatal fully governed by a board of trustees (www.nssf.or.ke). After undertaking this exercise, NSSF created a structure that can be considered functional based on five departments namely Finance, Human Resources, Compliance, Estates and Investment. All departments reported to the Managing Trustee (CEO). The structure provided some level of specialization.

It focused mainly in conducting tasks that promoted operational efficiencies and the development of distinguishing competences. It allowed greater control of operations from the top management to the lowest level of staff. This led to growth in coverage and opening of new branches at every district then. Throughout this period NSSF enjoyed monopoly as the only provident fund in the country, the best in the region, having the full backing of the law (NSSF Report, 2011). It was a mandatory scheme for all employed people with contributions from employees and the employers. As competition set in with many more pension providers entering the market, innovation, new technology and reduction in formal employment, there has been intense pressure on NSSF to restructure its organization in various ways.

Some of the restructuring strategies undertaken by then focused on financial restructuring. This touched on the legal infrastructure relating to the funds' investments portfolio. The regulator, RBA, came up with many controls aimed at regulating investment instruments, asset compositions within each asset class alongside changes in financial management regulations within NSSF (RBA Report, 2010). It enforced financial restructuring with the aim of improving financial integrity. This saw NSSF get clear investment policies in place. The Office of the Auditor General became the approved auditors for all financial records.

Competitively procured fund managers and custodians replaced internal management of investments in NSSF. This form of restructuring saw the fund comply with the RBA regulations (RBA Report, 2011).

During the 2010 reforms, a major restructuring was strategized to take place with a main focus to change the provident fund into a pension scheme. This emanated from the organization's deliberate focus on quality experience by customers, operational efficiency, continuous generation of income, growth in coverage and social responsibility (RBA Report, 2011). This initiative brought about further restructuring activities which touched on job designs and compensations structures. NSSF came up with a new structure that constituted four major divisions namely Operations, Finance and Investments, Strategy and Change and Social Security headed by General Managers (GMs).

The General Managers were appointed on contract terms of service, a change from the usual permanent and pensionable terms. Each of the divisions had a cluster of departments reporting to a GM, giving it a new job design and compensation structure. The new structure was much heavier at the top and increased staff cost. This notwithstanding, the scheme has reported growth in the area of its asset value from Kenya Shillings 110 billion in 2011/2012 financial year to about Kenya Shillings 200 billion in 2016/2017 (NSSF Audited accounts, 2017). There is still room for change in as far as the RBA is concerned. Changes in the economy, technology and demographic shifts reporting a bigger population of youth who are mostly unemployed, older people living longer still call for further restructuring of the organization.

Organizational Performance

This is the ability of an organization to use its available resources effectively and efficiently in order to be able to achieve organized goals (Carton & Hofer, 2006). According to Thomas (2008), the end product of an activity is performance. The term performance is sometimes confused with productivity. Ricardo (2001) noted that the two terms are different. Productivity is considered as a ratio depicting the volume of work completed in a given amount of time. Performance is a broader indicator that may include productivity, quality and consistency among other factors. According to Thompson (2007), performance is constituted of only actions that can be measured.

According to Ochieng' (2012), every organization enters into business with an entire aim of succeeding. In order for organizations to measure their success, they use traditional measures of profitability among other measurement factors. These measurements may either be historical or comparative. They are leveraged by the firm stakeholders. These stakeholders include the firms' employees, shareholders, governments, present and future customers, competitors and the public in general.

Organizational performance is comprised of three outcome areas in a firm. These areas according to Richard (2009) include financial performance, product market performance and shareholders returns. For companies that are performing well, they are better placed in relation to competition with others in the same industry. This is because they can deliver products and services that are of quality. In the private and the public sectors, many industrialized and industrializing countries have had an adverse spread of measurement and reporting on firms' performance (Nimalathsan, 2009). The major tool employed here is the use of Key Performance Indicators (KPIs). They are quite essential and yield reliable outcomes (William, 2003).

Performance in NSSF is viewed in terms of growth in member coverage, increase in investment income, return on member contributions and efficiency in operations as determined through technology uptake and customer experience. Over the last couple of years, NSSF has grown in terms of coverage with an active member base of over 1.5 million but still way below the expected member coverage. This has been made possible through the wide branch network, dedicated and well experienced staff in the field offices and a robust ICT system that is being rolled out in phases. Being the first pillar, NSSF is expected to cover all workers with social security in Kenya. The annual performance for the fund should give an average growth in membership of about one million new members. However, the actual growth averages 500 members annually. According to the Economic Survey report of 2017, there are over 13 million Kenyans working in the informal sector. As a result, they do not belong to any social security fund.

The performance of return on member by NSSF as set at 6% is way below the country's pension's sector average of 9.5%. It is seen to be sufficient to meeting the welfare conditions of Kenyans since the contributions are relatively low compared to other pensions funds. Performance on customer experience is highly influenced by the negative publicity given by the media from time to time. According to an internal survey, Kenyans seem to associate quickly with the National Hospital Insurance Fund (NHIF) than NSSF despite the efficiency achieved in the time taken to process and pay the member benefits. Kenyans seem to expect better services from NSSF. If this is effected, then there is a possibility of an increased customer base that will improve the member return to the average of 9.5% as in other pension funds. The fact that Kenyans seem to be less attracted to saving for retirement could be an area for further future research.

Restructuring and Organization Performance

From the findings of Vance (2009), the results of restructuring may be theorized in relation to outcomes that are either positive or negative. This may affect performance. Vance suggested that this definitive impact is distinguishable either in the short-term or in a long period of time. The operating changes in profit and/or changes in the stock market are some of the steps used to capture total or derivative effect of the economy. Thus, the performance of an organization is comprised of the real output of a given firm as a measure of the outputs (goals and objectives) intended. Leadership establishes direction by developing the vision and aligning employees towards achieving the vision whose outcome is seen in the effectiveness of the formulated policies (Kotter J, 2012). According to Wayhan & Werner (2009), organizational restructuring is considered to be beneficial in a certain way which is unlimited to reducing the costs of operation, better formulation and implementing of the strategies.

According to Tichacek (2006), financial restructuring may be in the form of debt restructuring. The process of debt restructuring is mainly used by either public or private companies that are faced with problems in their cash flow or experiencing financial distresses. This restructuring strategy is undertaken in order to reduce and renegotiate the firm’s delinquent debts with an aim of improving and restoring liquidity so as to continue operating. According to what Cascio (2002) established, identification of investment opportunities that give increased returns is a procedure for restructuring. To accomplish financial restructuring, a firm may consider enhancement of its levels of converting assets to cash easily, managing risks, minimising or completely eliminating chances of being out of control and ensuring improved value for the shareholders (Yoon, 2008).

Changes in the dynamic environment within which companies operate call for a finance department that is ready to implement policies and strategies that help in structuring and providing finances for the business all the time. Morden (2007) described a process of value creation which reviews the corporate financial structure based on the viewpoint of the shareholders. This viewpoint takes into consideration capital structure changes, enhancing value through ownership of business mix, increasing efficiency while reducing the cost of capital after tax by borrowing, improving profits while reducing overheads, taking note on value creations that are financially driven, operating cash flow improvements by considering investment opportunities that create wealth among other goals.

Munjiri (2011) noted various approaches that may be useful in enhancing value. Some of the approaches were able to attain higher prices for products, achieve lower structural costs, reduce capital intensity, obtaining debts and equity with costs below the normal, designing an efficient capital structure that is better than that of the competitors, acquisition or sale of overvalued equity and the purchase of undervalued equity.

The various restructuring strategies adopted by NSSF were mainly focused on organizational structure, job redesign, compensation, strategic policies, investment portfolio and governance. Engagement of consultants to review the organizational structure and job designs alongside the compensations was done in 2010 with a view to prepare the organization for the envisaged transformation into a pension scheme. Changing economic dynamics in the country made NSSF to restructure its investment portfolio and shift from owning much idle land to investing in other instruments like Government stocks, shares and real estates. This saw NSSF build middle class houses allowing Kenyans to own homes and putting the organization in the region’s map as owning the cleanest housing estate in East and Central Africa. This is the Nyayo Embakasi Estate. Rationalization of the investment instruments has seen NSSF Asset values grow to over Kenya shillings 200 billion. This gives it a control of 20% of the pension sector, the consequent size in market share. This comes at a time when the average shareholders returns were 7.5% per annum.

Development and Nature of Pension Funds Market

According to Davis (2006) and Yemo (2005), financial market experience qualitative and quantitative impacts as a result of pension funds. In quantitative effects, the focus is on the allocation of assets. In qualitative effects it is on decisions that relate to corporate governance. According to Davis (2006), the growth of international financial markets is as a result of pension funds which lead to increased offshore investments. As a result of this increase in the flow of cash, the economies stabilize. Additionally, pension funds lead to increased equity and bond market capitalizations (Imparvido, Mussalem & Tresel, 2003).

According to Radatz & Schmukkler (2008), pension funds are the most important investment institutions in any country as they are constantly faced with regulatory requirements which require them to increase their allocations to domestic investments. Further, putting together all the assets of pension funds helps boost the market stock and its liquidity (Catallan, 2004).

Pension funds are also holders of larger amounts of bank deposits, government paper and other short-term assets and hence their importance in controlling funds flow in the financial market (Radatz & Schmukkler, 2008). According to Catallan (2004) and Davis (2006), there is growth of financial markets via the channel of corporate governance which is facilitated through pension funds.

The call for pro-investor law enactment and the increased intensity in monitoring of activities by pension funds has witnessed the exposure of various corporate crimes. By use of the created laws it is possible to initiate legal claims against managers who are found to be associated with the detected crimes. Ensuring a strong system in the pension funds will help in shaping the principles of corporate governance that can be applied to corporations with regard to where their money is invested. Latin America witnessed growth of capital markets emanating from the pension sector. These economies opened up their markets for trading and foreign investments. As a result, they reduced deficits in their national budget (Andrade, Farel & Lund, 2007).

The Pension Industry in Kenya

There is a considerable need for universal social security that is accessible, affordable, reduces income insecurity, allows equal access to various opportunities and has absence of discrimination. Achieving such a social security arrangement is quite slow due to the deeming challenges in the schemes and individuals. Regardless of all these, Kenya lacks systems that are capable of mitigating these inequalities. The government has not succeeded in domesticating the provisions of global treaties which relate to the rights to social security. According to ILO, the country does not possess any officially documented policies relating to social security, insurances or other social arrangements (ILO, Social Security for All Discussion Paper No. 16 August 2006). Fewer job opportunities for youth call for intervention into social security financing strategies which are possible through restructuring. The existing interventions for legislation of institution are segmented, amended from time to time and inconsistent. The interventions are also not developed from a clear, centralized or coordinated policy.

As mentioned in chapter one, pension funds currently cover workers in the formal sector only. The estimates by ILO indicate that about 84% of the workers are not covered by any pension. Those that are included end up receiving benefits that cannot cover their basic needs fully. With the constraints in the current provident fund, the stakeholders in the social security resulted to a reform programme whose main intention was to amend the NSSF Act so as to allow its conversion to a pension scheme which would be able to make monthly payments over time to workers upon their retirement. This conversion would then make NSSF to be the 1st pillar in social security provision. Occupational schemes become the second pillar. Private schemes took the position of the third pillar. These would all complement each other in provision of social security. There are other various forms of pension providers which include the government schemes for civil servants, parliament, pensions for local authorities and the pension schemes that are considered to be in-house, for instance the University of Nairobi Scheme, founded in 2007.

NSSF, being the oldest pension scheme in Kenya, has been able to acquire for itself the biggest number of membership and asset value. In 2015, active members registered in the scheme totalled to over two million. The asset base was over Kenya Shillings 165 billion (Annual report and Financial Statements for the year ended 30th June 2015). As a result, it is to its advantage that it has a well-established finance base, a big ready market, ease of access by workers and staff that have great experience in pension schemes operations having been in existence for over 50 years. NSSF's head office is situated in Nairobi County with country wide branches. This gives it an advantage compared to other players in the industry.

The Influence of Job Redesign on Performance

The idea of job redesign is an important concept in business management. It has been in existence for over 30 years in the private sector. The proponents of job redesign argue that workers are motivated entirely by the jobs they intent to make a difference in and hence, jobs are designed with that in mind. For Connell (2005), an employee can choose to take a whole position that involves many reduced different number of tasks depending on their ability and time allocation among other constraints.

Job redesign is used to refer to the combination of tasks in order to form complete jobs (Robbin & Stuart-Kotze, 2013). The process of redesigning a job entails: revising the contents of the job, analysing any information related to the job, altering the job elements, reforming of job description and specification and reshuffling job-related duties (rotation and enrichment). According to Riopel & Croteau (2008), using principles of job redesign creates clear description of jobs, workforce motivation and completion of tasks successfully. A clear understanding of the work being done can be achieved by having a contractual agreement between the employer and the employee.

Job redesign looks specifically at the ways to expand the employees’ jobs by redesigning various aspects that relate to the scope and depth of the job that an employee is to do or is to be responsible for in that particular organization (Komio, 2005). In doing that, the managers ensure commitment and motivation of employees in the job. Job design and redesign can have a key effect on job performance and employees morale. Alternatives to job design are job characteristics and enrichment. Job characteristics and enrichments focus mainly on reorganizing job content.

The use of either approach can lead to improved employee performance and ultimately performance of the organization. The understanding of these approaches together with their limitations helps in choosing the best approach for job redesign in any organization (Angwin, 2005).

The Role of Improved/enhanced Compensation on Performance

According to the explanations given by Sirait (2006), compensation is something that employees accept as reward for their contribution to an organization. It can be in the form of financial or non-financial reward. Ardana (2012) stated that everything that employees receive as a reward for their contribution to an organization is referred to as compensation. Management of compensations is very important due to its impact on employees' satisfaction at their work. As a result, compensation is capable of acquiring, creating and maintaining productivity.

When compensation is inadequate, employees' turnover in an organization is very high leading to skills gaps that may be difficult to fill quickly due to lost experiences. This may compromise the overall performance of an organization. Compensation of employees is key. It is at the heart of employment relationship, very virtual on wages, salaries and other benefits. A bigger share of the income and the benefits provide them with financial, material and health security. On the employers' perspective, compensation decisions are deemed to influence the cost of operating business and their ability to sell products at competitive prices in the product market. This further impacts onto the future cash flows and the overall firm's sustainability. Compensation decisions influence the employer's ability to compete for the best skills in the labour market (attract and retain) and employees' attitudes and behaviours while with the employer (Gehart, Minkoff & Olsen, 2005). Attitudes and behaviour of employees in the market contribute heavily to a firm's products market share.

The main aim of compensation management is to help companies in achieving strategic objectives for corporate success, ensuring internal and external justice (Davis, Wether & Magkuprawira, 2004). The external justice is there to ensure that jobs are compensated in a fair way, based on the compatible work in the labour market. Internal justice ensures that demands for higher positions or more persons who are qualified in the organization will be well compensated.

The Effect of Reviewed Policies on Performance

Armstrong (2012) explains that policies create the basis for approaches that an organization adapts in order to be able to deal with key aspects of human resource management (HRM) and provide ongoing guiding principles on how these tactics ought to be applied. They give definitions to philosophies and values that dictate how people should be treated in the organization. From these philosophies, principles on how managers are expected to act when dealing with HR matters are derived.

HR policies refers to the courses of action that are designed to enhance how human beings are effective in their roles in the organization and how to make these productive roles to be of service to others. Several human resource policies exist. Among these policies are policies that are designed to achieve full development of human resources; policies that ensure optimum resource allocation; policies concerned with utilization of human resources; policies relating to maintenance and conservation of human resources and policies that are concerned with maintenance of high demand levels for employment in the economy. As Guest (2009) suggested, HRM policies are designed with an aim of maximizing integration, commitment of employees and flexibility in their work.

According to Stanton & Nankervis (2011), performance of an organization may be improved mainly through increased productivity and elasticity in employment by ranging the entire outcome of employee performance with wide strategic business and obligations of the HRM. Through this, singular employee performance management and their unified contributions had become the most significant and actual function of the HRM in all organizations. It is important that firms embrace HRM practices that best make use of the employees. This scenario has led to increase in the interests of the impact of HRM on organisational performance (Stanton & Nankervis, 2011)

A Theoretical Review

This is used to refer to interconnected conceptualizations and suggestions that are capable of presenting a methodical view of a phenomenon by giving specifications on given variables with a major aim of giving explanations and estimates to phenomena (Bull, 2006). This study is founded on Resource bases view theory, Life Cycle and Agency theory.

Resource Based View Theory (RBV)

According to various researchers, resource-based view and the subsequent resource-based theory provide a framework that gives an explanation and prediction of the basis through which a firm may attain competitive advantage and its general performance (Slotegraaf, 2003; Vohies & Mogan, 2005; Barney, 2011). Although earlier researches have noted that the resources of an organization are important for its success, (Penrose, 2009), this theory took shape for the first time in 1980. During this time, it was observed that a firm could only achieve competitive advantage only when it was capable of generating a higher economic value in comparison with the breakeven of its competitor with the existing product market (Peterraf & Barney, 2003). The ‘breakeven point’ is an economic term used to describe the level or point at which the competitors’ cost of business is equal to the price or outcomes of that business. The firms make neither losses nor gains.

As a basis for firms’ competitive advantage, the RBV is primarily based on the application of a number of meaningful resources at the disposal of the firm where these resources are either tangible or intangible (Mwailu & Mecer, 2003). As a result, this leads to dependable resources that may not easily be imitated or substituted without extra effort, a scenario which is able to sustain the firm and maintain returns that are above average.

According to the RBV theory, the key determinants of performance of a firm are the resources that that particular firm possesses. Such resources are those that can create a competitive advantage that is sustainable (Wenefelt, 1984). The resources of a firm include all the assets possessed by a firm, its current capabilities, the processes in the organization, its attributes, the information and knowledge that the firm controls and any other involvement of the firm that enables it to be able to consider and implement strategies meant for efficiency (Barney, 2002). A firm is considered to attain competitive advantage if its current strategy creates value and cannot be implemented by competitors in the present or future. Sustaining this attained competitive advantage is not dependent on the time frame but rather depends on how fast the competitors’ efforts to render it redundant cease (Rumeltt, 2004). The initial stages of RBV witnessed the identification of resource characteristics that are imitable by competitors. This is because despite resources being the sources of competitive advantage, if they had a possibility of imitation from the competitors, then that competitive advantage will be short-lived.

The process of accumulating an asset can be used to determine how imitable that asset is. These accumulation processes include diseconomies in time compression, assets mass efficiency, how the asset is interconnected, its erosion and its casual uncertainty. Other outlined characteristics include historical conditions that are unique, socially complex resources that have mechanisms of isolation amongst many others (Barney, 2002; Lipman & Rumeltt, 2005; Rumeltt, 2004). As outlined by Barney (2002), a firm can only create competitive advantage if its resources are of value and rare.

The term “of value” is considered to be vague as the measure because a resource can be measured in terms of the firms’ profitability. The firm’s profitability demonstrates the value of a resource. As a result, a firm’s resources take the form of economic assets. The discounted value of expected future returns attributable to any resource is core in determining how valuable a resource is. The term “rare” is taken to mean a scarce resource. Even though a resource is scarce, it does not mean that it will subsequently generate large returns (Lewinn & Phellan, 2002). The returns from a resource should be more than the price of acquiring that resource, especially where the resource is sporadic or in adequate.

If the production factors cost is high, the firm does not make any profits. In order for the firm to make a profit, it must borrow some funding from the owners of its resources (Demsetz, 1991; Rumeltt, 2001). The application of RBV in this study links the study variables as it describes that for an institution to remain globally competitive, it must possess resources that are not easily replicable by competitors. Such a firm must be willing to embrace changes such a: technological advancement, changes in structure, strategies, policies, practices and many more processes in order to offer effective and unique goods or services to its clients.

In NSSF, these resources are characterised by the experience of the NSSF employees who have served for long, the period through which NSSF has been in operation, the asset base of this pension scheme, the wide range of branches in all counties coupled with the latest automation system. This created the basis for this study to examine NSSF resources and how its performance may be affected if such resources are restructured.

Lifecycle Theory

Lifecycle economic theory was developed by Raymond in 1979 with the intention of explaining observed patterns of international trade and foreign investments after Heckscher-Ohlin model failed. This theory states that all the parts and labour of a given products' lifecycle originate from the area of invention of that product. As the product is slowly adopted in the markets and its use becomes more diverse, its production shifts from its area of origin. The product may at times become an imported item by the initial country that invented it.

According to Miller (1984), the growth of a firm occurs in different corporate lifecycle stages that end up with the firm's maturity stage. The lifecycle stages according to this theory are characterized to take the form of birth, growth, maturity and decline. These lifecycles stages are different from each other in characteristics and structure. The theory also gives a description of how the above characteristics affect a firm's decision-making process during times of financial distress or when faced with bankruptcy threats (Koh & Chang, 2012). At the first or birth stage, the firm is setting up its operations and is geared towards expanding the operations. It is prepared for action. As it moves towards the growth stage, a firm's success reduces or increases according to changes in growth of its cash flow and business strength.

Within a short period, the firm gets into the maturity stage where it focuses more on projects that are low risk, high cash flow and more financially stable. At the decline stage, the firm is not able to generate enough resources. It has very limited opportunities for investments. Due to the various challenges that a firm faces at the different growth stages, the leadership and management of organizations ought to put in place decision plans that cater for each of these different challenges.

Since lifecycle characteristics offer minimal options for managers to restructure, this poses a challenge for firms facing distress (Koh & Chang, 2012). According to the lifecycle, if the firm is faced with financial distress, the restructuring strategies employed will depend on the lifecycle stage at which the firm is. These strategies may include managerial strategies, operating strategies, asset and financial strategies. Firms at the maturity stage replace their top-level management when faced with distress. Firms in growth or decline stage may reduce the payment of dividends and outsource their funds.

Wruck (1990), in his corporate finance theory argued that cases of financial distress and bankruptcy pose a vital stage in a firms' lifecycle. A firm's survival is not only dependent on being profitable or maximising the wealth of shareholders while avoiding financial distress, but it's also dependent on making decisions that consider its current stage in the lifecycle (Koh & Chang, 2012). Financial distress must be dealt with immediately and with great effectiveness since the firm might end up being bankrupt. The response adopted by a firm in distress is key in determining its recovery. If the firm is faced with financial distress, the restructuring strategies employed will depend on the stage the firm is in in the lifecycle. Firms at the maturity stage replace their top-level management when faced with distress unlike firms at the birth stage.

Firms in decline stage may be able to adopt operational strategy and asset restructuring strategy in relation to firms at the birth stages. Firms in growth, maturity or decline stages may reduce the payment of dividends with an aim of preserving their resources since they already have mounting pressure from their creditors. These statements are consistent with the pecking order hypothesis by Osoro (2012) that firms in financial distress will always seek to outsource funds by issuing common shares.

Pension schemes in Kenya have also gone through some restructuring forms depending on the stage that they are in in the lifecycle. This speaks to the variables in this study in that at every stage the firm is dynamic and requires a sustained effectiveness and efficiency so as to remain in business. For sustenance of business there must be structural changes within various elements of HRM.

Agency Theory

The Agency theory gives an explanation of how a principal and an agent relate in a business setup. An agent is able to act and make decisions regarding the business in the place of a principal. The founders of this theory, Jensen & Meckling (1976) considered an organization as a nexus or contract. That is, an interconnection for all the existing firms' stakeholders. The existence of agency contracts occurs via market transactions that may be considered as internal or external. They are mainly overseen by contractual terms that may either be written or even implied. The business owners play the key role of being the only risk bearers and thus considered as the principals. The executives are termed as the agents. They are set to act for the benefit of the business owners. Though suppliers and distributors qualify to be considered as agents, only the executives are recognised as agents in this relationship.

Since the parties involved in an agency relationship may differ in their motives, this leads to agency problems. The executives may not prioritize profit maximization, which is the owner’s priority. According to statements made by Goldstein (2007) in 1980’s, the board of directors was incorporated in in solving problems related to agency relationship. They monitored and kept these executives/managers under their supervision. During this period, changes in the market and in the organization caused a meltdown in the strategies early on implemented for monitoring. This resulted to a form of restructuring that aimed at countering the probable agency problems.

This restructuring later became very acceptable in the business setup. Today, immense structural changes in capital, mostly followed by replacements of the management are considered to eliminate inefficiencies by ensuring the implementation of radical changes in agency contracts all over the firm. In Kenya, the pension schemes especially NSSF have gone through financial and organizational restructuring through review of their existing policies. This has seen massive changes in the capital structure and managerial replacements in the organization.

Conceptual Framework

Conceptual framework is the terminology used to refer to graphical presentation of interrelationships of variables that are theorized in a given study (Odhiambo & Waiganjo, 2014). This conceptualization is important in a study as it helps in forming the basis for testing of hypothesis and in establishing generalizations from the study findings (Iravo, Ongori & Munene, 2013). In this study, the conceptualization of organizational restructuring was by the independent variables which included job redesign, compensation changes and reviewed policies. The performance of NSSF was the dependent variable.

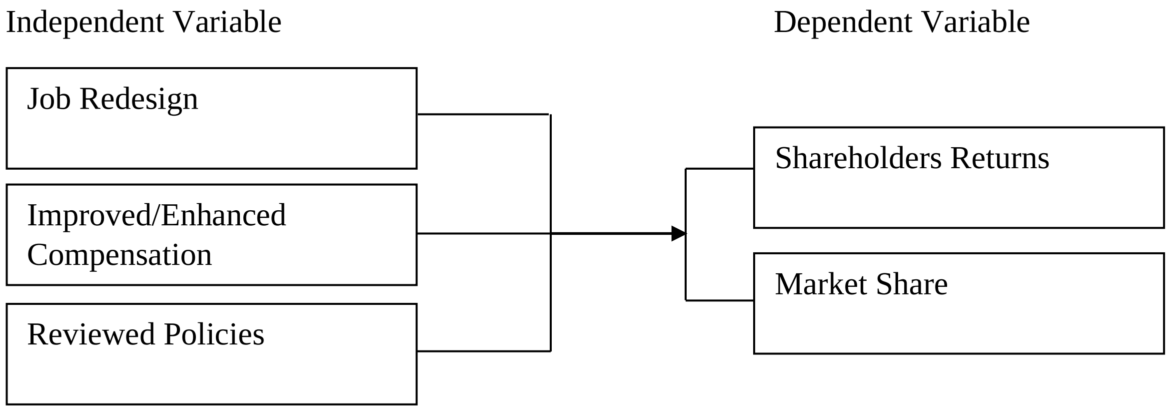

Figure 2.1: Conceptual Framework

To study on the effect of job redesign on performance, job enrichment, enlargement and rotation was considered. The expected results should show improved performance as the redesigning of jobs is implemented during restructuring.

Under enhanced/improved compensation, the study focused on the salaries, benefits and the review of grading and pay. The expectation was that after restructuring, these guiding factors improved significantly leading to increased loyalties, motivation and consequently improved organizational performance.

Reviewed policies focused on the implementation of new policies and their relevance to the organization. It was expected that after restructuring, reviewing the policies would lead to more clarity for the employees as they go about their daily work schedules. The employees should be able to notice changes in the organizations in policies and practices after restructuring.

Job Redesign affects the performance of NSSF ………. Hypothesis 1

The process of changing tasks, responsibilities or duties in a job with a view to achieving a specific need or goal. This change may lead to workforce reductions, with an expected more encouraged, excited, inspired and satisfied workforce. Where the workforce in an organization is reduced, a fewer number of employees perform the work that was previously done by a bigger workforce impacting on the work to be done and how that work gets done (Cameron, 2004). According to Mishra & Spreitzer (2008), job redesign and empowerment provide the remaining staff with the courage and confidence in their individual capacities to manage with the threat of restructuring. They exhibit a number of active and progressive responses. In concentrating on the responses of employees at the managerial levels, Amstrong-Stassen's (2009) study established that the managers' job performance and their commitment to the organization significantly suffered after restructuring. The study identified individual predilections and support variables which enabled facilitation of a more successful adaptation to the changes in the organization. There are three ways managers can improve the employee's jobs through redesign; Job enrichment, enlargement and rotation (Hartzell, 2013).

Through job enrichment, employees find satisfaction in respect to their positions and their potential growth. The underlying principle in job enrichment is expansion of the job scope through added variety of tasks, with an expectation of increasing the levels of responsibility and control as a motivator to the employee. The key to all this is to expose the individual to tasks normally reserved for differently focused or higher positions. Merely putting more of the same responsibilities related to the current employee's position is not considered to be job enrichment (Kotila, 2010).

An important determinant of employee's behaviour at work is considered to be job enlargement. Job enlargement is the addition of some level of activities to the workers, hence increasing the number of tasks they ought to perform. This is having additional tasks and responsibilities on the existing job description (Dessler, 2005). It is a strategy that leads to increase of tasks in a given job.

It is a complete opposite of scientific approach which focuses on reducing the number of tasks in a given job. Job enlargement seeks to increase or have additional activities within the existing roles which stretches the scope of the job. It may require a variety of skills. Amstrong & Stassen's (2009) study states that the final strategy that assigns workers to an alternative job on temporal basis is job rotations. It provided a broader perspective on what is done by the organization as a whole.

Job rotation entails movement of employees from one job to another within an organization. Job rotation is expected to prevent boredom or burnout on the job, used in orienting new employees, creating a talent pool, increasing flexibility on the job and many more. It does not change the nature of any specific job but rather it increases the overall number of duties that any particular employee can perform over time, simply by ensuring that the employees move around different jobs in the same department or in a different one. According to Patrick et al. (2011), job rotation increases task variety and job identity because employees are performing various duties. Lack, Lynch & Kriyelyoya (2004) expound that employees may be able to alleviate their physical and mental stresses that they endure while working on the same positions every year through job rotation. By letting the staff rate job positions, any risks associated with injuries at the work place may end up being decreased. It also reduces tediousness and monotony that some employees experience as they continually work in the exact same position for long time ranges (Jorgensen et. al., 2005).

Improved/Enhanced Compensation affects the performance of NSSF … Hypothesis 2

Compensation is a broad and a complex term which may refer to any monetary or non-monetary benefits given to an employee by the employer as a compensation for their contributions to the organization.

Some of the components of compensation are wages, salaries, bonuses and allowances. Compensation is administered through policies which must be developed and implemented by every organization despite its size. This study addresses compensation in terms of grade and pay structures. Employees demand that pay be made equitable whereas firms address the issue of inequalities in pay decisions to ensure that all classes are protected by having a fair pay (Milkovich & Newman, 2005). Employees look at pay as a reward for their hard work and for doing their jobs well. Managers have a stake in compensation and ought to view it from two different perspectives.

First, managers view compensation as a key expense that has to be controlled by all means. Secondly, managers recognize compensation's ability to influence work attitudes and behaviours of employees (Milkovich & Newman, 2005). Structures for grade and pay provide the framework for managing compensation. Amstrong & Murlins (2009) noted that one of the outcomes of a restructuring is reviewed grade structures. When combined with market rate intelligence, reviewed structures form a framework for designing pay structures and proper modalities of how to manage these structures. The structure of a grade is comprised of a sequence or a hierarchy of grades, bands or levels in which job groups that are broadly comparable in terms of size are placed. A single group structure of jobs with similar characteristics is grouped together.

A grade structure provides the rationale of where to place what jobs in a hierarchy and defines the levels and scope of pay for the structure to progress. It also acts as a medium of communication to the employees on the careers available and the corresponding pay for each), breakdown structures for grade and pay fall into various categories namely single graded (appropriate in large organizations), broad banded (comprised of high capability for the management), career family (used in firms which emphasize career development) and job family (used where there are distinct market groups which require different reward system) (Armstrong & Brown ,2008).

Reviewed Policies and Practices affects the performance of NSSF ……. Hypothesis 3

In order for organizations to govern their internal and external business activities, they implement a wide variety of policies. The policies referred to in this study are the major organizational initiatives that affect employee commitment during restructuring. Examples of such polices include: compensation, training, development and promotion (Rao & Millier, 2012). A study by Turnley & Feldman (2008) and Pate et. al. (2010) found that employees of restructuring organizations experienced lower commitment. Turnley & Feldman (2008) stated that compensation and advancement opportunities particularly described by HR policies and practices led to lower employee commitment. commitment seems to be affected whenever a firm implements organizational changes.

Dwivedi (2006) indicates that it is quite difficult to initiate a competitive strategy that is based on HR. He states that the key to a competitive advantage in the current world is the application of complex human resource policies and practices. This is because it is not possible for competitors to formulate an effective response over the short term. Thus, HR can assist a company in accomplishing a competitive advantage by ensuring low costs, enhancing sources for differentiating products and services or by doing both. To achieve competitive advantage, these activities must be managed from a strategic perspective. A study by Vanhala & Ahteela (2011) found out that HRM policies and practices influence institutional trust. Employee commitment in the whole organization is related to their perceptions of the fairness and functioning of such practices after restructuring.

Firm Performance

According to Ochieng' (2012), firms get involved in businesses for success and to ensure that success extent can be measured. Profitability of a firm is measured using traditional methods which may be historical or comparative. The measurement and presentation of the performance of a firm are highly influence by the stakeholders. These stakeholders include the employees of the firm, e government, shareholders, customers, present and future competitors and the public in general.

Organizational performance is considered to include three areas of outcome of an organization (Richard et. al., 2009). These outcome areas are: financial performance, product market performance and the shareholders returns. Companies that are performing well are better positioned to enjoy prolonged periods of competitive advantage compared to others in the same industry. They have the ability to provide products and services that are of quality and are outstanding in the market.

Restructuring and Organizational Performance

The concept of restructuring according to Bowman (1999) can be seen in relation to the intermediate effects it results to which may either bring positive or negative consequences to the organization. The effects of restructuring may also affect the performance or the economic wealth of the organization, which are distinguishable over a period of one year or even over several years (Bowman, 1999). According to the researcher, the exact time of when restructuring really works is comprised of a number of steps that are quite intermediate. The optimal economic effect is easily observed in the changes in operating profits or even those on stock markets. Performance of an organization is comprised of the actual production measured against the intended goals and objective of the organization.

The aspect of organizational restructuring has had some benefits which include reduction on cost of operations, aiding in formulating and implementing of strategies in the organization (Elby & Bucch, 1998). Financial restructuring may also take the form of debt restructuring as stated by Cascio (2002). Any firm faced with financial distress is able to reduce and renegotiate its outstanding debts so as to try and restore its liquidity. This helps organizations to be able to resume operations without any adverse difficulties. The ability of a firm to identify possible existing investment opportunities that may result in high returns is mostly considered a procedure for restructuring (Cascio, 2002). According to Pfeifer & Salancik (2003), an organization may focus more on financial restructuring with an aim of improving shareholders value, lowering the cost of capital and reducing risks among other beneficial reasons.

Chapter Summary

The context of this focused on the conceptual framework which has provided an analysis of the variables under study. These include: job redesign, compensation changes and reviewed policies. The theoretical framework has reviewed theories related to the variables.

Among the theories is RBV theory which sought to explain the internal sources of a firm’s sustained competitive advantage. The application of RBV in this study states that the determining factors are the possessions that the company owns. They use such resources to attain ultimate performance in the organization.

The product lifecycle theory suggested that during the early stages, the factors of production emanate from where the products idea began. This shifts after product adoption. Any kind of restructuring must be based on the stage of the firm’s lifecycle.

These restructurings have been observed in the form of mergers and acquisitions, redefinition of the existing products, measures implemented to cut in costs which include repricing of products, downsizing on staff, job redesign and compensation changes. Considering the restructuring dynamics and the measures adopted by any given firm in its quest for success, all these forms of restructuring are relevant in this study.

The agency theory gives an explanation of how a principal and an agent relate in a business setup. An agent is able to act and make decisions regarding the business on behalf of a principal and in the interest of the business. The agent is the directors and management of the organization. The principals are the shareholders, public and other interested parties. In case of conflicts between the agent and the principal, the business suffers in terms of performance. This theory speaks to the variables of the study in that the actions of the agents affect the outcomes of the organizations. In times of conflict, such actions may have negative impacts on the business. Restructuring of the organization should put into considerations the relationships between the principal and the agent.

The next chapter details the research design used in this study, the target population, sampling technique and sample size considered together with the data collection method applied. More discussions on the research instruments used together with their reliability form part of the chapter. The data analysis method used together with data presentation is also part of the chapter.

CHAPTER THREE : RESEARCH METHODOLOGY

Introduction

This chapter gives an outline of the process used in obtaining information required and a description of the method applied in testing the relationships between the selected variables. A clear description of the target population, the sampling techniques and the sample size chosen are explained. The types of data used and data collection methods that were adopted are also explained together with instrument pre-testing and analysis.

Research Design

According to Henn, Weinsten & Foard (2009), a research design is the plan or the strategy that is used to shape the research project. This may include the whole research process starting from problem conceptualization all the way to data interpretation and writing of a report (Creswel, 2013). This research study used case study, a subdivision of descriptive research design.

This being a case study, it pointed at determining the effect of organizational restructuring on the performance of NSSF, the research deign offered a more wide-range and extensive examination of the research area. A case study offers a thorough study of the variable or unit under consideration. The key to using a case study in research is its ability to determine and give detailed information with regard to the unit under study and its inherent behaviours as a combination (Kothari, 2004).

Yin (2003) described a case study as an in-depth study that focuses in person, group, social institutions or communities as a social unit. This method of study is equitably comprehensive. The study variable or institution is analysed with relation to another variable or institution that is in the same group. It focuses more on the limitations in the events or conditions together with how they interrelate. Thus, explaining the design in this research study, where we examine performance of NSSF after restructuring.

Various researchers have used case study method in their research studies. Among such researchers are Ochannda (2006) who used it to study the challenges of strategic implementations at Industrial Estates in Kenya; Nguma & Githui (2006) on the challenges that face the implementation of strategy in Kenya Union and Oyugi (2007) on the challenges faced during the implementation of competitive strategies at Nairobi University.

Target Population

Population is defined by Mugenda & Mugenda (2010) as the entire group comprising of individuals or items that are put to be considered. Considering target population, it is composition of the entire items being considered in a research study (Kothari, 2003). Population for this study comprised of the management and the senior employees of NSSF working in the targeted departments (Certified Annual Report & Financial Statements for the Year ended 30th June 2015). The target population was from NSSFs head office.

Table 3.1: Target Population

Department	No. of Employees
Finance	38
IT	36
Compliance Officers	220
Total	294

Sampling Techniques and Sample Size

The term sampling technique is used to identify the method to be used in selecting the elements of a population being studied. According to Datalo (2009), it is also defined as the process through which samples are drawn to ensure that the outlined hypotheses in a population are defined. According to Kasomo (2007), a sample size is the number of units in a sample. It is a representative of the whole population from which it is drawn. A sample is usually a smaller collection of units from the population. It is used to determine truths about that particular population (Field, 2005). Its determination involves the establishment of the number of observations to be included in a statistical sample while ensuring representation of the population.

Sampling Technique

The sampling technique used for this study was purposive sampling. This is a technique mostly used in qualitative research to identify and select cases with rich information in order to maximise the use of resources that are limited (Paton, 2002). This involves the identification and selection of individuals that possess the knowledge and experience required to answer the research questions (Creswell, Plano & Clark, 2011). The identified individuals must be available and willing to take part in the research. They ought to articulate, express and reflect on their experiences and opinions without concealment (Benard, 2002). The most knowledgeable and experienced individuals are mainly within specific departments in NSSF who are better placed in handling restructuring operations.

Sample Size

According to Richardson (2005), a sample is considered as a subdivision of the population under study.

This includes the selection of some samples from the larger population to be the basis for creating estimations or predictions of facts or outcomes of the large population (Sapford & Jupp, 2006). In any study, the sample selected to represent the whole population should range from 10-30% of the target population (Kothari, 2003). The study targeted a sample of 88 employees from the finance, compliance and the ICT departments that represented 30% of the target population in collecting the necessary primary data.

Table 3.2: Sample Size

Department	No. of Employees	Percentage (30% of the total)
Finance	38	11
IT	36	11
Compliance Officers	220	66
Total	294	88

Types of Data

The study used both primary and secondary data. Primary data is collected from first hand sources using various methods such as surveys, interviews, questionnaires or even experiments. It is usually collected with the research project in mind. For the purpose of this study, primary data was essential. It provided real time and past information with regard to NSSF. Secondary data is the data that is gathered from studies, surveys or experiments that have already been run by other people or for another research study. Secondary data is necessary in kick-starting a research project.

It helps in formulation of the questions and further understanding of the issues before the researcher. Secondary data is useful in comparison especially in determining the performance of a firm.

Data Collection Methods

A primary data collection was done using self-administered closed ended questionnaires by the researcher. The choice of questionnaires in this study was employed because of its ability to cover a larger area or many respondents over a very short period. The process is also less costly, ensures that the information given is confidential and anonymity of respondents is maintained (Sekkaran & Bouggie, 2010). Secondary data was gotten from the organizations' yearly audited reports, annual financial records, monthly reports and journals.

The questionnaires with adequate instructions and clearly understandable language were delivered to the selected samples of the population. To distribute the questionnaires, the researcher used drop and pick later type of distribution. The questionnaires were then picked after five working days, which was enough time for the respondents to study them and give the desired information. To accompany the questionnaires, an introductory letter was attached to validate and enlighten on the reason for the study. The researcher then used Likert scale in measuring the relationship of the variables under study.

Instrument Pre-testing

The study took place in the county of Nairobi, Kenya on assessment of the questionnaires. Testing at this stage was aimed at establishing the extent of clarity of the set questions and if they were sufficient in drawing complete responses from the population and to test how sufficient the alternative responses would be. The attained information from the questionnaire was used to shorten it, reorganize the questions and to finalize the skip patterns. This ensured that there were no dead ends in the schedule and a smooth transition from section one to the next.

Before the actual research is carried out, the instruments of research is tested using pilot study (Saleemi, 2009; Gupta, 2007). A pilot study was conducted before the main study to ensure that the tools that had been developed for use in the research were suitable for their content and length and that the respondents were able to interpret the questions. The main intent of conducting these studies is to detect any weaknesses that may arise in the design and the instruments (Cooper & Schindler, 2007). Through pilot study, the researcher is able to fine tune the instruments as intended. This is also helpful to the respondents as it minimises challenges faced during filling the questionnaires. A pilot study was done in NSSF City Centre Branch to ensure that the subject matter under study yielded the necessary results. The researcher used 10 respondents to pilot test.

Validity of the Instrument

The term validity is used to refer to the extent to which a research instrument measures what it was meant to measure. It is the link between the data and the variables. Validity is usually achieved by pre-testing the questionnaire to facilitate change of the ambiguous, awkward and offensive questions (Cooper & Schindler, 2011). Validity tests centred on content and construct validity, where content validity is used to refer to the degree to which the questionnaire in this case represents the variables or content under study. It is used to establish if the contents in the questionnaire are representative of variables or concepts that are intended to be measured (Senkaran, 2007). Construct validity is the level by which the data collected measures what it is intended to or rather whether the data collected is meaningful. This was achieved through conducting a pilot study testing.

Reliability of the Instrument

The term reliability is used to refer to the level at which the instrument of research can yield steady outcomes after conducting several attempts. It is a measure of consistency, stability and dependability of data. Internal consistency technique was adopted. Internal data consistency was determined from scores obtained from 10 questionnaires administered to selected departments within NSSF City Centre, a representation of the actual population. The study used the most commonly known internal consistency measure method referred to as Cronbach Alpha. Cronbach (1951) highly popularized this reliability test method. Cronbach Alpha measures the extent to which all variables in a scale are positively related to each other. Pallant (2010) avers that in places where Cronbach's Alpha is used to test reliability, the value ought to be above 0.7 to indicate a higher reliability of the items being measured.

Data Analysis

Cooper & Schindler (2007) highlighted data analysis as the inspection, cleaning, transforming and modelling data in order to bring forth critical information that would help to derive conclusions and support decision making. Prior to dispensing the responses from the respondents, the questionnaires were checked for completeness. The organized data was then interpreted on account of concurrence to the objectives with the use of SPSS version 23 in order to communicate the research findings. The use of SPSS was employed in this study because it was suitable for large sized data and descriptive data analysis where it gave the connection amid the dependent and the independent variables especially through the execution of the linear regression analysis model. The primary need of having a regression analysis is to help understand the type of relationship among the different variables.

Use of percentages and means was employed to analyse quantitative data in this study. Data was presented by use of tables. Regression was utilized to know the direction of the relationship among the variables. Correlation established the strength of the relation between the variables (Kothari, 2012). In this case, multiple regression was used since there is more than one variable under study. The regression model used is as follows:

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

Where: -

Y = Dependent variable (Firm performance)

X_1 = Job Redesign

X_2= Improved/Enhanced Compensation

X_3 = Reviewed Policies

β_o = Constant term

$\beta_1 - \beta_3$ = Regression coefficient for each independent variable that is used to measure the sensitivity and the dependent variable to unit changes in the predictor or independent variables.

ε = Random or stochastic term which will capture the unexplainable variations in the model.

Ethical Considerations

The research study was designed, reviewed and undertaken with high levels of integrity and quality. The people who completed the questionnaires were made aware of the purpose, methods and possible use of the research. They were also clearly informed about their role in the research and any risks that may be encountered through their participation if any. In order to assure their confidentiality, the participants were anonymous.

Information collected from them was held with high respect and confidentiality. To further reaffirm to the participants of the authenticity of the study, the researcher provided the NACOSTI Research permit and a research authorization letter from the University. Their participation in the research was voluntary and free of all manner of coercion. This gave assurance and confidence to all the people who completed the questionnaire. Any form of harm to the research participants was immensely avoided. The independence of the research was quite clear and any conflicts of interest or partiality were quite explicit.

Chapter Summary

This chapter has discussed the research design, target population, sampling technique, sample size, types of data used in the study, data collection methods, reliability, validity, analysis, presenting the findings obtained and ethical considerations. The chapter that follows presents a systematic review of all the data which is clearly organized for ease in interpretation. The chapter will also clearly bring out all observations made from the interpreted data. The organized data, interpretations and observations will be used by the researcher in drawing conclusions of the study.

CHAPTER FOUR : DATA ANALYSIS, PRESENTATION AND INTERPRETATION

Introduction

This chapter entails data analysis and findings. The analysis is presented using tables and charts. Response rates are presented first followed by the demographic characteristics of the respondents. The findings of the study are presented based on the research objectives. The analysis tables and findings cover reliability test results, responses per gender, age bracket, represented departments and the respondents' years of service.

Response Rate

The results for the rate of response are shown in Table 4.3 below.

Table 4.3: Response Rate

Questionnaires	Frequency	Percentage (%)
Response	78	89
Non-response	10	11
Total	88	100

Source: Research Data (2019)

Out of the anticipated 88 questionnaires, 78 were returned to the researcher. This constituted to 89% rate which was excellent as it concurs with the finding of Mugenda & Mugenda (2003) who stated that a response rate of 50% is adequate, 60% is good whereas 70% and above is excellent in giving analysis.

Reliability of Results

The reliability test conducted in this study was to determine the level at which the research instrument was consistent in testing what it ought to test. The use of

Cronbach's Alpha was used to measure the internal consistency of the given items or questions and ensure that they were within the scale to measure the given construct or same expected outcome. Frankfort-Nachmias & Nachmias (2012) established a Cronbach's Alpha threshold value of 0.7. This formed the benchmark for the research and the tabulations shown as below:

Table 4.4: Reliability Results

Job Redesign

Variables	Cronbach's Alpha	Number of Items
Job Redesign	0.715	25

Source: Research Data (2019)

From the findings, Cronbach's Alpha for job redesign was 0.715.

Compensation Changes

Variables	Cronbach's Alpha	Number of Items
Compensation Changes	0.701	10

Source: Research Data (2019)

From the findings, Cronbach's Alpha for Compensation changes was 0.701.

Reviewed Policies

Variables	Cronbach's Alpha	Number of Items
Reviewed Policies	0.789	6

Source: Research Data (2019)

From the findings, Cronbach's Alpha for Reviewed policies was 0.789.

A Cronbach's Alpha of more than 0.7 indicates that the instrument used for data collection is reliable (Sekaran, 2003). It was concluded that the research instrument for this study was reliable.

Demographic Information

The outcome of those interviewed on the various departments is as shown below.

Gender of the Respondents

This research study aimed at determining the gender of those who answered the questionnaires in the selected departments. The following was obtained as shown in table 4.5 below.

Table 4.5: Respondents per Gender

Gender	Frequency	Percentage (%)
Male	48	62
Female	30	38
Total	78	100

Source: Research Data (2019)

From the outcomes tabulated in table 4.5, those of the male gender dominated the results as indicated by 62% of the respondents and then females at 38%. This is a clear indication that most of the top management personnel in these NSSF selected departments were males.

Age of the Respondents

The various ages were also considered in this study. The findings were shown in table 4.6 below.

Table 4.6: Respondents per Age Bracket

Age of Respondents	Frequency	Percentage (%)
Below 30 yrs.	4	5
30-45 yrs.	30	38
46-55 yrs.	35	45
Above 55 yrs.	9	12
Total	78	100

Source: Research Data (2019)

From the outcomes tabulated in table 4.6, 45% were aged among 46 to 55 years; 38% were aged between 30 to 45 years and 5% were aged below 30 years. Among those who responded to the questionnaires, 12% were above 55 years of age. These findings indicate that majority of the respondents were aged between the ages of 46 and 55 years and had been in NSSF long enough to provide reliable information on organization restructuring.

Department

The study also sought to establish the respondents from the various departments. According to table 4.7 below, the following were the findings:

Table 4.7: Respondents per Department

Departments	Frequency	Percentage (%)
Finance	26	33
IT	17	22
Compliance	35	45
Total	78	100

Source: Research Data (2019)

These findings indicate that 45% of those who answered the questionnaires were compliance officers followed by finance department at 33% and lastly the IT department at 22%. This shows an even distribution of response as per the anticipated respondents with regard to departmental categories identified. The information provided was reliable for the study.

Years of Service

The researcher also considered the number of years the respondents had worked in the various departments. According to table 4.8 below, the following results were obtained in relation to the years of service:

Table 4.8: Years Served in the Department

Years Worked	Frequency	Percentage (%)
Less than 1 year	4	5
1 to 10 years	26	33
11 to 20 years	30	38
More than 21 years	18	23
Total	78	100

Source: Research Data (2019)

From the findings in table 4.8, 38% of the respondents had worked in their respective departments for periods ranging between 11-20 years; 33% for periods ranging between 1-10 years; 23% for periods above 21 years whereas 5% had been in their respective departments for periods of less than one year. These outcomes indicate that majority of the employees in the selected departments had been in service long enough to provide the required information on organizational restructuring in the firm.

Organizational Restructuring

The following findings were established with regard to job redesign, improved/enhanced compensation and reviewed policies and their effect on the firm's performance.

Job Redesign

Table 4.9 below shows the results on how satisfied the respondents are in relation to job redesign as a result of organizational restructuring

Table 4.9: Job Redesign

Statements	N	Mean	Std. Deviation
Expanded duties	78	3.62	0.943
More duties and increased salary	78	3.41	0.918
Higher span of control	78	3.59	0.813
Quantity of work expected from you	78	3.72	0.532
The payments for vacation time/sick leave offered	78	3.44	0.906
Rotation to another unit	78	3.09	0.648
Nature of supervision	78	3.36	0.720
Level of job security	78	3.78	0.921
Reduced responsibilities	78	3.22	0.573
Opportunities for Promotion	78	3.14	1.246
Team work	78	3.71	0.839
Recognition for work accomplished	78	3.31	1.036
Several tasks were combined to form a complete job	78	3.54	0.817
Minimal work repetition	78	3.32	1.134
Motivation of diverse workforce	78	3.63	0.982
Opportunities for utilizing your skills and talents	78	3.63	0.87
Opportunities for learning new skills	78	3.55	0.921

Self - managed teams	78	3.40	0.998
Frequency of staff rotation	78	3.26	0.986
Variety of job responsibilities	78	3.29	0.927
Level of independence associated with your work role (autonomy)	78	3.13	0.843
Adequate opportunity for periodic changes in duties	78	3.27	1.124
Implication of your job (i.e. the extent to which the jobs add value to the whole organization)	78	3.81	0.954
The ability to identify the beginning and the end of your job (i.e. clearly defined tasks)	78	4.00	0.926
The tasks that are challenging and interesting in your job	78	4.05	0.643
Overall Mean		3.491	

Source: Research Data (2019)

From the outcomes in table 4.9 above, those interviewed consented that they were satisfied with the challenging and interesting tasks that make up their job as shown by a mean of 4.05. They were satisfied with the ability to identify the beginning and end of their jobs (i.e. clearly and well-defined tasks) as indicated by a mean of 4.00. They were satisfied with the implication of their jobs (that is, the extent to which the jobs they did added value to the whole organization) as indicated by a mean of 3.81.

The respondents also indicated that they were satisfied with the level of job security they have as indicated by a mean of 3.78. They were satisfied with the quantity of work expected from them and the aspect of team work as shown by a mean of 3.72 and 3.71 respectively. They were also satisfied with the opportunity to utilize their skills and talents and the presence of a motivation of diverse workforce as shown by a mean of 3.63.

After restructuring, the respondents also stated that they were satisfied with how their jobs had been expanded to include a higher span of control as shown by a mean of 3.62 and 3.59 respectively. They had new opportunities to learn new skills as shown by a mean of 3.55, after which several tasks had to be combined to form a complete job a scenario. They indicated to be satisfying as shown by a mean of 3.54. There was a neutral perception on whether they were satisfied or dissatisfied with the design of their jobs after restructuring. The following statements had neutral opinions from the respondents: The payments for vacation time/sick leave offered as shown by a mean of 3.44; the presence of more duties and increased salary as shown by a mean of 3.41 and their self-managed teams as indicated by a mean of 3.40. They had neutral ideas on the nature of supervision after restructuring as indicated by a mean of 3.36; the amount of work repetition and the recognition of work accomplished as shown by a mean of 3.32 and 3.31 respectively.

The variation in job responsibilities, adequate opportunities for periodic changes in duties, frequency of staff rotation and reduced responsibilities were given neutral opinion as shown by a mean of 3.29, 3.27, 3.26 and 3.22 respectively. After restructuring, opportunities for promotion, degree and independence related with the respondents work role (autonomy) and their rotation to other units were not well stipulated as shown by a mean of 3.14, 3.13 and 3.09 respectively.

Overall Mean

The overall mean was 3.491. This indicates that the employees of NSSF were quite satisfied with job redesign after restructuring.

Compensation Changes

Table 4.10 below shows the results on compensations changes and the respondent's agreement with the various statements thereof.

Table 4.10: Improved/enhanced Compensation

Statements	N	Mean	Std. Deviation
Salaries were reviewed after restructuring	78	3.05	0.836
The review enhanced loyalty to my work	78	2.99	0.814
My pay is commensurate to my grade	78	3.29	0.995
The review has improved commitment to my work	78	2.91	0.914
Restructuring has led to improved benefits (Health insurance, life insurance, etc.)	78	3.36	0.789
Restructuring caused compensation to improve	78	2.96	0.746
Restructuring helps in staff attraction/retention	78	2.88	1.044
I am committed to successful completion of goals	78	3.82	0.802
Our team is committed to their work	78	3.64	0.868
Grades merger makes me take pride in my work	78	2.77	1.216
Overall Mean		3.167	

Source: Research Data (2019)

From the outcomes tabulated in table 4.10, the employees were committed to successful completion of goals as shown by a mean of 3.82. Their team was also committed to their work as portrayed by 3.64 mean.

However, neutral opinions were observed from those interviewed on whether restructuring had led to improved benefits (health or life insurance) had enhanced loyalty in the work and whether salaries were reviewed after restructuring as shown by a mean of 3.36, 3.29 and 3.05 respectively. They also had neutral opinion on whether the review had enhanced loyalty to their work as shown by a mean of 2.99; whether through restructuring compensation had improved as indicated by a mean of 2.96 and whether through the review the respondents' commitment to their work had improved as shown by a mean of 2.91. The opinion on whether restructuring helps in staff attraction/retention and whether grades merger makes the employees to take pride in their work drew a neutral opinion as shown by a mean of 2.88 and 2.77 respectively.

Overall Mean

The overall mean was 3.167. This showed neutral opinions on improved/enhanced compensation after restructuring. The respondents indicated some level of dissatisfaction on whether they were adequately remunerated especially after organizational restructuring.

Reviewed Policies and Practices

Results on whether policies and practices in the organization facilitated the respondents to work better indicated some level of dissatisfaction as some stated that some of the procedures were not recognized. They also indicated that the policies seem not to be understood in various areas in NSSF. These policies had not been renewed to match the changing environment. Some of the respondents also indicated satisfaction with the procedures implemented after restructuring as they were well documented and clear. They stated that these policies had been able to offer general guide to all the employees in the organization. Table 4.11 below shows the results on reviewed policies as a result of organizational restructuring. Those interviewed by the researcher were asked to either agree or disagree with certain selected statements that relate to reviewed policies. Responses were to be given on a scale of 1 to 5, where 1 stood for strongly disagree and 5 for strongly agree.

Table 4.11: Reviewed Policies and Practices

Statements	N	Mean	Std. Deviation
I was involved in the development of new policies	78	2.73	1.245
The old policies were reviewed after restructuring	78	3.44	1.014
The current policies are relevant to the organization	78	3.32	0.781
The policies require further review to match my new job description	78	3.69	0.631
I am happy with the new policies	78	3.28	0.719
New policies and practices increase my loyalty to the organizations	78	3.37	1.021
Overall Mean		3.305	

Source: Research Data (2019)

From the outcomes tabulated in table 4.11 above, the employees portrayed agreeing opinions that the policies required further review to match their new job description as shown by a mean of 3.69. They were not convinced whether the old policies were reviewed after restructuring as indicated by a mean of 3.44. They also gave neutral opinions on whether the new policies and practices increased employees' loyalty to the organization as portrayed by a mean of 3.37; whether the current policies were relevant as portrayed by a mean of 3.32; the questions as to whether employees were happy with the new policies and if they were involved in the development of new policies showed a mean of 3.28 and 2.73 respectively also demonstrating neutral opinion from the respondents.

Overall Mean

The overall response to reviewed policies and practices reported a mean of 3.305. This indicates that majority of the respondents gave neutral opinions on the impact of reviewed policies after restructuring.

Importance of Reviewed Policies and Practices

On a scale of 1 to 5, where 1 stands for very low and 5 for very high the respondents were required to respond to the importance of reviewed policies and practices of various aspects of human resource management and how the policies affected their commitment. The following were the results obtained.

Table 4.12: Importance of Reviewed Policies and Practices

Statements	N	Mean	Std. Deviation
Leave management	78	3.63	0.705
Recruitment and Promotion	78	3.54	1.306
Training and Development	78	3.79	0.958
Staff welfare	78	3.91	0.793
Transfer	78	3.49	0.922
Compensation	78	3.74	0.999
Medical scheme	78	4.21	0.727
Overall Mean		3.759	

Source: Research Data (2019)

The finding tabulated in table 4.12 above showed that the employees placed high importance on the medical schemes given, the staff welfare, training and development, compensation, leave management, recruitment and promotion as shown by a mean of 4.21, 3.91, 3.79, 3.74, 3.63 and 3.54 respectively. They placed a fair importance on transfers with regard to restructuring as shown by a mean of 3.49.

Overall Mean

The overall mean was 3.759. This indicates that majority of the respondents placed high importance on the reviewed policies after restructuring.

Firm Performance

Table 4.13 below shows the results on the performance of NSSF as a result of organizational restructuring. The respondents gave their agreeing or disagreeing opinions on statements put forward by the researcher and the outcomes tabulated as below.

Table 4.13: Firm Performance

Statements	N	Mean	Std. Deviation
After the restructuring of NSSF, the quality of products improvement	78	3.41	0.859
NSSF has been able to retain/attract new employees after restructuring	78	3.51	0.833
There has been significant satisfaction/retention of customers after restructuring	78	3.77	0.663
NSSF has witnessed a remarkable products and services that are of quality after restructuring	78	3.24	0.825
After NSSF restructuring, there has been observed expansion in relation to area covered	78	3.50	0.734
Overall Mean		3.486	

Source: Research Data (2019)

From findings tabulated in table 4.13 above, there had been significant satisfaction/retention of customers after restructuring as shown by a mean of 3.77 that NSSF has been able to retain/attract new employees after restructuring as indicated by 3.51. After NSSF restructuring, there had been observed expansion in relation to the area covered as indicated by a mean of 3.50. The respondents had neutral opinions that after restructuring, the quality of products improved and that NSSF witnessed a remarkable development of new products and services after restructuring as specified by a mean of 3.41 and 3.24 correspondingly.

Overall Mean

The overall mean was 3.486. This indicates that after restructuring, NSSF performance improved as the quality of service delivery had improved.

Effects of Organizational Restructuring

The individuals were asked to provide answers to various questions with regard to successful execution of organizational restructuring by rating their answers on a scale of 1 to 5, where 1 showed greatly declined’ and 5 showed greatly improved. The following were the results obtained.

Table 4.14: Effect of Organizational Restructuring

Statements	N	Mean	Std. Deviation
Market share	78	3.45	0.907
Level of competitiveness of the organization	78	3.42	0.845
Level of turnover of employees	78	3.33	0.949
Level of Shareholders returns	78	3.51	0.619
Level of profitability	78	3.73	0.832
Overall Mean		3.488	

Source: Research Data (2019)

From table 4.14 above, the findings showed that the respondents agreed that the level of profitability of NSSF and the level of shareholders returns had improved as shown by means of 3.73 and 3.51 respectively. They indicated that there were no changes on the market share, level of competitiveness of the organization and the level of turnover of employees as shown by a mean of 3.45, 3.42 and 3.33 respectively.

Overall Mean

The overall mean was 3.488. This indicates that there were recognizable changes in NSSF performance organizational restructuring. Generally, the respondents indicated that restructuring was important. These findings concur with those of Eby & Buch (1998) that restructuring of an organization is highly beneficial in helping firms come up with modalities for operational costs reduction and better formulation and implementation of the overall strategy.

Correlation and Regression Analysis

The study used Pearson's correlation and regression analysis to establish the relationship between organizational restructuring and firm performance.

Correlation Analysis

The research study used Karl Pearson's correlation analysis in order to determine the relation among the variables. Correlation analysis is used to measure the degree of association between two variables. The Pearson Correlation Coefficient, r, ranges from +1 to -. A zero value indicates that there exists no association among the studied variables. A value that is greater than zero shows that there is a positive association amongst the studied variables. This implies that if there is an increase in one of the variables, then the other variable will also increase. If the observed value is less than 0.3, the correlation of the two variables is weak, whereas a value of 0.5 is an indicator of a strong correlation. The findings were tabulated in table 4.15 below

Table 4.15: Correlation Coefficient

		Job Redesign	Compensation Changes	Reviewed Policies and Practices	Firm Performance
Job Redesign	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	78			
Compensation Changes	Pearson Correlation	.441**	1		
	Sig. (2-tailed)	.000			
	N	78	78		
Reviewed Policies and Practices	Pearson Correlation	.703**	.447**	1	
	Sig. (2-tailed)	.000	.000		
	N	78	78	78	
Firm Performance	Pearson Correlation	.653**	.585**	.407**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	78	78	78	78

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

Source: Research Data (2019)

The correlation summary in table 4.15 above shows that the relations amid each of the independent and dependent variables were significant at 95% confidence level. The correlation analysis to determine how job redesign had influence on NSSF performance showed a significant correlation existed ($r=0.441$, $p<0.05$).

Pearson’s correlations coefficient was higher than 0.3 and hence a strong relationship existed between the two variables. The correlation analysis to determine how compensation changes had influenced NSSF performance after restructuring yielded a Pearson Correlation Coefficient of ($r=0.703$. $p<0.05$) indicating that a strong relationship existed amid the two variables. The correlation analysis to determine how reviewed policies and had influenced NSSF performance after restructuring yielded a Pearson correlations coefficient pf 0.653 ($r=0.653$, $p< 0.05$) to indicate a strong relationship between the two variables. All the variables showed that a strong relationship existed among each other. They were all significant at 95% significance level. These findings concur with those of Osoro (2014) who in his analysis concluded that there exists a positive correlation between restructuring and performance.

Regression Analysis

The results obtained after running a regression analysis using SPSS are presented in Table 4.16, 4.17 and 4.18 below.

Table 4.16: Multiple Linear Regression Analysis

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.915[a]	.838	.831	.327

a. Predictors: (Constant), Reviewed Policies and Practices, Compensation Changes, Job Redesign

Source: Research Data (2019)

In regression analysis, the coefficient of multiple determination is considered in the analysis. This is indicated by the adjusted R Squared. It is used to refer to the variance percentage of the dependent variable as is explained exclusively or mutually by the independent variables under study. The value of R^2 is 0.838 (83.8%). The value of R = 0.915 (91.5%). The independent variables (job redesign, improved/enhanced compensation, reviewed policies and practices) explains the dependent variable (firm performance) 83.8% of variance. This indicates that 16.2% is only explainable by other different variables not captured here.

Table 4.17: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	40.937	3	13.646	127.260	.000[b]
	Residual	7.935	74	.107		
	Total	48.872	77			

a. Dependent Variable: Firm Performance
b. Predictors: (Constant), Reviewed Policies and Practices, Compensation Changes, Job Redesign

Source: Research Data (2019)

From table 4.17above, F statistics was 127.260 at 5% significance level. The P value was 0.000 which is less than 0.05 ($p < 0.05$) and hence the model was statistically significant and therefore fit for the intended analysis. This shows a correlation among the independent variables (job redesign, compensation changes, reviewed policies and practices) and the dependent variable (firm performance).

Table 4.18: Coefficients of Linear Regression

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.080	.238		.337	.737
	Job Redesign	.264	.074	.255	3.555	.001
	Compensation Changes	.485	.063	.473	7.764	.000
	Reviewed Policies and Practices	.258	.052	.331	4.923	.000

a. Dependent Variable: Firm Performance

Source: Research Data (2019)

From table 4.18 above, holding all the other factors constant, NSSF performance would be constant at 0.080. Increasing job redesign, compensations changes, reviewed policies and practices by a single unit each will lead to increased performance of NSSF by 0.264, 0.485 and 0.258 respectively. The regression model thus becomes:

$Y = 0.080 + 0.264X_1 + 0.485X_2 + 0.258X_3$

From the above model, every independent variable studied had a positive coefficient implying that they have a positive relationship with the dependent variable studied. A unit change (either on the negative or positive) on any of the independent variables would have an impact on the dependent variable. In the next chapter the researcher has summarised the findings of this study, drawn conclusions and made recommendations that come out of the data that was put together from those interviewed and the final findings.

CHAPTER FIVE : DISCUSSIONS, CONCLUSION AND RECOMMENDATIONS

Introduction

This chapter entails the research findings and discussions according to the observations made from chapter four of the study, conclusions that were drawn in relation to those findings and the recommendations thereof. In addition, it also covers areas for further study.

Discussion of Research Findings

The general objective of this study was to carry out a research on the effect of organizational restructuring on the performance of NSSF. A population of 88 employees from the selected departments in the organization was targeted; 78 out of the anticipated 88 employees participated in the research. The selected departments: Compliance, Finance and ICT either perform or support the core functions directly. From the reliability testing, the findings indicated that the research instrument was reliable. From the findings, most of the employees ages range between 46 to 55 years from compliance department, followed by those within 30 to 45 years. These were of the majority age in the selected departments. Majority of the respondents had worked for periods between 11 to 20 years. This was a clear indication that the information provided with regard to organizational restructuring and NSSF performance could be used to draw conclusions.

Effect of Job Redesign on Performance of NSSF

The outcomes of the first objective of examining how job redesign had affected NSSF performance established that the employees were satisfied with the tasks that are challenging and interesting in their job and the capability to identify the beginning and end of their jobs (that is, how are tasks well defined).

The findings also indicated that there was satisfaction with the significance of the employees' jobs (that is, the degree to which the jobs create value addition to the organization as a whole), the level of job security they had, the quantity of work expected from them as individuals and as a team. This gave them satisfaction with the opportunity granted to them to utilize their skills and talents and the presence of a motivation of a diverse workforce. This was necessitated by the opportunities given to each one of them to learn new skills. The finding outlined here support those by Kotila (2010) who established that after restructuring, an employee is able to find satisfaction in respect to their position and their personal growth potential. The fundamental principle here is expansion of the scope of the job with an increased variety of tasks, vertical in nature, that demand self-sufficiency. The main goal is to give the individuals an exposure to tasks that are normally reserved for differently focused or higher positions.

Effect of Improved/Enhanced Compensation on Performance of NSSF

Study findings on the second objective revealed that employees were much committed to successful completion of goals both as individuals and as a team. The respondents gave neutral opinions on whether restructuring had led to improved benefits (health and life insurance), enhanced loyalty in the work and whether salaries were reviewed after restructuring. This led to the respondents having a neutral perception on whether after organizational restructuring their compensation had improved at all and hence their commitment. From the findings, it was not clear whether restructuring helps in staff attraction/retention especially in NSSF.

Effect of Reviewed Policies and Practices on Performance of NSSF

With regard to the third objective, the study findings revealed that the respondents had some dissatisfaction.

They reported that some work procedures were not recognized. The respondents also indicated that the policies seemed not to be coherent or understood in various areas in NSSF and that these policies had not been renewed to match the changing business environment. The findings indicate that some of the respondents were satisfied with the procedures implemented after restructuring as they were well documented and clear.

The policies had been able to offer general guidelines to all the employees. The study findings indicate that the policies required further review to match their new job. There were differing opinions from a number of the respondents on whether the old policies were reviewed after restructuring and if these new policies and practices had been able to increase employees' loyalty to the organization. From the findings, majority of the respondents gave neutral opinions on the impact of reviewed policies after restructuring.

Findings of this study on the importance of reviewed policies and practices revealed that the respondents placed high importance on the medical schemes given, staff welfare, training and development, compensation, leave management, recruitment and promotion as they considered them to affect their overall commitment. These findings echo those by Vanhala & Ahteela (2011) who established that HRM policies and practices influence institutional trust and that employee commitment in the whole organization is related to their perceptions of the fairness and functioning of such practices after restructuring.

Performance of NSSF as a Result of Organizational Restructuring

The overall findings indicated that the respondents agreed that there had been significant satisfaction/retention of customers after restructuring, that NSSF had been able to retain/attract new employees after restructuring and that the organization had witnessed a significant degree of expansion in terms of area coverage. There had not been much significant improvement on the quality or even development of products and services after restructuring. The findings also revealed that the level of profitability and shareholders returns had improved significantly. There were minimal changes on the market share, level of competitiveness of the organization and level of employee turnover. In general, the findings indicated that restructuring was important. These findings concur with those of Eby & Buch (1998), that restructuring of an organization is quite essential as it provides ways for improving the operations of the particular firm in general.

Conclusion of the Research

The study findings were based on the three objectives (job redesign, improved/enhanced compensation, reviewed policies and practices) positively impacted on NSSF performance.

Effect of Job Redesign on Performance of NSSF, Kenya

Job redesign revealed that after restructuring, the employees had been able to have well defined tasks. This meant that job enrichment, job enlargement and job rotation led to improved performance as the employees viewed themselves to be more valuable to the organization.

The opportunities granted to the employees to utilise their skills and talents, kept them committed to the organizational goals and their successful completion. As a result, NSSF was able to register more members translating to increased revenues which in return increased shareholder returns.

Effect of Improved/Enhanced Compensation on Performance of NSSF

With regards to improved/enhanced compensation, there was no observed improvement in the benefits and no observed review on salaries after restructuring. Grading was implemented and only minimal changes in compensation to some of those grades. These findings concur with Airo (2019) who found out that restructuring led to improvements in the performance of an organization in general and recommended that further investigations be conducted as these improvements in performance were unsustainable.

As a result, the performance of NSSF may have improved mainly due to other factors but not due to improved/enhanced compensation after restructuring. Most of the respondents had worked in the institution for longer periods which made them more experienced and loyal to the organization even with minimal changes in compensations. The loyalty of these respondents saw them work towards the opening of more outlets all over the country which translated to increased asset value and thus increased market share.

Effect of Reviewed Policies and Practices on Performance of NSSF

There was a noted need of having the reviewed policies and practices being able to match with the changing environment and that some of the changed policies and procedures be aligned to the organizational strategic plan. This alignment was viewed to give the employees more clarity and ability to stay on track with the organizational goals aimed at improving performance. The reason for the neutral outcome in the reviewed policies could be mainly because all the stakeholder's reservations on the policies within Act 45 of 2013. As a result, the employees could not synchronise the reviewed policies and the strategic plan. NSSF continued to operate as a provident fund. It continually registered more members as provided within the policies of the old Act and thus their revenues were not significantly affected and so was its performance.

The study also concluded that since employees place high importance on the medical schemes given, staff welfare, training, development, compensation, leave management and recruitment and promotion, the organization should commit into making these policies more beneficial and available to all the employees. Leaders in the organization ought to improve on the policies governing all areas that speak to the firm's competitiveness. The study concluded that NSSF ought to focus more on the quality of products, development and diversification of their products and services. The conclusions of this study are that through restructuring, the level of profitability and shareholders returns often improve significantly after restructuring as observed in NSSF. The findings of the study in the regression analysis revealed a positive relation amid the variables studied. Job redesign, improved/enhanced compensation and reviewed policies and practices positively affected NSSF performance. The study was statistically significant ($p < 0.05$).

Research Gap

The outcomes of this study helped in bridging the research gap identified in the statement of problem. The research contributed to the pool of knowledge in relation to restructuring of pension schemes in Kenya, an area that has had limited research study.

The findings also established a relationship between restructuring and performance in NSSF. This brought out the need to incorporate transformational leadership style in restructuring of organizations. According to Vroom & Yetton (1973), transformational leadership model seeks to engage all stakeholders in decision making. In so doing an organization is believed to achieve high performance after transformation. These consultations assist in synchronizing the organizational strategy with reviewed policies, a scenario that when looked at discreetly can result to improved organizational performance.

Recommendations of the Study

From the results obtained, the researcher had the following recommendation to make:

The results obtained from the study indicate that through job redesign, employees are more committed if their job security is guaranteed and that there are clear quantifiable results of work expectations. To achieve this, training is necessary to equip the employees with new skills to perform their new tasks. The study recommends that the organization implements responsive training and development programs meant for equipping the employees with the required skills in order for them to undertake new responsibilities that accompany job redesign after organizational restructuring.

The study findings on improved/enhanced compensation indicate that the level of motivation of employees greatly influences their performance, commitment and how successfully they complete their tasks. The study recommends that NSSF improves on the compensation policies for the employees to feel more valued and commit their abilities towards improved performance of the organization.

This may help in staff attraction and retention of best skills thus reducing the levels of employee turnover. The study also recommends an increase in the scope of the available benefits and membership coverage as this will provide a wide range of products and services to the customers. The impact of this to performance is growth of NSSF's market share in the field of pension's provision.

The findings on reviewed policies and practices indicate that after restructuring, the organization had not fully been able to review their existing policies to match up with the organizational goals and changes in the environment. This had left the employees in a dilemma as to whether the old policies were reviewed after restructuring and if these new policies and practices were relevant. The study recommends that NSSF reviews her policies and practices to capture the changing environment and the firm's strategic plan. The NSSF leaders and management can involve employees in reviewing these policies for ownership and implementation. This helps in improving their motivation as they consider themselves to have contributed to the new policies and hence an easier implementation process leading to improved performance of the organization.

Recommendations for Further Research

From the results obtained, the following recommendations were put forth in relation to the research.

The study considered three variables (job redesign, improved/enhanced compensation, reviewed policies and practices) in drawing its conclusions. There may be other possible factors or variables that may impact on a firm's performance after restructuring. The study recommends an equivalent study to be undertaken using all other possible factors that may be considered to influence performance after organizational restructuring.

Such factors may be portfolio restructuring, financial restructuring, social legal infrastructure and many more. This study will help in explaining the remaining 16.2% which is explainable by the various factors not studied.

The study targeted employees from pre-selected departments within the same organization, NSSF. The results obtained may not be able to provide generalized conclusions about organizations not within the scope of this study

Thus, similar studies may be spread all over the various industries/organizations of the same nature so as to obtain a more reliable result. This will provide reasonable grounds for obtaining facts for generalization of the findings from the studies. The future researchers should consider replicating the topic of study on other organizations and industries using different variables for organizational restructuring in those studies. This will provide a better perspective on the impact on performance when organizations restructure. Further studies may also be done on other restructuring methods as a basis of comparison of the effect of organizational restructuring.

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APPENDIX I: LETTER TO RESPONDENTS

Dear Sir/Madam,

RE: RESEARCH QUESTIONNAIRE

I am a student at the Pan Africa Christian University pursuing a Master's Degree in Leadership. I kindly invite you to take part in an academic research project that I am carrying out as part of the University requirement for the award of a Master's Degree. Your participation involves responding to the enclosed questionnaire to the best of your knowledge. The research project is aimed at examining the effect of organizational restructuring on NSSFs performance. The findings from this research will be helpful in providing key recommendations to the pension industry, policy makers as well the government in coming up with more policies to govern these firms especially during restructuring. All information provided by you will be held in strict confidentiality. The dignity of the organization will be upheld at all times throughout this study. I appreciate your participation.

Sincerely,

Nancy Wanjiku Gatuku

Researcher

APPENDIX II: QUESTIONNAIRE

The Purpose of this Questionnaire is to collect data on enhancing through organizational restructuring at the NSSF. The questionnaire consists of seven sections. Please show your response by ticking (√) on each question

Section A: General Information

1. What is your gender:

   Male [ ] Female [ ]

2. What is your age bracket?

   Below 30 years [ ] 30 to 45 years [ ]

   46 to 55 years [ ] above 55 years [ ]

3. What is your Department?

   IT [ ] Finance [ ]

   Compliance [ ]

4. How long have you been in this department?

   Less than 1 year [ ] 1 - 10 years [ ]

   11 - 20 years [ ] More than 21 years [ ]

Section B: Job Redesign

5. To what extent do you rate your satisfaction to the following statements? Using 1 to 5 where; 1 = Very Dissatisfied; 2 = Dissatisfied; 3 = Neutral; 4 = Satisfied; 5 = Very Satisfied

Statements	1	2	3	4	5
Expanded duties					
More duties and increased salary					
Higher span of control					
Quantity of work expected from you					

Amount of paid vacation time/sick leave offered					
Rotation to another unit					
Nature of supervision					
Level of job security					
Reduced responsibilities					
Opportunities for Promotion					
Team work					
Recognition for work accomplished					
Several tasks were combined to form a complete job					
Minimal work repetition					
Motivation of diverse workforce					
Opportunities for utilizing your skills and talents					
Opportunities for learning new skills					
Self - managed teams					
Frequency of staff rotation					
Variety of job responsibilities					
Degree of and independence associated with your work role (autonomy)					
Adequate opportunity for periodic changes in duties					
Implication of your job (i.e. the extent to which the jobs add value to the whole organization)					
The ability to identify the beginning and the end of your job (i.e. clearly defined tasks)					
The tasks that are challenging and interesting in your job					

Section C: Compensation Changes

6. To what extent do you agree with the following statements? Use a scale of 1 to 5 where, 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree

Statements	1	2	3	4	5
Salaries were reviewed after restructuring					
The review enhanced loyalty to my work					
My pay is commensurate to my grade					
The review has improved commitment to my work					
Restructuring has led to improved benefits (Health insurance, life insurance, etc.)					
Restructuring caused compensation to improve					
Restructuring helps in staff attraction/retention					
I am committed to successful completion of goals					
Our team is committed to their work					
Grades merger makes me take pride in my work					

7. I feel adequately remunerated compared to the prior to restructuring (please tick one)

   Agree [ ] Disagree [ ]

   Not Sure [ ] Strongly Disagree [ ]

Section D: Reviewed Policies

8. Do you think the policies and practices in your organization facilitate you to work better? Explain your answer

   ………………………………………………………………………………………

   ………………………………………………………………………………………

9. To what extent do you agree with the following statements? Use a scale of 1 to 5 where, 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree

Statements	1	2	3	4	5
I was involved in the development of new policies					
The old policies were reviewed after restructuring					
The current policies are relevant to the organization					
The policies require further review to match my new job description					
I am happy with the new policies					
New policies and practices increase my loyalty to the organizations					

10. How important are the reviewed policies and practices for staff?

Very important [ ]

Important [ ]

Slightly important [ ]

Least Important [ ]

11. How does the senior management in your department vie policy review?

Very important [ ]

Important [ ]

Slightly important [ ]

Least Important [ ]

12. What level of importance would you place to the following policies and practices review and how they impact on your commitment? Use a scale of 1 - 5, where 1= Very low, 2 = Low, 3 = Fair, 4 = High and 5 = Very High

Statements	1	2	3	4	5
Leave management					
Recruitment and Promotion					
Training and Development					
Staff welfare					
Transfer					
Compensation					
Medical scheme					

Section E: Firm Performance

13. To what extent do you agree with the following statements? Use a scale of 1 to 5 where, 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree

Statements	1	2	3	4	5
After the restructuring of NSSF, the quality of Products improvement					
NSSF has been able to retain/attract new employees after restructuring					
There has been significant satisfaction/retention of customers after restructuring					
NSSF has witnessed a remarkable products and services that are of quality after restructuring					
After NSSF restructuring, there has been observed expansion in relation to area covered					

14. How would you rate the following statements in relation to successful execution of organizational restructuring? (Please tick appropriate box for every option). Using a scale of 1 to 5 where, 1 = Greatly Declined, 2 = Declined, 3 = No Changes, 4 = Improved, 5 = Greatly Improved.

Statements	1	2	3	4	5
Market share					
Levels of competitiveness of the organization					
Levels of turnover of employees					
Level of Shareholders returns					
Level of profitability					

15. In my view, restructuring in NSSF is...?

Very important [ ] Important [ ]

Slightly important [ ] Least Important [ ]

THANK YOU FOR YOUR PARTICIPATION

APPENDIX III: NACOSTI RESEARCH PERMIT

THIS IS TO CERTIFY THAT:
MS. NANCY WANJIKU GATUKU
of PAN AFRICA CHRISTIAN UNIVERSITY, 0-200 NAIROBI,has been permitted to conduct research in *Nairobi County*

Permit No : NACOSTI/P/19/53125/31033
Date Of Issue : 7th June,2019
Fee Recieved :Ksh 1000

on the topic: *AN EXAMINATION OF THE EFFECT OF ORGANIZATIONAL RESTRUCTURING ON PERFORMANCE OF THE NATIONAL SOCIAL SECURITY FUND (NSSF)*

for the period ending:
6th June,2020

....
Applicant's Signature

....
Director General
National Commission for Science, Technology & Innovation

APPENDIX IV: RESEARCH AUTHORIZATION

NACOSTI

NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND INNOVATION

Telephone:+254-20-2213471,
2241349,3310571,2219420
Fax:+254-20-318245,318249
Email: dg@nacosti.go.ke
Website : www.nacosti.go.ke
When replying please quote

NACOSTI, Upper Kabete
Off Waiyaki Way
P.O. Box 30623-00100
NAIROBI-KENYA

Ref: No. **NACOSTI/P/19/53125/31033**

Date: **7th June, 2019.**

Nancy Wanjiku Gatuku
Pan Africa Christian University
P.O Box 56875 – 00200
NAIROBI.

RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on ***"An examination of the effect of organizational restructuring on performance of the National Social Security Fund (NSSF)."*** I am pleased to inform you that you have been authorized to undertake research in **Nairobi County** for the period ending **6th June, 2020.**

You are advised to report to **the County Commissioner and the County Director of Education, Nairobi County** before embarking on the research project.

Kindly note that, as an applicant who has been licensed under the Science, Technology and Innovation Act, 2013 to conduct research in Kenya, you shall deposit **a copy** of the final research report to the Commission within **one year** of completion. The soft copy of the same should be submitted through the Online Research Information System.

BONFACE WANYAMA
FOR: DIRECTOR-GENERAL/CEO

Copy to:
The County Commissioner
Nairobi County.

The County Director of Education
Nairobi County.

NSSF
4 26 JUN 2019 4
RECEIVED
MAIL OFFICE
P. O. Box 30599 – 00100, NAIROBI

APPENDIX V: INTRODUCTION LETTER (NACOSTI)

PAN AFRICA CHRISTIAN
PAC
UNIVERSITY

29th May, 2019

P.O. Box 56875 - 00200
Nairobi, Kenya
Lumumba Drive, Roysambu
off Kamiti Rd, off Thika Rd
Tel: 0734 400694/0721 932050
Email: enquiries@pacuniversity.ac.ke
website: www.pacuniversity.ac.ke

TO WHOM IT MAY CONCERN

Dear Sir/Madam,

RE: NANCY W. GATUKU REG. NO. MALD/8788/0/17

Greetings! This is an introduction letter for the above named person a final year student at Pan Africa Christian University (PAC University), pursuing a Master of Arts in Leadership.

She is at the final stage of the programme and she is preparing to collect data to enable her finalise on her thesis. The thesis title is **'An Examination of the Effect of Organizational Restructuring on Performance of the National Social Security Fund (NSSF)'.**

We therefore kindly request that you allow her conduct research at your organization.

Warm Regards,

PAN AFRICA CHRISTIAN UNIVERSITY
P. O. Box 56875, NAIROBI - 00200.
TEL: 8561820 / 8561945 / 2013146

Dr. Lilian Vikiru

Registrar Academics

29th May, 2019

Where Leaders are Made