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Organizational Structure and the Performance of State Corporations in Kenya

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Abstract: In the recent past, many state corporations in Kenya have been facing dismal performance trends, a situation that has derailed the sustainability of most of these crucial institutions. While some state corporations have been known to consistently perform well, others have been noted to perennially underperform, over rely on the exchequer, and lose viability in equal measure. Organizational structure is an essential element of any organization. Numerous studies conducted by scholars illustrate that, it is one of the most significant organizational elements in facilitating and increasing innovation, service delivery and performance in organizations. The role of organizational structure however has not been adequately addressed as far as performance of the state corporations is concerned and this study therefore sought to fill the existing gaps by assessing the relationship between organization structure and the performance of state corporations. The study purposed to establish the influence of organizational structure on the performance of state corporations in Kenya. The study reviewed organizational structure as the independent variable and performance of the state corporations as the dependent variable. The study performed a theoretical review of Contingency theory and the New Public Management (NPM) theory. This was followed by an empirical review in tandem with the purpose of this study. It provided a review of scholarly works done in the past identifying the studies, authors, areas of investigation and the findings reported. The study adopted a descriptive research design with an exploratory approach to collect data from 189 state corporations in Kenya. The unit of analysis was all the state corporations in Kenya while the unit of observation was the Heads of Human Resources in each corporation. The study used a sample of 96 state corporations and collected primary data using a self-administered questionnaire. Documentary review was also used to compliment the data collected. To get the most efficient representation of the population the study adopted stratified sampling and Cochran's (1977) formula was applied to calculate the sample size of 95 Heads of Human Resources departments. The data was analysed using descriptive and inferential statistics. SPSS Version 26 was used. The study concluded that organizational structure had a significant and positive influence on the performance of state corporations in Kenya and recommended that most state corporations should consider leveraging and optimizing key aspects of organizational structure such as concentration of authority degree of bureaucracy and the span of management ratio.

Keywords: Organizational Performance, Organizational Structure, State Corporations

1. Introduction

1.1. Background of the Study

Organizational structure is one of the most fundamental concept and an essential element of any organization. Numerous studies conducted by scholars illustrate that, it is one of the most significant organizational elements in facilitating and increasing the innovation, service delivery and performance in organizations. Appropriate organizational structure is a default for any organization success and development. Weak and inappropriate structure can cause the organization to deviate from its strategic goals, create conflict, prevent effective and efficient decisions, and escalation operational expenses and even cause organizational failure.

The definition of organizational structure varies from researcher to researcher. Armstrong [1] defines it as the manner in which duties and authority are allocated and work procedures are carried out, by employees in an organization.

It can be both formal and informal structures whereas [2] refers to organizational structure as the arrangement of hierarchical levels in an organization, the allocation of work roles and administrative mechanisms that allow organizations to conduct, coordinate, and control their work activities.

On the other hand, performance of an organization depicts efficiency and effectiveness of seizing and utilising opportunities to achieve organizational goals [3]. Highly performing organisations exhibit an instinct of recognizing business opportunities, agility in calculating opportunity risk and diligence in transforming the opportunity into successful businesses. Different measurements have been adopted by different researchers as a yard stick for measuring performance as performance varies according to numerous organizational elements, including strategy, structure, environment, organizational learning, and resources [4]. The term “performance” is generally defined as a measure of achievement for individuals, organization and processes [5]. Örtenblad defines it as analyzing an organization’s success against its aims and objectives, some of the measures of success can be categorised as either financial gains such as revenue or sales turnover or non-financial gains such as innovation, knowledge or increase in capability [6]. Herciu and Şerban state that it is the actual output or results of an organization which is measured by performance; in this case measured by profitability, service delivery and budgetary surpluses among others [7].

Though there is hardly a consensus about its definition, dimensionality and measurement, what limits advances in research and understanding of the performance there is however consensus that it is an intricate, multidimensional phenomenon in the scholarly literature, it is a relevant construct in strategic management research, frequently used as a dependent variable largely depending on how well an organization is structured [8].

1.2. Statement of the Problem

State Corporations are state owned entities established under the State Corporations Act, chapter 446 of the laws of Kenya. Ideally, they are formed to provide strategic and essential services to the Kenyan citizens such as electricity, railway transport and port services. They are partially or fully government owned or controlled entities. These entities are critical for promoting and accelerating national growth and development through creation of employment opportunities as well as social economic transformation in the form of delivery of strategic and essential services [9].

In the recent past, many state corporations in Kenya have been facing dismal performance trends, a situation that has derailed the sustainability of most of these crucial institutions. While some state corporations have been known to consistently perform well, others have been found to perennially underperform, over rely on the exchequer, and lose viability in equal measure [10]. Some of the state corporations that have or almost collapsed due to poor performance and the government had to intervene and bail out in the last couple of years include Agricultural Finance Corporation (AFC), Kenya Meat Commission (KMC), Kenya Cooperative Creameries (KCC), Mumias Sugar Company, Uchumi Supermarkets, Kenya Airways, Pan Paper Company, Kenya Broadcasting Corporation and the Athi River Cement among others.

Previous strategic reforms aimed at improving public sector performance have achieved negligible results [11]. While most of these corporations have gone for restructuring as a remedy to salvage their performance, their performance has continued to decline. The government has also taken steps to create monopolies such as Kenya Power and Lighting Co. Ltd (KPLC) the only supplier of electric power to homes and industries, but this has not improved performance.

Kenya's state corporations have become a liability to the government due to dismal performance hindering the realization of sustainable economic growth. Given that developing countries have limited resources available to them; they cannot afford to engage resources without well-defined strategies. This study therefore sought to assess the influence of organization structure on the performance of state corporations in Kenya.

1.3. Objective of the Study

The objective of the paper was to establish the influence of organizational structure on the performance of state corporations in Kenya.

1.4. Research Hypothesis

H_{a1}: Organizational structure has a significant influence on the performance of state corporations in Kenya.

2. Literature Review

2.1. Theoretical Framework

Nduati, Iravo and Ombui states that a theory is a set of interrelated concepts, definitions, and propositions that present a systematic view of phenomena by specifying relations among variable with the purpose of explaining or predicting the phenomena [12]. Given that theories are formulated to explain, predict and understand phenomena and in many cases, to challenge and extend existing knowledge within the limits of critical bounding assumptions this study leveraged on Contingency theory as well as the New Public Management theory.

2.1.1. Contingency Theory

Contingency theory is a class of behavioural theory and a major theoretical lens used to view organizations whose proponents are theorists Lawrence and Lorsch (1967). It claims that there is no best way to organize a corporation, lead a company, to make decisions or implement a strategy [13, 14]. This theory is sometimes referred to as ‘situational’, ‘circumstantial’ or ‘best fit’ theory of as there are no universal prescription of management policies and practices. This view therefore suggests that appropriate managerial action depends on the particular parameters of the situation as some parameters can be effective in some situations while it may not be successful in other situations. It is all contingent on a combination of the aspects such as organization's context, culture organizational structure, leadership, decision making style and its business strategy.

Luthans underscores that the theory assumes management effectiveness is contingent or is dependent upon the interplay between the application of managerial behaviours and specific situations [15]. In other words, the way you manage should change depending on the circumstances. It seeks to challenge the "one size does not fit all" approach to management. It further states that managers need to evaluate the contextual conditions to choose the appropriate organizational structure, strategy and design that achieve the organizational goals [16]. When managers make decisions, they must factor in all aspects of the current situation and act on those aspects that are crucial to the situation at hand.

2.1.2. New Public Management (NPM) Theory

The New Public Management theory was proposed by Hood (1991) in the 1980s and 1990s whilst arguing for the reconfiguration of the public sector along more cost efficient (and effective) lines. NPM theory asserts the superiority of private managerial techniques over those of public administration and has the assumption that the adoption of private sector practices would lead to improvements in the efficiency and effectiveness of public services. It further recommends that the public sector should be opened up to greater private sector influence.

The assumptions of NPM easily apply to issues of public financial management and its influence on service delivery and organizational performance. NPM perspectives emphasize compliance with ethics, transparency, equality, fairness, responsibility, accountability, prudence, participation, responsiveness to the necessities of the people and efficiency in the administration of public entities. Mongkol asserts that NPM reforms was aimed at improving the quality of public services, saving public expenditure, increasing the efficiency of governmental operations and making policy implementation more effective [22]. The belief that large and monopolistic public bureaucracies are inherently inefficient was a critical force driving the emergence of the new public management [23]. The theory have also been supported by Zungura who contends that the dominant theme of NPM is the use of market techniques to improve the performance of the public sector. The key features of new public management include performance management, e-governance, contracting out and outsourcing, decentralization and accountability among others [24].

2.2. Conceptual Framework

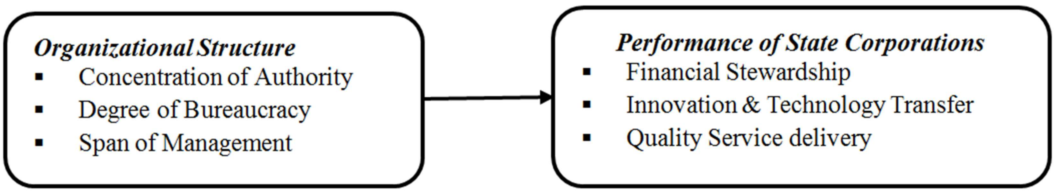

Figure 1. *Conceptual Framework.*

2.3. Empirical Literature Review

Over the last couple of years, scholars have strived to examine the link between of organizational structure on performance of various entities. Scholars [17-20] sort to test whether there is an influence of organizational structure and position analysis on work motivation and its impact on the performance of the Office of Cooperatives for Small and Medium Enterprises, Industry and Trade, Mentawai Islands Regency. The study used a quantitative approach with the path analysis method. Questionnaires were used to collect data. Respondents of this study were 50 employees from the Office of Cooperatives for Small and Medium Enterprises Industry and Trade. The results of the study found that organization structure had a significant influence on work motivation and performance.

Wu, Hao, Kasper, and Muehlbacher studied the influence of organization structure on the performance of SMEs in Austria and China [21]. The research adopted a survey research design and considered 90 Austrian and 71 Chinese firms. The collected data was analyzed using partial least squares and bootstrap methods. Findings indicated that organization structure has a greater effect on organization learning than on innovation in China, while in Austria, results indicated that organization structure has a positive effect on managerial and technical innovation within small firms. The study was however not conducted within Kenya; hence, the findings may not be replicated in the current research.

Elsewhere Eze, Bello and Adekola studied the effects of organizational structure on the performance of organizations [25]. To measure the performance of the organizations, dependent variables such as sales, profit, and customer satisfaction were considered. Also, the study utilized independent variables centralization and formalization of organizational structures. The research adopted quantitative design and applied mono method which brought about numerical data generated from questionnaires administered. The population of the study comprised of all staff of Covenant Micro Finance Bank as well as the customers of the banks. As a result of the primary and secondary data collected, the study recommended that organizations should adopt decentralization structure and reduce formalization in the work place.

Regionally Kintu and de Waal did a study that evaluated the impact of organizational structure and culture on the performance of Uganda's High Court by applying a high-performance organizations (HPO) framework [26]. A questionnaire on the quality of the organizational structure, culture, and HPO status was distributed among High Court staff and the collected data were subjected to factor/regression analyses. The HPO framework was found to be valid for the High Court, and positive and statistically significant relationships were found between the HPO status of the High Court and organizational structure and culture.

Oyewobi, Windapo and Rotimi examined how organizational structure and strategies influenced organization's corporate performance in large construction organizations in South Africa, and investigated whether organizational structure has a moderating impact on the association between organizational performance and strategy [27]. The study leveraged on a Meta-analysis of literature on strategic management and explored the elements of organizational structure with respect to strategies and corporate performance. Based on the identified dimensions in literature, a questionnaire survey approach was adopted to obtain quantitative data. The data was analyzed using correlation and regression analysis. The results revealed that organizational structure has an explanatory effect on the relationship between strategy and organizational corporate performance.

Locally Osano and Gachunga studied the effects of organizational structure on organizational performance at the nursing council of Kenya [28]. The study adopted a descriptive research design. Data was collected through a questionnaire and interview guide from forty employees at the council. The study findings revealed that centralization, decentralization, communication and functional structure influenced the organizational performance of the Nursing Council of Kenya. The study recommended that a similar study should be carried out to investigate the other factors that have not been captured in the study.

3. Research Methodology

3.1. Research Design

Research design has been defined by Kothari as a detailed plan on how research will be carried out whereas Cooper and Schindler defines it as a blueprint for collection, measurement and analysis of data within limited resources in order to address research questions [29-30]. This paper adopted descriptive research design with an exploratory approach. Exploratory approach merely intends to explore the research questions, both quantitative and qualitative, and does not intend to offer final and conclusive solutions to existing problems. It helps to gain new insights, discover new ideas and for increasing knowledge of the phenomenon.

3.2. Research Philosophy

Research philosophy is "the development of Knowledge and the nature of that knowledge" [31]. "The research philosophy you adopt contains important assumptions about how you view the world". These assumptions influence how research methods are chosen, findings are interpreted on researcher personal beliefs influenced by previous experiences and socio-cultural backgrounds. To avoid bias in the studies it is important to know what philosophies are acceptable knowledge and the role of its "own values and research paradigms" [31]. This paper therefore adopted the positivism approach, which is based on the idea that science is an only way to learn about the truth. In positivism studies the role of the researcher is limited to data collection and interpretation through objective approach and the research findings are usually observable and quantifiable.

3.3. Target Population

Creswell defines a population as a well-defined set of people, services, elements and events, group of things or households that are being investigated which implies that the population of interest is homogeneous [32]. To gather the information required, the target population comprised all the 189 state corporations in Kenya (SCAC, 2019). These state corporations are subdivided into five categories which include: Commercial state corporations (34); commercial state corporations with strategic functions (21); executive agencies (62); independent regulatory agencies (25); and research institutions, public universities, tertiary education and training institutions (46).

3.4. Sample Participants

The Heads of Human Resources departments were picked as the respondents for this study. The sampling frame of this study was all the 189 state corporations in Kenya as at 2019. Given that the state corporations are not homogenous due to their different mandates and functions the study adopted stratified sampling to get the most efficient representation of the population. A total of 95 respondents selected as volume of sample by using Cochran's (1977) formula were surveyed.

3.5. Data Collection

To collect primary data the study relied on self-administered questionnaires while secondary data was collected from published and reference materials such as reports and journals. The study opted to using questionnaires as the person administering the instrument had an opportunity to establish rapport, explain the purpose of the study and explain the meaning of items that may not be clear. The questionnaires were hand-delivered to the respondents for immediate response and where the respondents are either reluctant to fill immediately or are busy, then, the drop and pick method was used, where the researcher left the questionnaire with the respondent to fill on their own then pick it later at an agreed time.

3.6. Data Analysis and Presentation

The completed questionnaires were checked for completeness and consistency to ensure that all questions are answered and also for any false or inconsistent information. The collected data was edited to eliminate errors and omissions in order to ensure accuracy, completeness and clarity. The collected data was then tabulated and coded. This reduced them to small number of classes that enabled the researcher to tabulate and identify relevant themes. A descriptive analysis was then done. Descriptive statistics (mean, median, mode, range, variance, and standard deviation) was used to summarize the data. To measure the determinants of organization structure on the performance of state corporations the study used multiple regression model as depicted below:

$$Y_1 = \beta_0 + \beta_1 X_1 + \varepsilon$$

Where:

Y_1=Performance of State corporations
β_0=constant (coefficient of intercept)
X_1=Organization Structure
β_1=regression coefficient of the variable.
ε=error term
Inferential statistics such as T-test and analysis of variance (ANOVA) to include F-statistics was equally used to test the significance of the overall model at 5% level of significance.

4. Findings

4.1. Response Rate

By use of self-administered questionnaires the study surveyed 96 respondents from the relevant state corporations. A total of 92 questionnaires were filled and returned for analysis. This implied that a response rate of 96.8% was obtained.

Table 1. *Response Rate.*

Sample Size		Response Rate		Non-Response Rate	
Frequency	**Percentage**	**Frequency**	**Percentage**	**Frequency**	**Percentage**
95	100%	92	96.8%	4	3.2%

4.2. Categories of State Corporations

The study sought to establish the category of corporation that the respondents worked in. The findings were as indicated in Table 2 below whereby 22.8% of the respondents were in commercial with strategic functions, 22.8% of the respondents were in pure commercial, 10.9% of the respondents were in the executive agencies, 20% of the respondents were in independent regulatory agencies institutions while 20% of the respondents were in research institutions, public universities, tertiary education and training institutions. The finding shows that the respondents were from different firms which helped in making a good conclusion.

Table 2. *Category of corporation.*

Options	Frequency	Percent
Commercial with Strategic Functions	21	22.8%
Pure Commercial	21	22.8%
Executive Agencies	10	10.9%
Independent Regulatory Agencies Institutions	20	21.7%
Research Institutions, Public Universities, TVETs	20	21.7%
Total	92	100.0%

4.3. Organization Structure

Given that the study sort to establish how various measures of organizational structure influenced firm performance among Kenyan state corporations, the variables were derived based on specific measures which included; concentration of authority, degree of bureaucracy and management ratio.

4.3.1. Concentration of Authority

The respondents' level of agreement or disagreement with specific statements on concentration of authority as an aspect of organizational structure was sought. As depicted in Table 3 the findings revealed that majority of the respondents disagreed with the first statement that instructions originate from the senior management team as evidenced by a mean of 2.61 and a standard deviation of 1.02. The study further sought to find out the respondents' level of agreement or disagreement on the statement that decision making style was top to bottom, majority of the respondents disagreed with the statement as shown by a mean of 2.88 and a standard deviation of 1.10.

The study equally sought to unearth the extent to which the respondents agreed or disagreed with the third statement that employees had little or no input in the organization matters as well as the last statement that the ultimate authority rests with the CEO. As indicated by the findings majority of the respondents disagreed with the statement as evidenced by a mean of 2.77 and a standard deviation of 1.07 for the third statement and by a mean of 2.89 and a standard deviation of 1.50 for the last statement

The findings implied that most state corporations had not fully leveraged on the aspect of concentration of authority which stipulates that to manage misconstructions and conflicts associated with issuing directives to subordinates, related orders, directives and guidelines should be from a clear chain of command. The findings concur with Amirkhani and Avarzmani studied the relationship between organizational structure and organizational performance of research organizations using the Gray Theory and Balanced

Scorecard [33].

Table 3. *Concentration of Authority.*

Statements	Mean	Std. Dev.
Instructions originate from the senior management team	2.61	1.02
Decision making style is top to bottom	2.88	1.10
Employees have little or no input in the organization matters	2.77	1.07
Ultimate authority rests with the CEO	2.89	1.50

4.3.2. Degree of Bureaucracy

The respondents' level of agreement or disagreement with specific statements on the degree of bureaucracy as an aspect of organizational structure was sought. As per the findings in Table 4, most respondents indicated that their respective state corporations adhered to the official code of conduct in day to day communications and undertakings as depicted by a mean of 3.64 and a standard deviation of 1.29. The study further sought to find out the respondents' level of agreement or disagreement on the statement that there were different echelons of hierarchical authority, majority of respondents agreed as portrayed by a mean of 3.44 and a standard deviation of 1.16.

The study equally sought to unearth the extent to which the respondents agreed or disagreed with the third statement that task accomplishment takes longer durations due to authorization red tape as well as the last statement that subordinates have to seek clearance from their supervisors. As indicated by the findings most respondents agreed with both statements as depicted by a mean of 3.38 and a standard deviation of 1.12 for the third statements and a mean of 3.30 and a standard deviation of 1.28 for the last statement.

The findings implied that most state corporations had some degree of bureaucracy mainly attributed to official code of conduct, well defined communication channels, hierarchical authority echelons and authorization red tapes thus limiting productivity and performance. The findings compare with Mustafa, Glavee-Geo, Gronhaug and Saber Almazrouei who studied the organizational structural impacts on formation of self-efficacy and its performance effects [34]. The study noted that self-efficacy and performance relationship is diminished under conditions of high formalization and high centralization.

Table 4. *Degree of Bureaucracy.*

Statements	Mean	Std. Dev.
Official code of conduct is adhered to in day to day communications and undertakings	3.64	1.29
There are different echelons of hierarchical authority	3.45	1.16
Task accomplishment takes longer durations due to authorization red tape	3.38	1.12
Employees have to seek clearance from their supervisors	3.30	1.28

4.3.3. Span of Management Ratio

The respondents' level of agreement or disagreement with specific statements on the span of management ratio as an aspect of organizational structure was sought. As portrayed in Table 5, the findings revealed that majority of the respondents agreed with the first statement that there were insufficient senior managers in their respective state corporations as shown by a mean of 3.61 and a standard deviation of 1.14. The study further sought to find out the respondents' level of agreement or disagreement on the statement that within the respective state corporation many supervisors were under a single manager, majority of the respondents disagreed with the statement by a mean of 2.96 and a standard deviation of 1.23.

The study equally sought to unearth the extent to which the respondents agreed or disagreed with the third statement that within the respective state corporation several employees are supervised by a few supervisors as well as the last statement that there was adequate regulatory mechanisms of all the organizations functions by the accounting officer. As indicated by the findings most respondents disagreed with the third statement as depicted by a mean of 3.38 and a standard deviation of 1.12. For the fourth statement, majority of the respondents agreed with the statement as evidenced by a mean of 3.65 and a standard deviation of 1.33.

The findings corroborate with those by Wallin, Pousette, and Dellve who did a multilevel study on the span of control and the significance for public sector managers' job demands [35]. The results of the study demonstrated that span of control is a key upstream component of managers' job demands and emphasize the value of a reasonable number of subordinates.

Table 5. *Level of Agreement on Span of Management Ratio.*

Statements	Mean	Std. Dev.
There are insufficient senior managers in their respective state corporations	3.62	1.14
Within the respective state corporation has several supervisors are under a single manager	2.96	1.23
Within the respective state corporation several employees are supervised by a few supervisors	2.93	1.18
There is adequate regulatory mechanisms of all the organizations functions by the accounting officer	3.65	1.33

4.4. Performance of State Corporations in Kenya

It is not possible for any organization to act effectively without having its performance monitored, evaluated and reviewed. The importance of performance assessment in the public sector organizations was enhanced even more by NPM that seeks to adjust the performance assessment methods applied in private organizations for the organizations in public sector so that the performance can be organized more effectively and stakeholders' needs fulfilled better.

The measures of performance leveraged in the study were financial stewardship, service delivery and innovation and technology transfer. The responses are as herein presented.

4.4.1. Financial Stewardship

The respondents' level of agreement or disagreement on the statements regarding the financial stewardship as an aspect of the performance of state corporations in Kenya was sought. As depicted in Table 6 most respondents were in agreement with the statement that their respective state corporations had a high return on invest (ROI) and return on Assets (ROA) as depicted by a mean of 3.81 and a standard deviation of 0.87. The study further sought to find out the respondents' level of agreement or disagreement on the statement that their respective state corporation complied with set budgetary levels and utilization of allocated funds. Majority of respondents were in agreement as portrayed by a mean of 3.88 and a standard deviation of 0.89

The study equally sought to unearth the extent to which the respondents agreed or disagreed with the third statement that their respective state corporation's pre-tax profit margin and after-tax profit margin are consistently high as well as the last statement that respective state corporation's debt-to-equity ratio is lower than 1.0. As indicated by the findings most respondents agreed with both statements. This was depicted by a mean of 4.00 and a standard deviation of 0.81 for the third statement and by a mean of 3.95 and a standard deviation of 0.88 for the fourth statement.

The findings imply that most of the state corporations considered financial stewardship a vital strategic concern for management. This finding is consistent with the Government of Kenya's Public Service Performance Management Unit that has identified financial stewardship and discipline as one of the variables for measuring performance of state corporations. [36].

Table 6. *Financial Stewardship.*

Statement	Mean	Std. Dev.
The respective state corporation has high return on invest (ROI) and return on Assets (ROA)	3.81	0.87
The respective state corporation complies with set budgetary levels and utilization of allocated funds	3.88	0.89
The respective state corporation's pre-tax profit margin and after-tax profit margin are consistently high	4.00	0.81
The respective state corporation's debt-to-equity ratio is lower than 1.0.	3.95	0.88

4.4.2. Innovation and Technology Transfer

The respondents' level of agreement or disagreement with specific statements on the innovation and technology transfer as an aspect of performance of state corporations in Kenya was sought. As per the findings in Table 7, most respondents were in agreement with the statement that their respective state corporations leveraged on contemporary technologies as depicted by a mean of 3.53 and a standard deviation of 1.38. The study further sought to find out the respondents' level of agreement or disagreement on the statement that the respective state corporation prioritized research and development activities. Majority of respondents were in agreement as portrayed by a mean of 3.65 and a standard deviation of 1.14.

The study equally sought to unearth the extent to which the respondents agreed or disagreed with the third statement that the respective state corporation has a reward incentive scheme for staff who come up with innovative ideas as well as the last statement that respective state corporation subscribed to relevant membership associations. As indicated by the findings most respondents agreed with both statements. This was depicted by a mean of 3.61 and a standard deviation of 1.02 for the third statement and by a mean of 3.54 and a standard deviation of 1.28 for the fourth statement.

The findings imply that most of the state corporations considered innovation and technology transfer as an important catalyst of service delivery and performance. This finding is consistent with Lin who studied the impact of service innovation on firm performance and found out that service innovation affects firm performance through direct and indirect paths [37].

Table 7. *Level of Agreement with Statements on Innovation.*

Statements	Mean	Std. Dev.
The respective state corporation leverages on contemporary technologies	3.53	1.38
The respective state corporation prioritized research and development activities	3.65	1.14
The respective state corporation has a reward incentive scheme for staff who come up with innovative ideas	3.61	1.02
The respective state corporation subscribes to relevant membership associations	3.54	1.28

4.4.3. Quality Service Delivery

The respondents' level of agreement or disagreement with specific statements on the quality service delivery as an aspect of performance of state corporations in Kenya was sought. As per the findings in Table 8, most respondents were in agreement with the statement that their respective state corporation communicated to customers and provided regular feedback as depicted by a mean of 2.14 and a standard deviation of 1.82. The study further sought to find out the respondents' level of agreement or disagreement on the statement that the respective state corporation is keen in providing timely goods and services. Majority of respondents were in disagreement as portrayed by a mean of 2.71 and a standard deviation of 1.67.

The study equally sought to unearth the extent to which the respondents agreed or disagreed with the third statement that their respective state corporation pursue customer satisfaction through provision of value-adding services or products as well as the last statement that their respective state corporation trains its staff regularly on customer service. As indicated by the findings most respondents disagreed with the third statement as depicted by a mean of 2.41 and a standard deviation of 1.97. For the fourth majority of the respondents were in disagreement with the statement as evidenced by a mean of 2.66 and a standard deviation of 1.99.

The findings imply that despite service delivery being an essential indicator of performance most of the state corporations do not strive to leverage on the same. The findings equally corroborate with Chesaina and Gitonga who did a critical review of literature on the relationship between service delivery and performance of the Kenya Commercial Bank Limited [38]. The study highlighted that service delivery plays vital role in improving organization performance, however service delivery is a function of various intertwined factors that must be considered in ensuring positive performance impact is achieved by service delivery.

Table 8. *Agreement level with Statements on Quality Service Delivery.*

Statements	Mean	Std. Dev.
The respective state corporation communicates to customers and provides feedback regularly	2.14	1.82
The respective state corporation is keen in providing timely goods and services	2.71	1.67
The respective state corporation pursues customer satisfaction through provision of value-adding services or products	2.41	1.97
The respective state corporation trains its staff regularly on customer service	2.66	1.99

4.5. Regression Model

To establish the influence of organizational structure on the performance of state corporations in Kenya regression analysis was performed. This was done by regressing the independent variable (organizational structure) against the dependent variable (performance) as indicated below by the hypothesis of the study;

Ha_1: Organizational structure has a significant effect on organizational performance of state corporations in Kenya.

To establish the statistical relationship between variables the study adopted the model in the form of;

$$Y=\alpha + \beta_1 X_1 + \varepsilon$$

As depicted in Table 9, the regression model summary portrayed, the adjusted R squared (R^2) value for the variable was 0.231 an indication that 23.1% of performance of state corporations in Kenya is explained by a variance change in the organizational structure.

The model summary as shown in Table 9. shows that the R square which is the coefficient of determination that tells the variation in the dependent variable due to changes in the independent variables is 0.252. This means that 25.2% variation in performance of state corporations in Kenya was explained by organizational structure, with 74.8% of variation in service delivery by the state agencies in Kenya being explained by other factors other than organizational structure.

The ANOVA test results revealed an F calculated of 217.103 which was greater than the F-critical an indication that the model was significant. The P-value for the variable was 0.000 which is less than the standard p-value of 0.05 an indication that organizational structure has a significant relationship on performance. From the results, the new model for the variable now becomes;

$$Y=1.201 + 0.585X_4 + \varepsilon$$

The findings revealed that organizational structure has a positive influence on performance of state corporations in Kenya as evidenced by the unstandardized B coefficient of 0.585. The results also portray that organizational structure has a significant influence on performance as shown by the P-value of 0.000<0.05. The findings further showed that the t-statistic was 6.724 which is greater than the t-critical implying that organizational structure significantly influences performance.

Table 9. *Regression Model Results.*

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.502[a]	.252	.231	.068
a. Predictors: (Constant), Organizational Structure				
b. Dependent Variable: Performance of State Corporations				

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	69.993	1	69.993	217.103	.000[b]
	Residual	208.223	91	2.288		
	Total	278.216	92			

a. Dependent Variable: Performance of State Corporations
b. Predictors: (Constant), Organizational Structure

Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.201	.201		5.975	.000
	Organizational Structure	.585	.087	.502	6.724	.000

a. Dependent Variable: Performance of State Corporations

From the results, the study accepts the alternative hypothesis that organizational structure has a significant and positive influence on the performance of state corporations in Kenya. The findings herein confirm that indeed organizational structure is a key aspect in determining the performance of state corporations in Kenya.

5. Conclusion

The study concluded that organizational structure significantly influenced the performance of state corporations in Kenya however most state corporations had not fully leveraged on the aspect of concentration of authority which stipulates that to manage misconstructions and conflicts associated with issuing directives to subordinates, related orders, directives and guidelines should be from a clear chain of command. Secondly the study concluded that most state corporations had some degree of bureaucracy mainly attributed to official code of conduct, well defined communication channels, hierarchical authority echelons and authorization red tapes thus limiting productivity and performance. Finally the study concluded that for better performance within the state corporations the span of management ratio for most state corporations needed to be optimized as it is a key upstream component of managerial performance and emphasizes the value of a reasonable number of subordinates.

6. Recommendations

Based on the findings and conclusions of the study, the study recommends that organizational structure is crucial for the performance of state corporations in Kenya and most state corporations should consider leveraging and optimizing key aspects of organizational structure such as concentration of authority degree of bureaucracy and the span of management ratio.

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