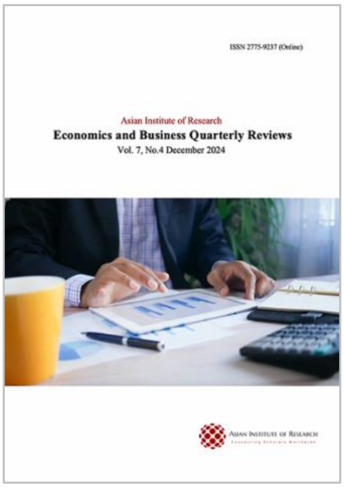

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Organizational Agility: Does it Play a Role in the Nexus Between Restructuring Strategies and Performance of Selected Public Universities in Kenya

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Abstract
Every country needs public universities because education's transformative power advances the nation by fostering social cohesion, expanding opportunities, and fostering sustainable economic growth. Public universities are instrumental in achieving the Sustainable Development Goals by promoting knowledge generation and leading research that results in innovative discoveries. These organizations play a crucial role in promoting the Sustainable Development Goals by producing knowledge and conducting research that leads to innovative advancements. Although they play a vital role, public universities in Kenya encounter numerous challenges, including feedback from stakeholders regarding inadequate services, which impacts the overall performance of these institutions. This research aimed to examine how restructuring strategies influence the outcomes of certain public universities in Kenya. Specifically, to determine how operations redesign restructuring, downsizing restructuring, and governance reform affect the performance of selected public universities in Kenya. It also aimed to examine the mediating effect of organizational agility on the relationship between restructuring strategies and the performance of selected public universities in Kenya. The investigation used balanced scorecard, dynamic capabilities, and contingency theory. A semi-structured questionnaire was distributed to 341 public university management team members. To evaluate the study hypothesis, a multiple linear regression model was used, with a significance level of 95%. The results of the study showed that downsizing and operations redesign significantly enhanced the performance of the selected public universities while the restructuring of the governance reform resulted in a decline in performance at the selected public universities in Kenya. Moreover, organizational agility was identified as a partial mediator in the relationship between restructuring strategies and the performance of selected public universities in Kenya. The study suggests that university management should carefully reevaluate the approach to governance reform restructuring in order to lessen its negative effects, while concentrating on bolstering operations redesign and downsizing strategies to improve performance in the chosen public universities. In order to achieve better performance in the chosen public universities, university management should also be well-versed in how to combine organizational agility with restructuring strategies while abiding by the rules governing the higher education sector.

Keywords: Organizational Agility, Restructuring Strategies, Operations Redesign, Downsizing, Governance Reform, Organization Performance

1. Introduction

Despite being common in academic literature the concept of firm performance is difficult to define because of its many meanings and has been defined differently by different scholars based on the context of the study (Anghel & Almasan 2022). AlMujaini, Hilmi, Abudaqa and AlZahmi (2021) observe that the measures of performance must be associated with the organization's framework, strategies and immediate goals. According to Ouma, Muchemi and Kinyua (2022), performance is defined as the way in which organizations make use of resources at their disposal to break even or make a profit over time. Ndungu (2017), defines performance as a way in which organizations utilize their assets with a view of creating value for their organization. According to Murage (2022), performance is an organization's measure of its output as compared to its input with the aim of achieving its immediate goals. Further, Gaiti and Kiiru (2021) define performance as the results realized from previous organizational decisions and actions, current strategic actions and the intentional future organization target.

Performance is measured differently by different scholars. According to Siepel and Dejardin (2020), performance is measured using financial measures return on equity, profit margin and firm asset. Bianchi and Caperchione (2022) measured performance using sales return, market share and return on investment which were financial measures. The1return1on1equity1and1return on assets are metrics that Muthinja and Chipeta (2018) used to measure performance and were financial in nature. While, Tudose, Rusu, and Avasilcai (2022) employed return on equity, profit margins and firm assets to measure performance. Interest Income, Return on Assets as well as Return on Equity were used to measure financial aspects in particular (Choiriyah, Fatimah, Agustina & Ulfa, 2020).

Different indicators for measuring performance have been developed by researchers. The indicators of performance in Singla and Chammanam (2023), include satisfaction of the perceived customer, employee fulfilment and peripheral networks. In Mutahi and Busienei (2015) performance is best measured by comparing their research outputs, web ranking, student completion rates, enrolments or number of graduates. Performance is recommended to be considered on basis such as their academic goals (Kilika, K'Obonyo, Ogutu & Munyoki, 2016).

The measurement of performance is conceptualized in terms of internal processes, state of the art education and consumer services (Mbithi, K'Obonyo & Munyoki 2016). Muraguri, Kimencu and Thuo (2016) used levels in student enrolment, academic programmes introduced in the university, and the available teaching resources to measure performance. Muthimi, Kilika and Kinyua (2021) measured university performance through indicators such as corporate social responsibility, content relevance of teaching and academic audits to measure outcomes. Performance in the current study was measured using number of student enrolment; academic performance; number of new academic programs; academic audits including the number of complaints on missing marks, Program completion rate and the education quality; and financial viability since they are the most appropriate.

Organization uses operations redesign restructuring as a tactic to reorganize their activities in an effort to improve performance (Cascio, Chatrath, & Christie-David, 2021). In order to improve organizational performance, King, Bauer, and Schriber (2018) state that it entails restructuring an organization's operations, strategic focus, and organizational structures. Furthermore, according to Davidson (2011), operation re-design restructuring will entail removing redundancy, adopting automation technology, and simplifying routine processes. Operations re-design strategy was defined by Shurie, Kilika, and Muchemi (2022) as job restructuring, functional analysis, structural change, and operation review. Given this, the purpose of this study was to examine how Kenyan public universities' performance is affected by operations redesign and restructuring.

Reducing an organization's ineffective divisions or staff is known as downsizing restructuring (Emmanuel, Ayuba & Tanimu, 2018). According to Kauppila and Tempelaar (2016), downsizing restructuring is a tactic used by businesses to operate on a strict budget where costs are reduced to a manageable level. According to Wibowo, Ekananda, and Putri (2020), downsizing restructuring entails reducing employee benefits, job sharing, merging roles and responsibilities, and closing down ineffective departments. According to Kinyua and Kihara (2021),

downsizing restructuring involves combining departments and laying off current employees in order to reduce the number of departments.
Governance reform restructuring, according to Waema and Mbithi (2016), is a tactic wherein the organization's top management team decides how to run it with the goal of increasing its effectiveness. According to Cahyana, Tanjung, and Syahwani (2023), governance reform restructuring is the process of changing an organization's top management group because they make all of the decisions for the company. In a similar vein, Airo (2019) described governance reform restructuring as the steps an organization takes to guarantee that its top management team has been redesigned. According to Kinyua and Kihara (2021), governance reform restructuring includes a review of top management compensation, a change in the top management's tenure, and a change in the top management's composition.

Whereas it is possible for an organization to intensify its performance in a volatile market when it is able to quickly spot and seize opportunities, it is imperative to note that an organization needs agility to respond quickly especially when business environment changes rapidly (Lee, Lee, Kim, & Lee, 2017). Agile organizations are considered as those capable of anticipating probable changes and recognizing shifts in the market environment and structuring strategies accordingly to improve performance (Schirrmacher, & Schoop, 2018). An agile organization restructures its strategies to be flexible so that it easily adapts to the prevailing deviations in the market environment within such specified time while taking cognizant of the regulatory framework in its operating environment (Žitkienė, & Deksnys, 2018).

Different researchers have defined organizational agility differently. For instance Shami and Nastiezaie (2019) defined organizational agility as the skill of an institution to successfully adjust to and promptly retort to the prevailing market environment. A company's organizational agility normally reflects the way an organization configures and utilizes the resources of the organization in such a manner to effectively adhere to the environment in which it operates (Clauss, Kraus, Kallinger, Bican, Brem, & Kailer, 2021). Organizational flexibility can be described as the manner in which an organization can continuously adapt in the market environment where changes are turbulent (Del Giudice, Scuotto, Papa, Tarba, Bresciani, & Warkentin, 2021). In addition to changes in the environment, an organization's adaptability can help to counter the decline in quality and lead to future preparedness (Sharma, Gautam, & Chaudhary, 2020). Adaptability and responsiveness to changing environments are key aspects of organizational agility (Cakmak, 2023). There is a need for organizations to be in a position to swiftly react to these changes and remain agile in an ever-changing environment (Darvishmotevali & Tajeddini, 2019).

Public organizations are increasingly pushed to improve their agility and efficiency in a dynamic environment (Ghanizadeh & Yazdi, 2022). Farzaneh, Ghasemzadeh, Nazari and Mehralian (2020) have drawn practitioners' attention to organizational agility, which assists organizations in taking advantage of opportunities as they arise. Similarly, organizational agility requires organization’s restructured strategies to show fast adaptation in a volatile market environment in such a way to effectively and efficiently respond to market demands and expectations (Puriwat, & Hoonsopon, 2021). An agile organization has the flexibility and haste to restructuring its strategies in-order to align them to the prevailing environment for improved performance (Darvishmotevali, Altinay, & Köseoglu, 2020). Organizations that ought to remain in operation must build agility and resilience in order to excel in turbulent environments. To enhance agility, organizations have to restructure their strategies (Shajrawi & Aburub, 2022).

In Nafei, (2016) as well as Al-Azzam, Khaddam and Irtaimeh (2017), organizational agility was used as a mediating variable as an indicator for decision making agility, sensing agility, strategic sensitivity, unity in leadership and resource availability. Kinyua, Kiiru and Muchemi (2022) used organizational1agility1as1a mediating variables and measured it in terms of resource fluidity, decision-making agility and sensing agility. Study by Ghanizadeh, (2022) used organizational agility as a mediating variable whose indicators were flexibility, adaptability and efficiency. The organizational agility variable was operationalized by Gyemang and Emeagwali (2020) as efficiency, competency, and flexibility. Menon and Suresh (2021) conceptualized the mediating variable, organizational agility, as sensing agility and acting agility. In the current study, organizational agility was considered as the mediating variable and was operationalized as decision-making agility, sensing agility and acting agility.

1.1 Research Objectives

This study followed the following objectives:

i. To establish the effect of operations redesign restructuring on the performance of selected public universities in Kenya.
ii. To determine the effect of downsizing restructuring on the performance of selected public universities in Kenya.
iii. To establish the effect of governance reform restructuring on the performance of selected public universities in Kenya.
iv. To investigate the mediating effect of organizational agility on the relationship between restructuring strategies and performance of selected public universities in Kenya.

2. Literature Review

The applicable theoretical literature was carefully reviewed to present the arguments that underpin the research. Particularly the balanced scorecard model, dynamic capacities, and contingency theory were examined.

2.1 Theoretical Literature Review

2.1.1 Balance Scorecard Model

The proponents of the model were Kaplan and Norton in 1992. Harvard Business Review paper of 1992 by Kaplan and Norton on an organization's financial and non-financial dimensions of performance was the basis for balanced scorecard model. This model was destined to address several weaknesses noted in the use of only financial measures to measure organizational performance (Kaplan & Norton, 2008; Jassem, Zakaria, & Che-Azmi, 2022). Financial measures single handedly is incapable of offering incentives to organization's success because of their laser like focus on ancient facts that lack the current picture of the present1and1future operating conditions of1the1organization1in1the1prevailing business environment (Kaplan & Norton, 2007). Overtime financial measures alone became obsolete and thus combination of both financial and nonfinancial measures was considered necessary for the sustenance and excellence of an organization and for this case, the balanced scorecard was established (Mio, Costantini, & Panfilo 2022).

Oyewo, Moses, and Erin (2022) believed that the balance scorecard approach would provide both internal and external feedback, allowing the firm to enhance its performance. According to Kaplan and Norton (2004), Kotane and Kuzmina-Merlino (2015), and Lueg and Vu (2015), organizations that only use financial metrics to evaluate their performance do not evaluate it in the fullest sense, as opposed to organizations that use both monetary and non-monetary metrics to appraise performance now and in the future. Financial indicators are best adapted to evaluate performance in the industrial age, but they cannot be utilized to assess value-generation mechanisms in current business organizations (Tawse, & Tabesh, 2023; Agarwal, Kant, & Shankar 2022).

In today's modern business, management actions as part of intangible resources account for performance, but financial indicators cannot account for management actions in the organization, according to (Camilleri, 2021). Many people agree that a balanced scorecard model is an effective means of connecting performance metrics to organizational goals (Rahayu, Yudi, Rahayu, & Luthfi 2023). Using a balanced scorecard that combines both financial and nonfinancial metrics, organizational performance was evaluated. A balanced scorecard is used to assess an organization's performance based on its internal metrics, learning metrics, and customer and financial metrics (Kaplan & Norton, 1996a).

2.1.2 Dynamic Capabilities Theory

The dynamic capability model was propounded in 1997 by Teece, Pisano, and Shuen. They asserted that the resource-based perspective was thought to be improved by dynamic capabilities. In order to combat the constantly shifting market environment, the Dynamic Capability Theory was proposed as a theory that addresses the shortcomings of RBV theory (Cannas, 2023). Dynamic capability may be impacted by the integration of organizational processes, resources, and pathways (Teece & Pisano, 1994; Teece, Pisano & Shuen, 1997). If distinctive, resources like technical expertise and organizational skill place the business in a long-term, sustainable position (Pisano, 2017).

Businesses should be able to learn and adapt to new information that can be added to their knowledge base and used to direct their actions in order to survive in a business environment that is continuously changing, according to (Canhoto, Quinton, Pera, Molinillo, & Simkin 2021). Understanding which strategy to restructure and when to do so is therefore a crucial dynamic capability that aids the organization in gaining and retaining a competitive edge and, consequently, enhances organizational performance (Coskun, 2022). Restructuring strategies, according to Maphalla (2020), are an organization's capacity to efficiently combine resources in a unique way to attain performance.

Al-Dhaheri, Ahmad, Abu Bakar, and Papastathopoulos (2023) claim that dynamic capabilities enable organizational dimensions to consciously rearrange their structures in the framework of strategy restructuring, as well as to integrate and shape their internal and external resources in order to react swiftly and efficiently to changes in the business environment. According to Haarhaus and Liening (2020), restructuring strategies also allow the organization to recognize, integrate, and use new knowledge, which effectively and efficiently shapes the organization in the constantly shifting business environment. The theory lacks operational legitimacy because it is abstract and the underlying operational processes are hard to measure empirically (Zahoor, Golgeci, Haapanen, Ali, & Arslan, 2022). Dynamic capabilities theory served as the theoretical foundation for the study's restructuring strategies (operations redesign, downsizing and governance reform restructuring), which were employed as the independent variable.

2.1.3 Contingency Theory

In the 1950s, Ohio State University studies inspired the contingency theory and was later advanced by Fred Fielder in 1958. Fiedler and Chemers (1974) denoted, the prevailing structures in the organization are reliant on the micro and macro environment where by an organization is seen as a rational organization with the capability of bringing about transformational changes within itself in order to respond to the prevailing environment. According to Kiilu, Machuki and Aosa (2023), the theory postulates that there is no standard and appropriate approach for all kinds of organizations to make choices on the strategies to restructure instead they should study the prevailing conditions in the environment so as to restructure strategies which will propel the organization to realize satisfactory success. Tarba, Frynas, Liu, Wood, Sarala and Fainshmidt (2023) denoted, the contingency perspective emphasizes agile organizations posing superior probability of responding to external demands from the environment in a flexible and efficient manner for this determines the future of the organization.

Organizational agility is required in turbulent business environments to enable the organization to achieve flexibility and efficiency in the organization (Patanakul, 2023). Motwani and Katatria (2024) postulate organizational agility requires keeping open options in the organization throughout, embracing redundancy every time in the organization and maintaining a stable state which is favorable for radical transformation in the organization. According to Pacheco-Cubillos, Boria-Reverter, and Gil-Lafuente (2024), contingency theory gives the researcher the lens to study the existing strategies, scan the environment then restructure so as to flexibly respond to the prevailing environment.

The view of Magistretti and Trabucchi (2024) is that, generally, success of an organization depends on it fitting into the environment. Abba, Yahaya and Suleiman (2018) argued that the optimal strategy for restructuring strategy depends on both the micro and macro circumstances of the organization. The theory of contingency advocated continuous environment scanning by organizations (Arokodare & Falana 2021). According to Kristensen and Shafiee (2019), contingency theory proposes that, generally organizations align their structures, internal processes and strategies, with the prevailing external environment in order to attain strategic fit which enhances performance.

An organization that adjusts to its environment will be more successful than the one that does not (Bai, Govindan, & Huo 2023) but the theory fails to outline clearly how to present a perfect relationship that matches the strategies in the organization and the prevailing situation which will allow compatibility of environment and an organization that present an improved outcome (McAdam, Miller & McSorley 2019). The theory was appropriate to this study since it helped demonstrate how organizations flexibly restructure strategies based on their ability to sense, make decisions and act in relation to the prevailing business environment so as to advance performance.

2.2 Empirical Literature Review

2.2.1 Operations Redesign Strategy and Performance of Selected Public Universities

Chege, Gachuru and Njau (2022) studied demerger strategy as an operation redesign restructuring on performance of state department for trade and enterprise development in Kenya. Data was collected from 146 employees in the study area. The study used descriptive survey. According to the results of the linear regression study, the operation redesign restructuring did have a substantial and positive link with performance. The study used a trade department and the findings may not be used to represent the education sector whose environment is distinct.

A study by Duong and Nguyen (2021), using information from the audited financial statements of 30 Vietnamese commercial banks from 2007 to 2019, investigated the effect of operations redesign restructuring on the financial performance of commercial banks trading on HOSE and HNX in Vietnam. The estimated techniques utilized to improve the study's regression coefficient's accuracy include pooled least squares, fixed effects model, random effects model, and system generalized moment regression model. The study's findings indicate that operations redesign restructuring impacted financial performance positively. The study used secondary data recorded from 2007 – 2019 whose findings may not relate to the current trend in the education sector. The current study used primary data which reflects the current trend in the universities.

Ugalde-Vasquez, & Naranjo-Gil (2020) carried out a study to determine how redesigning operations in the accounting systems would affect the performance of the organization. The study collected information from the management teams of fifty businesses in the Republic of Ecuador's industrial sector. The partial least squares method of data analysis revealed that organizational performance is positively impacted by operations redesign restructuring. Aside from the inherent contextual gap, the researcher neglected to verify important hypotheses of the empirical model that was applied to the statistical analysis in this investigation.

Akumu (2018) study looked in to operation redesign as a restructuring strategy on the performance of Kenya National Audit Office. RBV, diffusion of innovation, dynamic capability, and expectation theories served as the study's pillars. The study resulted in descriptive research design. A stratified random sample of 157 employees at the headquarters, structured questionnaires were used to collect data. Process redesign restructuring strategies and performance were significantly correlated, according to the study findings. The study focused on a single restructuring strategy but this study focused on a number of restructuring strategies, including redesigning operations, downsizing, and governance reform making it difficult to generalize the finds with the university performance.

Emmanuel, Ayuba and Tanimu (2018) carried out a study on operation redesign restructuring on the performances of 24 Nigerian consolidated deposit money banks between 2002 and 2017. The aim of the study was to evaluate the potential impact of merger and acquisition strategies on the corporate survival of banks and investigate the potential for profit enhancement. data was gathered from the bank's published financial statements, between 2005 and 2017. Secondary data was analyzed using the ordinary least squares approach, and the results revealed, there is a statistically significant association between merger and acquisition and the performance of the chosen variables. The study used ordinary least squares where outliers and significant observations might cause t to become skewed and lose accuracy in its estimations. The current study used descriptive and inferential statistics.

Research Hypothesis:
H_{01}: Operations redesign restructuring strategy has no significant effect on performance of selected public universities in Kenya.
2.2.2 Downsizing Restructuring and Performance of Selected Public Universities

McLachlan, (2022). carried out a study on the effect of downsizing strategy in an organization. The study reviewed 44 empirical articles and employed thematic analysis with the aim of finding out how organizations can implement the downsizing restructuring strategy while applying the best fit practice. The study concluded, restructuring techniques that involve downsizing had a positive impact on the performance of the organizations under study in the chosen context yet the downsizing strategies had a comparatively greater impact on performance than revenue-generating strategies. The study used empirical literature whereby it used conclusions from other researchers to draw inferences but the current study collected and analyzed its own data in order to draw conclusions.

Kinyua and Kihara (2021) examined downsizing strategies in Kenya's media industry performance. 131 managers from Royal Media Services, Nation Media Group and Standard Group Limited were randomly selected to complete a questionnaire for data collection. The study used Pearson's correlation analysis to analyze data. The outcome indicated, process centralization, cost restructuring, downsizing and governance reformation had significant effect on the performances of media firms. Researchers used Pearson correlation, a method lacking statistical rigor, to assess restructuring strategies' effects on performance lacking the adequacy to explain the effect of restructuring strategies assumed in the study. The current study used descriptive and inferential statistics to analyze data so as to adequately explain the effect of downsizing restructuring strategy on performance.

A study by Saisi and Kariuki (2020) on downsizing restructuring effect on performance of medical research centers in Kenya. Descriptive research design was espoused. During the study, 272 staff members of the centers participated. Observable logical survey was conducted when collecting the study data. Observations as well as assumptions gathered from the research of earlier researchers were used when gathering information on the organization's performance. Study findings showed that downsizing strategy improves performance of the medical research centers in the long run. Data collected through observable survey methods may be biased because it's subjective and the findings may not be used to draw inferences in studies on performance of public universities. Current study used semi-structured questionnaire to collect data and analyzed the data to get objective results.

Ingow and Opuodho (2019) carried out a study aiming at finding out the effect of downsizing strategies on selected Kenyan cooperative societies. The study espoused on descriptive research design. Questionnaire which was structured was run on 35 manager employees who were randomly selected to be the respondents. Using the financial statements of the cooperative saving and credit society, secondary data was collected. The data was analyzed by descriptive statistics and correlations. A positive effect was found on performance from applying downsizing strategies. The study did not incorporate merging of roles and eliminating programs in the downsizing restructuring which the current study sought to address.
Research Hypothesis:
H_{02}: Downsizing restructuring strategy has no significant effect on performance of selected public universities in Kenya.

2.2.3 Governance Reform Restructuring and Performance of Selected Public Universities

Schulmann, Bruen, Parker, Siersbaek, Conghail, and Burke (2024) investigated on the effect governance restructuring has on reforms in the health system in Ireland. The case study was on all the five new health regions, in Ireland, in the period between 2018–2023. Qualitative data was utilized in the study. Thematic analysis methodology was employed to analyze the interviews. The findings reported CEO duality and board independence were found not to favour firms' performance however, size of the board favored performance in the organization. The study resulted into qualitative data which has the tendency of being biased and subjective but the current study resulted into quantitative data so as to provide objective results.

Sarpong, Gyimah, Afriyie and Asiamah (2018) investigated on how governance reform strategy affects performance of listed manufacturing organizations based in Ghana during the period 2009-2013. The study used panel data analysis and the findings revealed both board independence and gender diversity negatively influenced the returns of the firm's assets as well as return on equity, whereas the size of the board had no significant impact on the organization. The study portrays contextual gap in that, current study looked into Kenya's higher education sector as opposed to Ghana manufacturing sector.

Fauver, Hung, Li and Taboada (2017) intended to find out governance reform strategy effect on value of organizations in 41 selected countries. Resulted in difference-in-differences research design so as to compare outcomes overtime. Firm value is increased by governance reforms, according to the findings. Valuation increases are driven by reforms involving the independence of board of directors of an organization as well as the audit committee, but not by reforms that separate the officer positions of chairman and chief executive officer. The study used difference-in-differences research design while the current study applied quantitative research design.

Udeh, Abiahu, and Tambou (2017) study on how selected Nigerian banks' performance was impacted by governance reforms between 2003 and 2014. A total of 7 banks were selected for the study using a judgmental sampling technique. The study used secondary data. Data was analyzed using ordinary least squares regression analysis. By measuring return on capital employed by banks, the findings found that board composition did not influence their financial performance. Researcher focused on a single governance reform aspect of restructuring strategies and in addition the study focused entirely on financial performance without incorporating nonfinancial aspects but the current study incorporated several aspects of governance reform restructuring such as reviewing compensation and effective resource allocation.
Research Hypothesis:
H_{03}: Governance reform restructuring strategy has no significant effect on performance of selected public universities in Kenya.

2.2.4 Restructuring Strategies, Organizational Agility and University Performance

A sampling of the vast organizational agility literature provides a foundation from which this study has been developed. Among the contributors is a study by Usman (2023) that looked into the connection between SMEs' performance and organizational agility in Nigeria's Bauchi state. While organizational agility was viewed as the independent variable, resource fluidity, leadership, and information technology adoption were its dimensions. The study adopted the cross-sectional survey. 159 respondents were drawn from all the 364 SMEDAN registered SMEs, who participated in the study. The findings reported organizational agility positively impacted performance of the SMEDAN registered SMEs.

Gyemang and Emeagwali (2020) to investigate the impact of dynamic capabilities, innovation, knowledge management, and organizational agility on competitive performance in the telecommunications industry in Nigeria. Data was gathered from 341 management personnel working at 70 telecommunications companies, who agreed to take part in the research, using semi structured questionnaire. Partial Least Square approach of Structural Equation Model was used to test hypotheses. From the primary data collected and analyzed, organizational agility was found to partially mediate the link between competitive strategies and performance.

A study by Elgamal (2018) investigated how empowerment, resilience, and organizational agility all affect the health of selected Kuwait organizations. Data was collected in Kuwait on 177 professionals and human resources staff who were selected purposively from 19 financial organizations, administered with semi-structured questionnaires. Multiple regression analysis revealed that flexibility, agility, and enablement all have a joint effect on organization performance. It revealed that, organizations embracing organizational agility can reenergize themselves, adapt quickly to changing environments, and thrive in a turbulent and rapidly changing environment.

Similarly, a study by Lee, Lee, Kim and Lee (2017) in Korea revealed that organizational agility is of great significance to the connection between management control systems as well as performance and the present study will use organizational agility to mediate restructuring strategy and performance and observe if there will be any mediating effect. A structured questionnaire was administered to 185 senior managers' at large Korean and Japanese manufacturing companies for the purpose of collecting survey data. Using partial least squares, data was analyzed. According to the findings, Korean companies are more influenced by organizational agility than Japanese companies when it comes to managerial control systems.

In study titled 'Organizational Flexibility and Performance of an Organization in Pharmaceutical industry in Egypt', Nafei, (2016) evaluated the effects of flexibility in the organization on performance of the organization. Organizational agility had partial mediating effect and the current study wishes to observe if organizational agility as the mediator has any mediating effect. To mine data, a questionnaire which was structured was presented to 356 employees who were randomly selected. Multiple regression analyzed the data and the outcome pointed to organizational agility significantly impacting organizational performance.

Research Hypothesis:

***H$_{04}$**: Organizational Agility has no mediating effect on the relationship between restructuring strategies and performance of selected public universities in Kenya.*

2.3 Conceptual Framework

The conceptual framework in figure 1 illustrates how the research variables interact, drawing from the theoretical and empirical literature review that came before it.

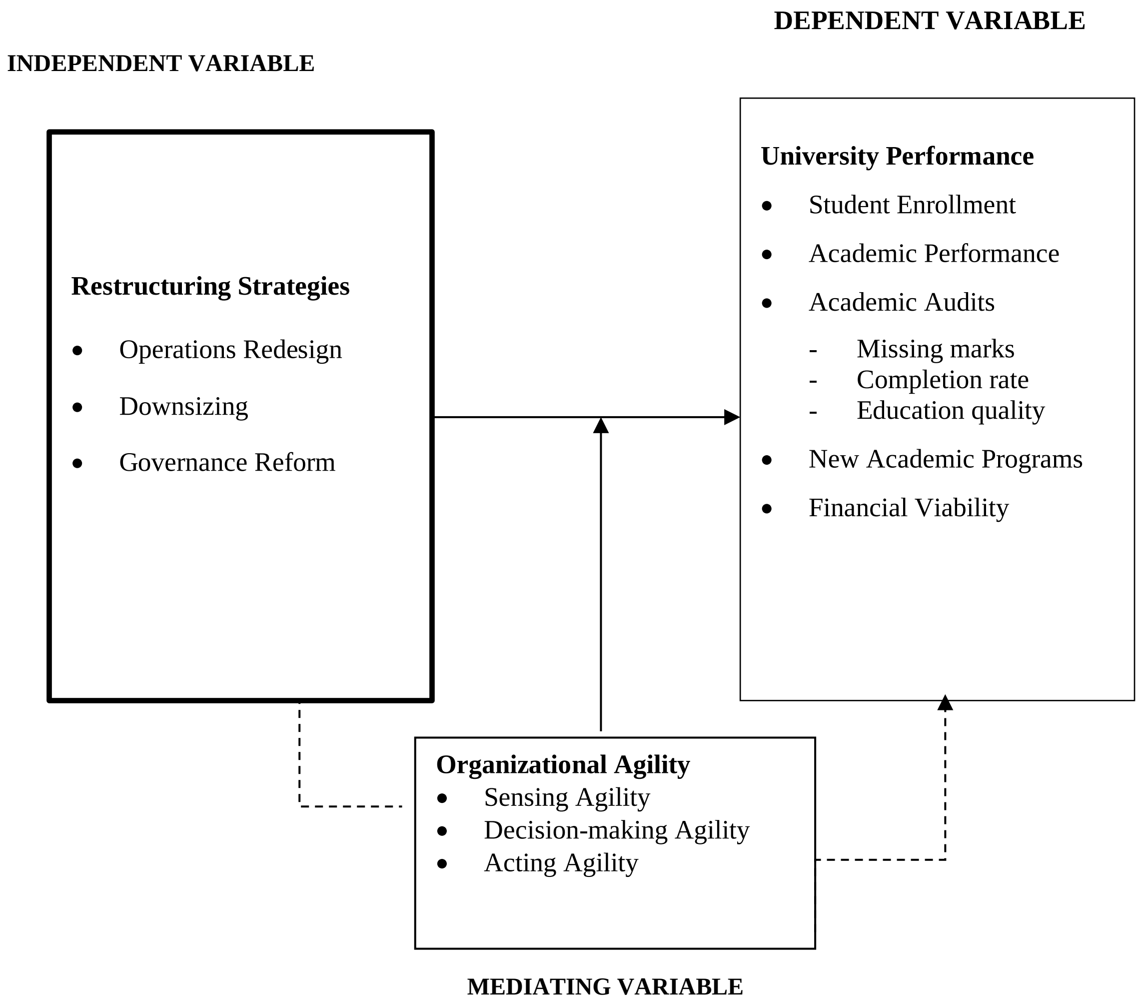

Figure 1: Conceptual Framework

The conceptual framework outlines the mediating effect of organizational agility on the relationship between restructuring strategies and performance of selected public universities in Kenya. In Figure 1, restructuring strategies are denoted as being operations redesign restructuring, downsizing restructuring, and governance reform restructuring; mediating variable organizational agility denoted by sensing agility, decision-making agility, and acting agility; while university performance is operationalized as student enrolment, academic performance, academic audit (such as missing marks, completion rate and education quality), new academic programs and financial viability.

3. Research Methodology

The present study was inspired by positivist research philosophy, which presupposes that the research will not be inferred from subjective viewpoints and that the events being studied will not be altered to fit a particular story (Coopers & Schindler, 2014). According to Saunders, Lewis, and Thornhill (2007), knowledge is only valuable if it is supported by data gathered from firsthand observations and experiences and subsequently put to the test empirically. The study employed an explanatory research design as suggested by Grey (2014) to ensure that the empirical data collected during the research process appropriately addressed the research problem by testing the proposed relationships

According to CUE (2022), 31 public universities in Kenya were granted charters between 2013 and 2017. Only 22 of them received charters in 2013, and they were chosen to participate in this study because they had all experienced restructuring and had been operating in the same location for the same length of time. Public universities were chosen for this study as a result of public outcry over their performance. Respondents to the study included the chief financial officer, two registrars, two deputy chancellors, and university vice chancellors. Middle and lower-level management was represented by deans, directors, and chairpersons, respectively. Data was analyzed using multiple regression analysis.

The validity and reliability of the semi-structured questionnaire that was used to collect the data were assured. The following research question was addressed by the study; Do restructuring strategies and organizational agility affect the performance of selected public universities in Kenya? The researcher used a causal steps approach, which determines mediation using four steps as suggested by Baron and Kenny 1986.

4. Results and Discussion

Findings from the analysis are presented in this section. This study utilized multiple regression model analysis to empirically test the hypotheses formulated for this study.

4.1 Test of Hypotheses

Table 1: Multiple Regression for Direct Relationship

Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**		
`	.863[a]	0.744	0.742	0.09534		
ANOVA						
Model		**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
1	Regression	8.925	3	2.975	327.291	.000[b]
	Residual	3.063	337	0.009		
	Total	11.988	340			
Coefficients						
Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**
		B	Std. Error	Beta		

1	(Constant)	1.566	0.086		18.286	0.000
	Operations Redesign Restructuring	0.156	0.027	0.196	5.798	0.000
	Downsizing Restructuring	1.54	0.102	1.576	15.088	0.000
	Governance Reform Restructuring	-0.888	0.095	-0.928	-9.355	0.000

a. Dependent Variable: University Performance
b. Predictors: (constant), Operations Redesign Restructuring, Downsizing Restructuring, Governance Reform Restructuring

Source: Survey Data, (2024)

Regression results in Table 1 indicate that the adjusted R Square was 0.742. This means that the independent variables (operations redesign restructuring, downsizing restructuring, and governance reform restructuring) jointly explain 74.2% of the changes in the performance of selected public universities. Conversely, variables outside the purview of this study account for 25.8% of performance of selected public universities in Kenya. The F-statistic was F (3, 337) = 327.291 with a p-value of 0.000, which means that the regression model was statistically significant at the 0.05 level of significance. This indicates that the model provides a good fit for the data and that the independent variables are significant predictors of performance of selected public universities.

The estimated regression model for the direct relationship was:
University Performance=1.566+0.156(Operations Redesign Restructuring) +1.540(Downsizing Restructuring) −0.888(Governance Reform Restructuring) …. Model 1

These results suggest that operations redesign restructuring and downsizing restructuring have a positive and significant effect on performance of the selected public universities, while governance reform restructuring has a negative and significant effect on performance of the selected public universities.

The initial objective of this investigation was to find out the effect of operations redesign restructuring on performance of selected public universities in Kenya and the null hypothesis was *H_{01}: Operations redesign restructuring has no significant effect on performance of selected public universities in Kenya*.
The regression model in Table 1 demonstrates that the effect of operations redesign restructuring is statistically significant, with a coefficient (β) of 0.156, a t-value of 5.798, and a p-value of 0.000 which is below 0.05. The conclusion therefore follows, rejects the null hypothesis and thus, it may be concluded that, with a 95% degree of confidence, operations redesign restructuring improves the performance of selected public universities in Kenya. Remarkably, a 0.156 improvement in performance is obtained with every unit increase in operations redesign restructuring.

The second objective was to determine the effect of downsizing restructuring on the performance of the selected public universities in Kenya, whose hypothesis was *H_{02}; Downsizing restructuring has no significant effect on performance of selected public universities in Kenya*. The study found that downsizing restructuring significantly improves the performance of selected Kenyan public universities, with a unit change in downsizing resulting in a 1.540 increase in performance, as indicated by the statistically significant regression results (β = 1.540, p = 0.000). The results indicate p- value is 0.000 which is below 0.05, replying lack of sufficient statistical evidence to fail to reject the null hypothesis, downsizing restructuring has no significant effect on performance of selected public universities in Kenya, and therefore its concluded, with a 95% degree of confidence, downsizing restructuring improves the performance of selected public universities in Kenya.

The 3rd specific objective was to establish the effect of governance reform restructuring on performance of selected public universities in Kenya whose Hypothesis was *H_{03}; Governance reform restructuring has no significant effect on performance of selected public universities in Kenya*. The study found that governance reform restructuring negatively impacts the performance of selected public universities in Kenya. A unit change in governance reform results in a 0.888 decrease in performance, as shown by the statistically significant regression results (β = -0.888, p = 0.000). The p values of 0.000 which is less than 0.05 denotes lack of sufficient statistical evidence to fail to reject the null hypothesis, Governance reform restructuring has no significant effect on performance of selected public universities in Kenya and therefore concludes that governance reform restructuring negatively affects performance of selected public universities.

The fourth objective of the study was to establish the mediating effect of organizational agility on the relationship between restructuring strategies and the performance of Kenyan public universities while the hypothesis was H_{04}: *Organizational agility has no mediating effect on the relationship between restructuring strategies and performance of selected public universities in Kenya*. The study used path analysis involving four steps as recommended by Baron and Kenny (1986). The first step was regressing restructuring strategies on university performance to check for a significant relationship as shown in Table 2.

Table 2: Regression Results for Restructuring Strategies on University Performance

Model Summary						
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**		
1	.791a	0.626	0.625	0.11502		
ANOVAa						
Model		**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
1	Regression	7.503	1	7.503	567.121	.000b
	Residual	4.485	339	0.013		
	Total	11.988	340			
Coefficients						
Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**
		B	**Std. Error**	**Beta**		
1	(Constant)	1.541	0.103		14.928	0.000
	Restructuring Strategies	0.816	0.034	0.791	23.814	0.000

a. Dependent Variable: University Performance
b. Predictors: (constant), Restructuring Strategies

Table 2 indicates that the adjusted R square was 0.625, meaning restructuring strategies explain 62.5 percent of the variation in performance of selected public universities. The regression model was revealed to be statistically significant at F(1, 339) = 567.121, with a calculated probability of 0.000, indicating that the regression model fitted the data well. Since the calculated probability value was below 0.05, it can be concluded that the data is ideal for making inferences and conclusions. The summary for model 1 is:

University Performance = 1.541 + 0.816 Restructuring Strategies………………….. Model 1

The estimated regression model clearly indicated that restructuring strategies were statistically significant at β = 0.816, t = 23.814, p = 0.000. This means that there is a significant relationship that can be mediated between restructuring strategies and performance of selected public universities. Additionally, the model translates that if restructuring strategies remained constant at zero, performance of the selected public universities would be 1.541, and a unit change in restructuring strategies would affect the university performance by 0.816. Next, the second step involves regressing restructuring strategies on organizational agility as shown in Table 3

Table 3: Regression Results for Restructuring Strategies on Organizational Agility

Model Summary						
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**		
1	.800[a]	0.64	0.639	0.1116		
ANOVA						
Model		**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
1	Regression	7.492	1	7.492	601.553	.000b
	Residual	4.222	339	0.012		
	Total	11.714	340			
Coefficients						
Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**
		B	**Std. Error**	**Beta**		
1	(Constant)	0.559	0.1		5.579	0.000
	Restructuring Strategies	0.815	0.033	0.8	24.527	0.000

a. Dependent Variable: Organizational Agility
b. Predictors: (Constant), Restructuring Strategies

Results from Table 3 show that the adjusted R square was 0.639, translating to 63.9 percent of the changes in organizational agility being explained by restructuring strategies at a 95 percent level of significance among the selected public universities in Kenya. The estimated regression model was found to be statistically significant as revealed by F statistics (1, 339) = 601.553 at a calculated probability of 0.000, which is below the threshold of 0.05. The summary for model 2 was:

Organizational Agility = 0.559 + 0.815 Restructuring Strategies……………………Model 2

The estimated regression model revealed that restructuring strategies were statistically significant at $\beta = 0.815$, $t = 24.527$, $p = 0.000$. The model indicates that when restructuring strategies remain constant at zero, organizational agility would be 0.559, and a unit change in restructuring strategies would affect organizational agility by 0.815. The third step involves regressing organizational agility on performance of selected public universities as shown in Table 4

Table 4: Regression Results for Organizational Agility on University Performance

Model Summary						
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**		
1	.761[a]	0.579	0.578	0.12195		
ANOVA						
Model		**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
1	Regression	6.946	1	6.946	467.045	.000[b]
	Residual	5.042	339	0.015		
	Total	11.988	340			
Coefficients						
Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**
		B	**Std. Error**	**Beta**		

1	(Constant)	1.676	0.107		15.596	0.000
	Organizational Agility	0.77	0.036	0.761	21.611	0.000

a. Dependent Variable: University Performance
b. Predictors: (Constant), Organizational Agility

Results from Table 4 showed that the adjusted R square was 0.578, translating to 57.8 percent of the changes in performance of the selected public universities being explained by organizational agility at a 95 percent level of significance among the selected public universities in Kenya. The estimated regression model was found to be statistically significant as revealed by F statistics (1, 339) = 467.045 at a calculated probability of 0.000, which is below the threshold of 0.05. The summary for model 3 was:

University Performance = 1.676 + 0.77 Organizational Agility……………………….Model 3

The estimated regression model revealed that organizational agility was statistically significant at $\beta = 0.77$, $t = 21.611$, $p = 0.000$. The model indicates that when organizational agility remains constant at zero, university performance would be 1.676, and a unit change in organizational agility would affect university performance by 0.77. The final step is to regress both restructuring strategies and organizational agility on university performance as shown in Table 5:

Table 5: Regression Results for Restructuring Strategies and Organizational Agility on University Performance

Model Summary						
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**		
1	.820[a]	0.672	0.670	0.10791		
ANOVA						
Model		**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
1	Regression	8.053	2	4.026	345.773	.000[b]
	Residual	3.936	338	0.012		
	Total	11.988	340			
Coefficients						
Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**
		B	**Std. Error**	**Beta**		
1	(Constant)	1.339	0.101		13.237	0.000
	Organizational Agility	0.361	0.053	0.357	6.868	0.000
	Restructuring Strategies	0.522	0.054	0.506	9.747	0.000

a. Dependent Variable: University Performance
b. Predictors: (Constant), Restructuring Strategies, Organizational Agility

Results from Table 5 indicated that the adjusted R square was 0.670, meaning that 67.0 percent of the variation in performance of selected public universities can be explained by restructuring strategies and organizational agility combined at a 95 percent level of significance. The model was statistically significant at F (2, 338) = 345.773 with a calculated probability of 0.000, which is below the threshold of 0.05. The summary for model 4 was:

University Performance = 1.339 + 0.361 Organizational Agility + 0.522 Restructuring Strategies………………………………………………………………………………… Model 4

The model indicated that both organizational agility and restructuring strategies are statistically significant at $\beta = 0.361$, $t = 6.868$, $p = 0.000$ and $\beta = 0.522$, $t = 9.747$, $p = 0.000$ respectively. Performance of the selected public universities would be 1.339 if both organizational agility and restructuring strategies were zero. It was concluded that both organizational agility and restructuring strategies have a positive relationship with university performance. The study found that organizational agility partially mediates the relationship between restructuring strategies and university performance. This is indicated by a significant reduction in the effect size from 0.816 (total effect) to 0.522 (direct effect) after accounting for organizational agility, confirming partial mediation.

Table 6: Decision Criteria for Mediation

Model	R Square	β_1	p	Conclusion
Model 1	0.626	0.816	0.000	There was an overall relationship to be mediated
Model 2	0.64	0.815	0.000	-
Model 3	0.579	0.77	0.000	-
Model 4	0.672	β_1 = 0.522	0.000	β_2 = 0.361 (p = 0.000)
Test		$\beta_{21} - \beta_{51}$ = 0.816 - 0.522 = 0.294		β_1 in model 4 is less than β_1 in model 1
Conclusion				There was partial mediation

Table 6 confirms that the β_1 coefficient in model 2 is statistically significant, indicating there was a relationship that could be mediated. Further confirmation is provided by the statistically significant β_1 coefficients in models 2, 3, and 4 at the 95 percent confidence level. Additionally, the β_2 coefficient in model 4 was also noted to be statistically significant. Since the β_1 coefficient in model 4 is less than the β_1 coefficient in model 1, it can be concluded that organizational agility had a partial mediating effect on the relationship between restructuring strategies and performance of selected public universities, thus rejecting the null hypothesis.

The findings of this study align with previous research by Helfat and Winter (2011), who emphasized that organizational agility mediates the relationship between strategic initiatives and performance outcomes. Similarly, Adner and Helfat (2003), demonstrated that organizational agility significantly influences the success of restructuring strategies in dynamic environments suggesting that the ability of universities to adapt swiftly and effectively to environmental changes is critical for maximizing the benefits of restructuring strategies.

The results of this investigation support the theory of contingency where Fielder (1964) denoted, contingency theory asserts that an organization's internal structure is influenced by its surroundings and an organization's ideal form of organization depends on the environment it operates in. Agile organizations are more likely to react to environmental demands from the external environment (Helfat & Winter, 2011). This theory gives leaders the flexibility to react and make decisions based on outside data that helps to shape and steer the organization toward success (Abba, Yahaya & Suleiman, 2018).

Our results indicate that incorporating organizational agility into restructuring strategies enables universities to better navigate the complexities of their operational environments, leading to improved performance. In conclusion, the partial mediation effect of organizational agility underscores the necessity of developing and maintaining dynamic capabilities within universities to support and enhance the impact of restructuring strategies on performance. This finding contributes to the existing literature on contingency theory and organizational performance and provides practical insights for university administrators and policymakers aiming to enhance institutional performance through strategic restructuring initiatives.

5. Conclusion

This study investigated how operations redesign restructuring, downsizing restructuring, and governance reform affect the performance of selected public universities in Kenya and also sought to determine the mediating effect of organizational agility on the relationship between restructuring strategies and performance of selected public universities in Kenya. Restructuring strategies encompassed; operations redesign, downsizing and governance reform restructuring while organizational agility, encompassed agility in sensing, decision-making, and acting. Restructuring strategies, operations redesign, and downsizing significantly increased performance at the selected public universities. However, as a result of governance reform, performance at the selected public universities declined. Organizational agility was found to partially mediate the relationship between restructuring strategies and performance of selected public universities in Kenya. The findings suggest that agile institutions are better positioned to adapt to changes and implement restructuring strategies effectively, thereby enhancing overall performance. This underscores the importance of fostering organizational agility to maximize the benefits of restructuring efforts. Secondly, the introduction of organizational agility as a mediating variable, provides new insights into the dynamic capabilities that enable universities to respond effectively to restructuring efforts. By highlighting the role of agility, the study underscores the importance of adaptability and responsiveness in the context of organizational change, enriching the theoretical discourse on contingent valuations and their relevance in higher education institutions.

6. Recommendations

In order to improve performance in the chosen public universities, this study advises policymakers to concentrate on bolstering operations redesign and downsizing strategies. At the same time, they should carefully reevaluate the governance reform restructuring approach to lessen its negative effects. It also recommends that policy makers in public universities should embrace the inclusion of organizational agility having been found to be significant in mediating the relationship between restructuring strategies and performance of selected universities in Kenya. Additionally, universities should invest in developing capabilities like sensing agility, decision-making agility and acting agility, establishing mechanisms for quick identification and response to changes in the external environment so as to foster organizational agility.

7. Limitations and Future Research

This study focused on selected public universities in Kenya and therefore, although the results provide valuable lessons to the field, the private universities ought to draw inferences into the findings with caution. The study conceptualized the mediating variable as organizational agility, yet there are many other mediating indicators advanced by different scholars. Future research could therefore be directed towards discovering other mediating factors in order to enrich the empirical literature on the concept of performance.

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