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INFLUENCE OF ORGANIZATION RESTRUCTURING ON PERFORMANCE OF SELECTED MEDIA FIRMS IN KENYA

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ABSTRACT

Purpose: The current study sought to establish the influence of organization restructuring on performance of selected media firms in Kenya. The study specifically sought to establish the influence of cost restructuring, governance reformation, downsizing and processes centralization on performance of selected media firms in Kenya.

Methodology: The theories that guided the study includes Transaction Cost Theory, Agency Theory, Social Exchange Theory and Planned Change Theory. The study adopted a descriptive research design. The target population of the study comprised of three media firms in Kenya (Nation Media Group, Royal Media Services and Standard Group Limited). A total of 340 employees in the managerial positions of the selected media firms were targeted in the study. The study adopted Yamane (1967) sampling formula in acquiring a sample of 183 respondents. The study used quantitative data that was collected from respondents using 5 point Likert scales questionnaire with closed ended questions. A pilot test was conducted prior data collection to assess the reliability and validity of the questionnaires. Data was analyzed using SPSS. Both descriptive and inferential statistics were used. The study findings were presented in form of tables and figures for easier interpretation.

Findings: The study established that Cost Restructuring, Governance Reformation and Downsizing positively and significantly influences performances of media firms and that increase in one indicator increases the levels of performances. Process Centralization was found to positively influence performance levels of media firms but to insignificant levels.

Unique Contribution to Theory Practice and Policy: The study provided recommendations to the media firms to enhance their cost restructuring practices since the practice bears positive influence on performance, to capitalize on reforming their respective governance since the practice bears positive influence on performance, to enhance downsizing activity since the practice bears positive influence on performance and to partly focus on enhancing centralization processes since the practice bears positive but insignificant influence on performance.

Key Words: *Cost Restructuring, Governance Reformation, Downsizing, Processes Centralization and Performance, Selected Media*

Background of the Study

Organizational restructuring has of late continued to be applied by organizations, companies and firms in developed and developing nations. Gibbs (2007) asserts that restructuring comprises of a change in a firm's investment, operational, governance, and financing structure. Consequently, Norwel et al (2012) views restructuring as a process that entails reorganizing ownership, operations, legal or structures of a firm with aim of becoming more organized and profitable in meeting existing needs of a firm. Adoption of organization restructuring practices aims at responding to dismal performances of the firm, discovering strategic and new opportunities, attaining credible status in the market (Singh & Bowman (2013). Euske et al, (2006) further notes that advancement in the level of technology, increased difficulties in the management processes, increased competition levels and high demands of shareholders have heightened the pressures of performance on the management which further prompts the restructuring decision.

There has been an increase in the adoption of organization restructuring processes and the practice seems to be the commonest and stabilized occurrence amongst businesses worldwide. Lebans and Euske (2016) postulates that evidence of organizational restructuring activities amongst firms across the world such as managerial realignment, asset restructuring, and updates on operational activities has been witnessed as firm attempt to respond to forces in the line of operations aiming at stimulating their performance. Restructuring strategy has created an enabling environment for firms to respond and react more rapidly and effectively to the heightened pressures of performance.

According to Lal et al (2013) restructuring practices aims at easing the performance of the firm through improving employee's welfare, streamlining cost, enhancing efficiency in operations, increasing productivity and revenues, and increasing the wealth of shareholders. Dong et al (2014) notes that the need for restructuring in a firm is attributed to symptoms such as inconsistent and fragmented communication, alteration in the processes of production and work flow as a results of innovations in communication technology and problems associated with staff retention and turnover. Further signs that prompts restructuring amongst firms includes absence of a clear accountability of outcomes as a result of subjective and biased appraisals, increased demands in new skills and capabilities to match the anticipated and current requirements of operations, under or over staffing of various sections of the firm and stagnated workforce in the production line (Dong et al., 2014).

Statement of the Problem

Activities such as increased competition, globalization, and changing operational environment are prompting firms to adopt restructuring strategies in order to reduce the costs of operations, promote their competitive levels and fulfill the needs of their shareholders (Dong, Putterman, & Unel, 2014). However, despite there being various benefits associated with restructuring practices, the results of the processes have not been fully felt amongst the media firms in Kenya. Firms in the media sector in Kenya have been posting poor performance in areas of profits, market share, staff retention and the range of products and service they offer. A report from NSE (2016) revealed that media firms incurred a loss of KShs 1.5 billion in 2016 while in 2017, the loss reduced to KShs 1.02 billion which represented a decrease of 16% in 2015. Additionally, majority of the major media firms incurred a loss of 12% in market share which is attributed to increased competition levels from new media firms and turbulent environment of operational

(PWC, 2018). The dwindling performances amongst the media firms have contributed to laying off of more than 500 employees in order to reduce costs of operation and reposition themselves in the competitive markets.

Additionally, the firms have undertaken different restructuring practices that aim at rekindling their performances. This study therefore seeks to establish how the restructuring practices adopted by the media firms influences their levels of performance. Research gaps on the theme of the study further promotes the current study. Studies such as Mushtaq and Srivastava (2011) focused on establishing how restructuring strategies impacts operational aspects of firms in Chinese Publicly traded firms. A study by Airo (2019) focused on the influence of mergers and acquisitions practices on corporate performance of firms in the construction sector in Egypt. A study by Ngige (2012) on how restructuring affects performance and competitiveness of banking sector in Kenya concluded that there is a significant effect of the restructuring practice and the levels of performance of banks. Past studies have revealed both conceptual and contextual gaps that the current study seeks to fill. The current study aimed at establishing the influence of organization restructuring on performance of selected media firms in Kenya.

Objectives of the Study

i. To establish the influence of cost restructuring on performance of selected media firms in Kenya.
ii. To find out how governance reformation influences performance of selected media firms in Kenya.
iii. To assess the influence of downsizing on performance of selected media firms in Kenya.
iv. To determine the influence of processes centralization on performance of selected media firms in Kenya.

LITERATURE REVIEW

Theoretical Review

Transaction Cost Theory

The theory proposed by Coarse (1960) and advanced by Williamson (1981) views transactions as the main center of analysis and highlights that the level of understanding of costs related with transactions of the organization either externally or internally acts as a definition of achievements of success in the organization. Williamson (1981) asserts that the theory explains the reasons behind existence of firms and why there are discrepancies in the levels of expansion of firms. According to the theory, firms tend to reduce costs of resources exchanges with the prevailing environment while reducing costs of exchanging the bureaucratics in the firm. Williamson (1981) adds that a firm has capabilities of growth and expansion if there are chances of performing its activities insides the firm's operational environment. The theory asserts that a firm that aims at expanding in markets and compete favorably with other firms must find ways and means of reducing transaction related costs either from inside or from outside the business operational environment. According to KPMG (2015), a firm is characterized with numerous costs that if well managed and planned can results to general reduction of operational costs and eventually performance will be boosted. PWC (2018) posits that firms can opt to perform activities from inside the business such as advertising and procurement rather than delegating the activity to external provider. By doing so, the firm will be saving on associated costs while at the same time advancing its performance. The theory contributes to the current study by adding more knowledge on activities that firms can uplift in restructuring costs related with execution of activities. The main aim of restructuring cost is to minimize costs of operations to promote overall performance. The theory therefore supports the variable of cost restructuring.

Agency Theory

Jensen and Meckling (1976) proposed agency theory which explains the nature of relationships between agents and principals of a business. According to the theory, an organization is viewed as a nexus of contracts made up of a series of relationships amongst various stakeholders of a firm. The relationships between principals and agents are organized via market transactions that are externally and internally set and governed by implied or written contracts. According to the theory, business owners (shareholders) being the residual risk bearers are seen as the principal while managers who represent and acts on behalf of owners are seen as the agent. Agents are expected to act according to principals demands while achieving the set goals and objectives in the organization. According to Puyvelde et al (2012), the theory assumes existences of conflicts between principals and agents in terms of goals. In this regard, agents are seen to possess more information than principals and they can use this information for self-gain by exploiting principals rather than for mutual benefit and collective interest of both the parties. This scenario creates an aspect of a mistrust that triggers actions from the principals to the agent. When the responsibilities of agents fail to produce the required results, principals are forced to undertake actions in the management aiming at streamlining activities in the organization. According to the theory, the main action taken by principal is changing the management team by bringing in new principals with skills and competencies that will fit the agent's needs. The theory supports the variable of governance reformation in the sense that when a firm performs dismally below the expectations, owners of the firm may decide to reform the governance structure in order to rekindle the performance.

Social Exchange Theory

The proponent of the theory was Ekeh (1974). The theory expounds on social change and stability as processes made up of negotiated exchanges between parties. Ekeh (1974) postulates that all humans relationships are formed through subjects by comparing cost benefit analysis and alternatives(Fiske, 1992). The arguments postulated by the theory is that the overall worth of a relationship is calculated by finding the difference between the relationship costs and rewards the relationship provides. If the resultant figure is positive, the relationship is deemed positive while a negative figure signifies negative relationships (Fiske, 1992). Relationship worthiness influences the resultant relationship outcome and determines the continuation or termination of the relationship. Ideally, the relationship should have a mutual benefit between involved parties and when one party fails to satisfy the other, the relationship is undermined. In business context, various mutual relationships exist where parties involved benefit from one another. In organizations, relationship between employees and employers endures when employees contribute to the success of the organization. Employee benefits from employers' packages while employers gain from organization's success. At times, employers fail to benefits from employees when businesses activities fail to perform. At this point, employer views the relationship unnecessary and the only solution is to terminate it. This theory is relevant to the study as it informs of causes of downsizing in organizations.

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Planned Change Theory

The theory was proposed by Ajzen in 1991 and assumes that firms are adoptive, purposeful and that occurrence of changes is triggered by change necessity from leaders, and agents of change in a firm. The change process according to the theory is liners and rational and therefore making managers at individual levels instrumental. According to Carr (2016), internal features or decisions of an organization enhances change as compared to the external environment. The theory further posits that aspects of organizational changes comprise of activities such as planning assessment, analysis of stakeholders, re-engineering of operations, restructuring of processes and reviewing rewards and incentive practices (Worth & Bill, 2010). There has been an introduction of reforms by firms worldwide aiming at enhancing the levels of effectiveness and services responsiveness. The reforms have had influences on the internal operations of the firms. Reforms such as centralization of decision making processes have been identified by scholars and researchers as major performance determinants bound to be controlled by the management (Larbi & Batley, 2014). According to the researchers, decentralization acts as an empowerment tool to managers while making decisions related with services and their deliveries and in formulating effective strategies that promotes operational efficiency of firms. The theory revolves around how organizational change can positively or negatively impact the operations of a firms. Organizational changes such as centralization of processes strengthens the decision making processes that promotes the overall performance of the firm. The theory supports one of the independent variables of the study which is centralization of processes.

Conceptual Framework

Cost Restructuring

- Reducing Overheads
- Slashing Indirect Costs

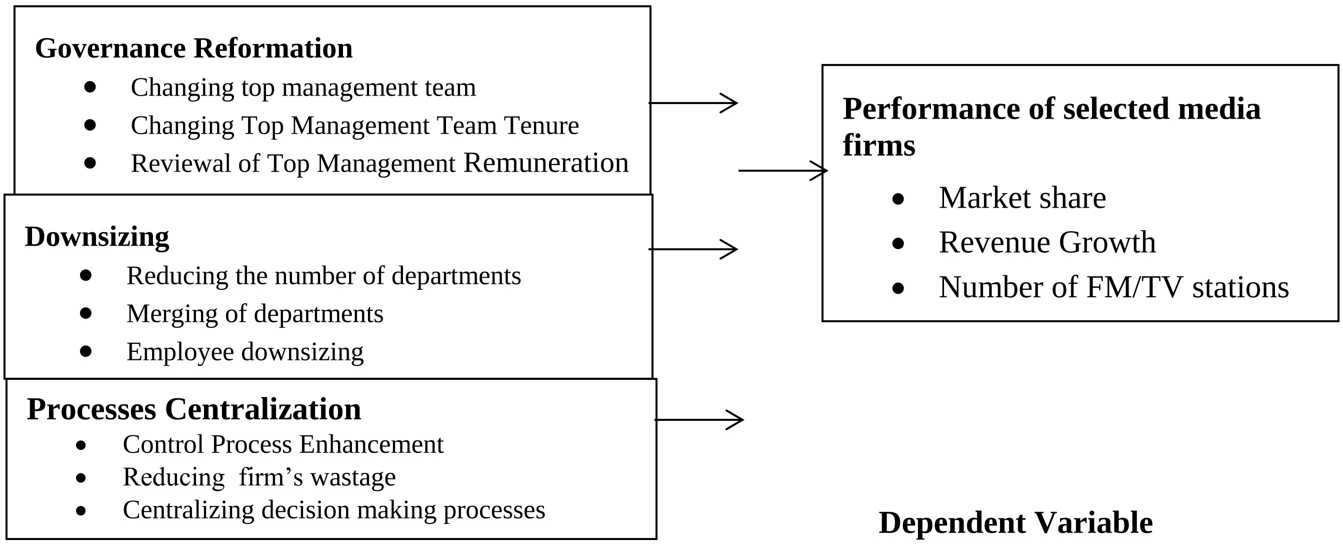

Figure 1: Conceptual Framework

Cost Restructuring

According to Estin (2018), cost restructuring refers to processes and practices that a company puts in place in a bid to improve its profitability and entails reforming its functions, business processes and initiating cost cutting measures. Cost restructuring practices enables a firm to respond to dynamics in business operational environment. At difficult operational environment, a firm opts to restructure all costs associated with business operations in a bid to increase its profitability. In cost restructuring according to Estin (2018), a firm evaluates its internal operations and identifies areas where costs can be reduced without negatively affecting the operations of that particular section. Zilka (2013) asserts that cost restructuring in organizations takes different forms depending on organization but the most common forms includes slashing overhead expenses, optimizing procurement processes and reducing indirect costs. Lewis, (2010) defines overhead expenses as all costs contained in the income statement and includes expenses such as advertising, accounting fees, labour burdens, travel expenditures among other expenses. Reduction on the overhead expenses cuts operational costs to a certain margin but Lewis (2010) warns that the practice results to performance related problems in the long run. For instance, slashing advertisement expenditure reduces customer awareness on existence of a product and this negatively affects sales which reduces profit margins. In cost restructuring as noted by McCormick and Duff (2011), a firm considers evaluating its expenditures on costs unaccounted in the in the production line but plays a role in smooth running of the organization. Such indirect costs include expenses on utilities such as rent, telephones, administrative salaries and office expenses. Reduction on indirect costs is a common strategy adopted by firms to reduce on expenses and enhance performance more so in areas where competition is stiff. According to Estin (2018), firms undertaking cost restructuring benefits from the practice as it cuts down costs within the business. However, cost restructuring bears its negative side in the long run as it has the possibilities of negatively affecting general performance of a firm.

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Governance Reformation

Investopedia (2018) defines cooperate governance as “the system of rules, practices and processes by which a firm is directed and controlled and essentially involves balancing the interests of a company's many stakeholders, such as shareholders, management, customers, suppliers, financiers, government and the community by owners of a company.” Reformation of cooperate governance, therefore entails reforming the management team of a firm which involves actions such as changing top management teams, their tenures and reviewing their remunerations. Jarso (2013) notes that reformation of cooperate governance comes as a result of poor performance recorded by a company. Additionally, the actions may result from mergers and acquisitions where the merged firms find it necessary to bring in new management. The reformation actions on cooperate governance taken by company owners aims at bringing new management in the company that will enhance performance. Consequently, high operational costs as a result of high remunerations on management team trigger reformation actions. Bowman and Singh (2013) posits that some of the actions such as reviewing the top management salaries aiming at reducing the remuneration bears negative consequences on performance of the entire company/ firm as it will demoralize the team. During organizational restructuring process, a firm ideally aims at improving its performance by increasing its profitability. Airo (2019) notes that top management team plays a key role in ensuring that a firm moves towards the intended direction by owners by contributing in the realization of set goals and objectives. Remarkably, top management possess skills that drives a company towards the right performance track. However, despite the important roles played by the top management team as noted by Airo (2019), organizational restructuring affects the teams’ roles which creates disruption in operations of the company. An important factor that contributes to a successful reformation of cooperate governance in a firm is to involve the top management team in the reformation process and explaining to them the reasons behind the move.

Downsizing

According to Garber (2018), downsizing refer to the process of permanently reducing a firms labour force by eliminating unproductive divisions or employees. Similarly, it is a process of shrinking a company’s payroll by eliminating permanently various positions/departments in a firm’s organizational structure. Longe (2012) asserts that various reason accounts for downsizing but the major reason is when a firm wants to cut down its operational costs or when it is in a recessionary step. Employees whose services have been terminated are compensated through a fixed amount of benefits as per firm’s termination terms and conditions. Ideally, downsizing aims at reducing firms’ operational cost and enhances its competitive performance but most of the time, this is not always the case. Mbogo and Waweru (2014) notes that downsizing especially on employees comes with its own negative effects both on employees and the downsizing firm. On the side of employees, they are rendered jobless through termination of their source of income. On the side of the firm, the downsizing process creates a fearful atmosphere amongst retained employees about finding themselves in the same situation in the future. This affects individual employee’s performance which translates into general poor performance of the entire firm. Additionally, a firm may end up losing skilled employees and will be forced to incur expenses in training some of the retained employees to assume the roles left by the laid off employees. Okaka et al (2012) points out that consequences of employee downsizing leads to closing of departments or branches, consolidation of roles and responsibilities, reducing employees benefits, job sharing and altering the day today routine in the work place. These causes disorientation of employees and coping up with the situation pose a challenge and takes time to adapt. As a result, poor performances are realized. In firms with a wide range of vendors and customers, employee downsizing is considered as a sign of financial crisis which may trigger hesitation on vendors and customers in transacting business with the firm. Srivastava and Mushtaq (2011) points out that firms need to weigh possible consequences of employee downsizing resulting from restructuring practice as it may result to negative results in the firm.

Processes Centralization

Modrák (2013) defines process centralization as the extent to which organizational decisions are made by the top management. The quality of programs and movement that emphasize on delegating decision making and responsibilities to the lower managerial positions culminates into decentralization. Additionally, a reduction in organizations management structure amongst various organizations have changed the middle managerial tier through elimination of sections of the structure of reporting. According to Singh (2008), when an organization is large and has been in existence for a longer period of time, it tends to have a more centralized operational structure. In order to manage human capital, Prechel (2010) asserts that firms ought to centralize their processes which bear the possibilities of connecting employees in a common pool of goals to enhance the firm's performance. Leaders of the firm need to adopt the best fit styles of leadership that that empower and motivate employees. According to Prechel (2010) leaders avail knowledge visions, promote and develop sharing of knowledge, energize, promote, enable and create a continuous avenues for knowledge sharing. Moreover, centralization process plays a key role in the implementation of a sharing mindset, trust and communication that promotes that performance of the firm (Inamdar, 2017)

Empirical Review

Cost Restructuring

Jae et al. (2007) conducted a study establish how organizational restructuring strategy affect financial performance of firms in the hotel industry with a focus on hotels in UK. The study focused on cost reduction strategies and market diversification among other factors. The study adopted a descriptive research design where a sample of 190 hotels in UK was used in the study. The study findings indicated that there was a high adoption of cost reduction strategies and diversification of markets among the hotels which had led to improved financial performance. The study recommended adoption of cost reduction strategies and market diversification amongst firms in hotel industry to improve financial performance. Ngige (2012) sought to assess the implications of organizational restructuring on levels of competitiveness and firm's performance on long term basis on firm in the banking sector. The study focused on cost restructuring, effects on employees and the resultant effects on performance in the banking sector. The study sampled 30 banks where 180 respondents were randomly selected and included in the study. Data was collected by the use of structured questionnaires. The results indicated that banks that had restructured their costs ended up enhancing their performance and competed favourably in the markets.

Governance Reformation

A study by Ruiters (2011) on the restructuring effects on performance of staffs in South African department of labor inspectorate revealed that there was an inevitability of organizational restructuring processes due to the dynamisms in levels of technology and changes in services provisions demands. The study findings revealed that the restructuring activities initiated by the Southern Africa government negatively affected the inspectors' feelings which translated into poor performances. The study further established that the process contributes to loss of qualified employees resulting from dissatisfaction with new duties and opted to resign. After resigning, their positions were then filled with by unskilled staffs on contractual basis. Additionally, the department ended up incurring extra expenses in training staffs to fill the gaps left by the inspectors. The study recommended that a proper restructuring process to be followed and employees in the top management to be involved.

Cheworei (2007) sought to evaluate how change management practices affects the performance of organization with a focus on the UN Secretariat in Kenya. The study adopted a case study where data was collected directly from respondents by use of personal interviews. The study findings revealed several managerial changes that had occurred in the organization including changing top management officials, strategic operational changes and restructuring. The findings of the study established that change of management culminated to breakdown of communication between employees and the management which negatively affected the general performance of the secretariat.

Marangu (2012) conducted a study on Employee Perception on Strategic Change Management Practices and Performance at Kenya Power and Lighting Company Limited. The study focused on effects of changing top management team on performance of the firm. The study revealed that employee's performance greatly depended on attributes of management team and any alterations of the team affects employee's performance at individual levels. Similarly, employees agreed that new management team creates anxiety amongst employees. In short term, employees productivity is negatively affected but as times goes, interaction with the new team boosts employees confidence which enhances overall performance.

Downsizing

A research study of Mbogo and Waweru (2014) on turnaround responses on financially disadvantaged companies on NSE between 2002 and 2008 revealed that organizational restructuring resulted to 63% employees' layoff. Additionally, asset restructuring as a turnaround strategy accounted for 50% preference. Change of top management and financial restructuring appeared the least preferred turn around strategies in the companies.

Rainy et al (2014) conducted a study to evaluate how restructuring affects organizational performance and focused on firms in the telecommunication sector. The findings of the study revealed that the telecommunication firms valued employees efforts in contributing to realization of goals and objectives of the firm. Due to this fact, some of the mobile service providers negotiated with employees on termination terms and also on the termination package. Similarly, employers would prepare employees psychologically before retrenchment. The three restructuring methods favorably affected the firm's market growth and market share.

Ochira (2009) conducted a study on the influence of restructuring on employee job satisfaction and empowerment in Kenya Railways Corporations limited. The study focused on job satisfaction and empowerment by comparing the case of change behaviors on employees who experienced the restructuring process with that of new employees who joined the Corporation after restructuring. The study findings revealed existence of a linear relationship between job satisfaction and employee empowerment amongst the employees retained after the restructuring process. Similarly, the study revealed that fear of future retrenchment on employees affected their performances.

Process Centralization

Glisson and Martin (2010) conducted a study seeking to analyze how centralization affects the level of production and the efficiency of human resource service amongst organization in United States. The study focused on manufacturing firms that had a super improvement in their performance. The findings of the study revealed that there was a statistically significant effect between centralization and productivity levels and organization's human resource. The significant effects was further found to be true after creating controls of other factors including organizational structure.

Motashi and Kanamori (2010) sought to examine how changing the structure of making decisions changes the performance of firms in Japanese. Through an empirical analysis, the study used a panel data collected form 2300 firms in the country for a period of 4 years. The analysis results showed that there was a significant effect between both decentralization and centralization practices and performance of the firms. The effect was great on firms that had effected numerous changes in making decisions. The study further established that decision making effect on the levels of performance was evidenced in large non-manufacturing firms.

Zabonk (2012) conducted a study to evaluate the determinants of adoption of centralization and decentralization of decision making processes amongst firms in Japan. The study focused on both small and large firms in all sectors of economy. The unit of analysis comprised of employees of the selected firms in all levels of management. The study established that it cost the firms less when they allow employees to formulate and work on their ideas as compared to forcing them work on ideas formulated by the managers.

Research Methodology

The study adopted a descriptive research design and targeted 340 employees occupying managerial positions in Nation Media Group, Royal Media Services and Standard Group Limited. The study applied Yamane (1967) sampling formula to develop the sample size of 183 respondents. The instrument for primary data collection in this research was a numerical 5-point Likert scale questionnaire. Inferential and descriptive statistics was used to analyze data. Results of the analysis were presented by use of tables and figures. The study used the following regression model:

$$\mathbf{Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon}$$

Y = Performance Of Selected Media firms, X_1 = Cost Restructuring, X_2 = Governance Reformation, X_3 = Downsizing, X_4 = Processes Centralization, β_0= Regression Constant or Intercept, β_1,β_2,β_3 and β_4= coefficients of various independent variables and Ɛ =error term assumed to be normally distributed with a zero variance.

Results

The researcher issued 183 questionnaires to the targeted respondents in the media firms. 131 of the questionnaires were filled fully and returned. This represented a response rate of 71.6%. The response rate was considered appropriate, adequate and good for analysis. The appropriateness of the response rate is supported by assertions from Mugenda and Mugenda (2013) who noted that a response rate of 70% and above is very good for analysis.

Descriptive Findings and Analysis

Descriptive Statistics

Adoption of descriptive statistics is to enable the researcher to be in position of describing the distributions of scores or measures. The current study adopted means and standard deviation in presenting the descriptive findings of the study. the criteria followed in adopting the means and standard deviations was first rating the responses using a scale of 1-5 and then presenting the average means and standard deviation. Respondents were presented with statements pertaining each of the independent variables in the questionnaires and were supposed to provide the ratings of the statements using a scale of 1-5 where 5= Strongly Agree, 4= Agree, 3= Uncertain, 2= Disagree and 1= Strongly Disagree. The results were presented in the following subsection:

Cost Restructuring

The first objective formulated in the study aimed at establishing how cost restructuring influences performances of selected media firms. The results presented in table 1 shows that respondents were in agreement with statements that Cost Restructuring reduced the firm's advertisement costs (mean= 3.99 and std.dev =1.0790), that cost restructuring reduced the firm's travel expenditures (mean=4.19 and std.dev=0.853), that there has been a reduction in indirect costs as a result of cost restructuring (mean=3.98 and std.dev=1.121) and that the firm introduced in-house activities when sourcing for goods and services (mean=4.06 and std.dev=1.128). Additionally, the respondents agreed that outsourcing have significantly reduced in our firm (mean=4.11 and std.dev=1.031), that their firm emphasizes on implementation of cost reduction measures in all operations (mean=3.89 and std.dev=0.829) and that their firm have greatly improved in reducing operational costs due to cost restructuring practice (mean=4.01 and std.dev=0.496). On average, all respondents agreed with statements pertaining to cost restructuring as evidenced by average response mean of 4.03 with a subsequent average std.dev of 0.931. These results concurs with Estin (2018) who noted that firms undertaking cost restructuring benefits from the practice as it cuts down costs within the business.

Table 1 : Descriptive Statistics on Cost Restructuring

Statements	Mean	Std.dev
Cost Restructuring reduced the firm's advertisement costs	3.99	1.079
Cost Restructuring reduced the firm's travel expenditures	4.19	0.853
There has been a reduction in indirect costs as a result of cost restructuring	3.98	1.121
The firm introduced in-house activities when sourcing for goods and services.	4.06	1.128
Outsourcing have significantly reduced in our firm	4.11	1.031
Our firm emphasizes on implementation of cost reduction measures in all operations	3.89	0.829
Our firm have greatly improved in reducing operational costs due to cost restructuring practice	4.01	0.496
Average	**4.03**	**0.931**

Governance Reformation

The second objective formulated in the study aimed at establishing how governance reformation influences performances of selected media firms. The results presented in table 2 shows that respondents were in agreement with statements that there has been a reduction in the number of employees in top management level (mean=4.01 and std.dev= 0.641), that there has been alterations in the top management teams (mean=4.2 and std.dev= 0.522), that There has been changes in the tenure of top management team (mean=3.99 and std.dev= 1.024) and that there was demotion and promotions of some employees in the management team (mean 4.44 and std.dev= 0.802). Similarly, respondents agreed that the firm reduced/reviewed the remunerations of employees (mean= 3.74 and std.dev= 1.248), that the firm changed remuneration structures of top management team (mean=3.99 and std.dev= 1.025) and that the firm reshuffled employees in the top management from various departments (mean=4.51 and std.dev= 0.217). On average, all respondents agreed with the formulated statements of governance reformation as shown by average response mean of 4.12 and average std.dev of 0.785. These results concurs with Marangu (2012) who noted that governance reformation negatively affects employees level of productivity but as times goes, interaction with the new team boosts employees confidence which enhances overall performance.

Table 2: Descriptive Statistics on Governance Reformation

Statement	Mean	Std.dev
There has been a reduction in the number of employees in top management level	4.01	0.641
There has been alterations in the top management teams	4.2	0.522
There has been changes in the tenure of top management team	3.99	1.024
There was demotion and promotions of some employees in the management team	4.44	0.802
The firm reduced/reviewed the remunerations of employees	3.74	1.248
The firm changed remuneration structures of top management team	3.99	1.025
The firm reshuffled employees in the top management from various departments	4.51	0.217
Average	**4.12**	**0.783**

Downsizing

The third objective formulated in the study aimed at establishing how downsizing influences performances of selected media firms. The results presented in table 3 shows that respondents were in agreement with statements there was a reduction in the number of departments in the firm (mean=4.24 and std.dev=1.131), that there was merging of related departments in the firm(mean=4.61 and std.dev=0.258), the firm reduced the number of employees in the in all levels of management (mean=3.99 and std.dev=1.021) and that restructuring process led to reduction in the number of supervisors per managerial unit(mean=4.56 and std.dev=0.956). Remarkably, respondents agreed that that restructuring led to massive lay off of employees by the firm (mean=4.01 and std.dev=0.987), and that there was improvement of managerial perception on employees (mean=3.81 and std.dev=1.238). However, respondents were not sure on whether there was loss of firm's faithfulness from partners due to high employees turnover (mean=3.42 and std.dev=1.039). On average however, respondents agreed with all the statements on downsizing and the practices' influence on performance as shown by average response mean of 4.09 and average std.dev of 1.039. This concurs with Srivastava and Mushtaq (2011) who

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pointed out that firms need to weigh possible consequences of employee downsizing resulting from restructuring practice as it may result to negative results in the firm.

Table 3: Descriptive Statistics on Downsizing

Statement	Mean	Std.Dev
There was a reduction in the number of departments in the firm	4.24	1.131
There was merging of related departments in the firm	4.61	0.258
The firm reduced the number of employees in the in all levels of management	3.99	1.021
Restructuring process led to reduction in the number of supervisors per managerial unit	4.56	0.956
Restructuring led to massive lay off of employees by the firm.	4.01	0.987
There was improvement of managerial perception on employees	3.81	1.238
There was loss of firm's faithfulness from partners due to high employees turnover	3.42	1.652
Average	**4.09**	**1.039**

Process Centralization

The fourth objective formulated in the study aimed at establishing how process centralization influences performances of selected media firms. The results presented in table 4 shows that respondents were in agreement with statements that their respective firm have enhanced its control on all the processes (mean=4.21 and std.dev=0.895), that the firm have put in place measures for reducing wastage of resource(mean=4.02 and std.dev=0.999), that the decision making process is centralized within the firm (mean=3.92 and std.dev=1.025), and that departmental decision are made within the department (mean=4.52 and std.dev=0.478). Similarly, respondents agreed that departmental planning are done within the department(mean=4.51 and std.dev=0.480), that there is inclusiveness in the decision making processes (mean=3.79 and std.dev=1.123) and that decision makers in our firm consults employees deeply when making decisions (mean=3.61 and std.dev=1.289). An average mean response rate of 4.08 and average std.dev of 0.898 shows that respondents agreed with statements regarding to process centralization. This is consistent with Prechel (2010) who noted that there is a need for firms to centralize their processes since the process bears the possibilities of connecting employees in a common pool of goals to enhance the firm's performance.

Table 4: Descriptive Statistics Process Centralization

Statement	Mean	Std.Dev
Our firm have enhanced its control on all the processes	4.21	0.895
Our firm have put in place measures for reducing wastage of resource	4.02	0.999
The decision making process is centralized within the firm	3.92	1.025
Departmental decision are made within the department	4.52	0.478
Departmental planning are done within the department	4.51	0.48
There is inclusiveness in the decision making processes	3.79	1.123
Decision makers in our firm consults employees deeply when making decisions	3.61	1.289
Average	**4.08**	**0.898**

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Performance of Media Firms

The results presented in table 5 shows that all respondents were in agreement with statements that the firms have witnessed increased number of both radio and TV stations (mean=5 and std=0.000), that increase in the number of tv/radio stations have increased the levels of profit (mean=4.5 and std=0.564), that increase in the number of tv/radio stations have increased the levels of market share (mean=4.89 and std=0.362), that revenue growth in their media firm have increased (mean=4.23 and std=0.781) and that the restructuring process have contributed to increased market reachability (mean=4.42 and std=0.0.965). on average, respondents agreed with statements pertaining to performance of media firms as shown by average response mean of 4.67 and average std.dev of 0.445. This concurs with Hoskisson, Johnson and Moesel (2011) who noted that restructuring is one of the key strategy that reinforces a firm's competitive advantage through increased profits and widened market share.

Table 5 Descriptive Statistics on Performance

Statement	Mean	Std.Dev
The number of radio stations in the firm have increased	5	0.000
The number of TV stations in the firm have increased	5	0.000
Increase in the number of tv/radio stations have increased the levels of profit	4.5	0.564
Increase in the number of tv/radio stations have increased the levels of market share	4.89	0.362
Revenue growth in our media firm have increased	4.23	0.781
Restructuring process have contributed to increased market reachability	4.42	0.965
Average	**4.67**	**0.445**

Inferential Statistics

Correlation Results

According to the results presented in table 6, cost restructuring positively and significantly correlates with performance of selected media firms. This is shown by a correlation coefficient value of 0.454 and a p-value of 0.000. This bears an implication that increasing Cost restructuring practices contributes to increased performance levels of the selected media firm. This is in line with Estin (2018) who noted that firms undertaking cost restructuring benefits from the practice as it cuts down costs within the business. In respect to correlation results, governance reformation positively and significantly correlates with performance of selected media firms. This is shown by a correlation coefficient value of 0.301 and a p-value of 0.006. This bears an implication that increasing governance reformation practices contributes to increased performance levels of the selected media firm. This concurs with Marangu (2012) who noted that governance reformation negatively affects employees level of productivity but as times goes, interaction with the new team boosts employees confidence which enhances overall performance.

Correlation results further shows that downsizing positively and significantly correlates with performance of selected media firms. This is shown by a correlation coefficient value of 0.375

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and a p-value of 0.003. This bears an implication that increasing downsizing practices contributes to increased performance levels of the selected media firm. This is in line with Rainy et al (2014) who noted that engaging employees in negotiations and preparing them psychologically favorably affects a firm's market growth and market share. Correlation results further shows that process centralization positively but insignificantly correlates with performance of selected media firms. This is shown by a correlation coefficient value of 0.155 and a p-value of 0.084. This bears an implication that increasing centralization practices contributes to insignificant increased performance levels of the selected media firm. This is in line with Prechel (2010) who noted that there is a need for firms to centralize their processes since the process bears the possibilities of connecting employees in a common pool of goals to enhance the firm's performance.

Table 6: Correlation Analysis

		Cost Restructuring	Governance Reformation	Downsizing	Process Centralization	Performance of Media Firms
Cost Restructuring	Pearson Correlation	1				
	Sig. (2-tailed)					
Governance Reformation	Pearson Correlation	-0.181	1			
	Sig. (2-tailed)	0.241				
Downsizing	Pearson Correlation	-0.109	-.326*	1		
	Sig. (2-tailed)	0.331	0.129			
Process Centralization	Pearson Correlation	0.159	0.195	-.341**	1	
	Sig. (2-tailed)	0.581	0.278	0.246		
Performance of Media Firms	Pearson Correlation	.454**	.301*	.375**	.155**	1
	Sig. (2-tailed)	0.000	0.006	0.003	0.084	
	N	131	131	131	131	131

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

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

Multiple Regression Analysis

The study sought to analyze the nature of relationships between organizational restructuring practices (Cost Restructuring, Governance Reformation, Downsizing and Process Centralization) and performance of selected media firms. The study conducted a multiple regression analysis at 95% confident level. The results presented in table 7 shows existence of a strong relationship between Cost Restructuring, Governance Reformation, Downsizing and Process Centralization and performance of selected media firms as shown by R= .749. The value of R-squared representing the coefficient of determination was 0.561 which implies that 56.1% in variations of

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performances of selected media firms is explainable by Cost Restructuring, Governance Reformation, Downsizing and Process Centralization.

Table 7: Model Summary

R	R Square	Adjusted R Square	Std. Error of the Estimate
.749[a]	0.561	0.549	1.254689

a. Predictors: (Constant), Cost Restructuring, Governance Reformation, Downsizing and Process Centralization

The inclusion of the ANOVA was to assess the statistical significance of the model of the study in testing the relationships between independent and dependent variables of the study. The results of the model presented in table 8 show that the model was statistically significant. The level of significance is justified by comparing the F value calculated 20.6044 with the F value critical at (4, 126) which is 2.4472. The F calculated value exceeds the F critical value thus confirming the statistical significance of the model.

Table 8: ANOVA (Model Significance)

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	40.186	4	10.465	20.6044	1.010[b]
	Residual	64.807	126	0.5079		
	Total	104.995	130			

a. Dependent Variable: Performance of Media Firms

b. Predictors: (Constant), Cost Restructuring, Governance Reformation, Downsizing and Process Centralization

Table 9 outlines the coefficient results of the study's model. The results depict that cost restructuring positively and significantly influence performance of selected media firms. This is shown a beta value of 0.574 and Sig value of 0.000. This bears an implication that increasing cost restructuring practices with one unit results to increase of 0.574 units in performance levels of selected media firms. This is in line with Estin (2018) who noted that firms undertaking cost restructuring benefits from the practice as it cuts down costs within the business. The results also depict that governance reformation positively and significantly influence performance of selected media firms. This is shown a beta value of 0.211 and Sig value of 0.003. This bears an implication that increasing governance reformation practices with one unit results to increase of 0.211 units in performance levels of selected media firms. This is in line with Marangu (2012) who noted that governance reformation negatively affects employees level of productivity but as times goes, interaction with the new team boosts employees confidence which enhances overall performance.

The results further depict that downsizing positively and significantly influence performance of selected media firms. This is shown a beta value of 0.302 and Sig value of 0.001. This bears an implication that increasing downsizing practices with one unit results to increase of 0.302 units in performance levels of selected media firms. This is in line with Rainy *et al* (2014) who noted that engaging employees in negotiations and preparing them psychologically favorably affects a firm's market growth and market share. The results finally depict that process centralization positively but insignificantly influence performance of selected media firms. This is shown a beta value of 0.101 and Sig value of 0.096. This bears an implication that increasing cost restructuring practices with one unit results to insignificant increase of 0.101 units in performance levels of selected media firms. This concurs with Prechel (2010) who noted that there is a need for firms to centralize their processes since the process bears the possibilities of connecting employees in a common pool of goals to enhance the firm's performance.

Table 9: Model Coefficients

	Unstandardized Coefficients		Standardized Coefficients		
Predictors	**B**	**Std. Error**	**Beta**	**t**	**Sig.**
(Constant)	0.217	0.085		2.5529	0.203
Cost Restructuring	0.574	0.086	0.555	6.6744	0.000
Governance Reformation	0.211	0.084	0.201	2.5119	0.003
Downsizing	0.302	0.074	0.286	4.0811	0.001
Process Centralization	0.101	0.185	0.941	0.5459	0.096

The optimal linear regression model for the study therefore becomes:

Performance of Selected Media Firms = 0.217 + 0.574 (Cost Restructuring) + 0.302 (Downsizing) + 0.211 (Governance Reformation) + 0.101 (Process Centralization)

The results depicted in the model portrays cost restructuring as being the most significant, then downsizing, followed by governance reformation and lastly process centralization.

Conclusion

The findings of the study contributed to conclusions that cost restructuring influences performances of selected media firms to positive significant levels. The results further revealed that cost restructuring activities such as reducing firm's advertisement costs, travel expenditures, indirect costs introducing in-house activities when sourcing for goods and services, and emphasizing on implementation of cost reduction measures in all operations significantly and positively influences performances of the media firms. The findings of the study also contributed to conclusions that governance reformation influences performances of selected media firms to positive significant levels. The results further revealed that governance reformation practices such as reducing the number of employees in top management level, altering top management teams, changing the tenure of top management team, demoting and promoting various employees in the management team, reducing/reviewing the remunerations of employees, changing remuneration structures of top management team and reshuffling employees in the top management significantly and positively influences performances of the media firms.

The findings of the study further contributed to conclusions that downsizing influences performances of selected media firms to positive significant levels. The results further revealed that downsizing practices such as reducing the number of departments, merging of related departments, reducing the number of employees in the in all levels of management, reducing the number of supervisors per managerial unit, and laying off of employees significantly and positively influences performances of the media firms. The findings of the study finally contributed to conclusions that process centralization influences performances of selected media firms to positive but insignificant levels. The results further revealed that process centralization practices such as enhancing all control processes, putting in place measures for reducing wastage of resource, centralizing decision making process, making departmental decision and planning within the department, ensuring inclusivity in the decision making processes and consulting employees when making decisions insignificantly but positively influences performances of the media firms.

Recommendations for the Study

The study provides recommendations to selected media firms to enhance their cost restructuring practices since the practice bears positive influence on performance. The media firms can achieve this by executing various aspects of cost restructuring such as reducing firm's advertisement costs, travel expenditures, indirect costs introducing in-house activities when sourcing for goods and services, and emphasizing on implementation of cost reduction measures in all operations. The study also provides recommendations to selected media firms to capitalize on reforming their respective governance since the practice bears positive influence on performance. The media firms can achieve this by executing various aspects of governance reformation such as reducing the number of employees in top management level, altering top management teams, changing the tenure of top management team, demoting and promoting various employees in the management team, reducing/reviewing the remunerations of employees, changing remuneration structures of top management team and reshuffling employees in the top management.

The study also provides recommendations to selected media firms to enhance downsizing activity since the practice bears positive influence on performance. The media firms can achieve this by executing downsizing practices such as reducing the number of departments, merging of related departments, reducing the number of employees in the in all levels of management, reducing the number of supervisors per managerial unit, and laying off of employees. The study finally provides recommendations to selected media firms to partly focus on enhancing centralization processes since the practice bears positive but insignificant influence on performance. The media firms can achieve this through enhancing all control processes, putting in place measures for reducing wastage of resource, centralizing decision making process, making departmental decision and planning within the department, ensuring inclusivity in the decision making processes and consulting employees when making decisions.

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