EFFECT OF OWNERSHIP STRUCTURE ON CORPORATE RESTRUCTURING AMONG FIRMS LISTED AT THE NAIROBI SECURITIES EXCHANGE

LILCON KIPKIRUI CHERUIYOT

A RESEARCH PROJECT PRESENTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTERS OF SCIENCE IN FINANCE, FACULTY OF BUSINESS AND MANAGEMENT SCIENCES, UNIVERSITY OF NAIROBI

NOVEMBER, 2021

DECLARATION

I, the undersigned, declare that this is my original work and has not been presented to any institution or university other than the University of Nairobi for examination.

Signed: ______________________ Date: 9TH NOVEMBER 2021

LILCON KIPKIRUI CHERUIYOT

D63/9616/2018

This research project has been submitted for examination with my approval as the University Supervisor.

Signed: ______________________ Date: 9/11/2021

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09 November 2021

TO WHOM IT MAY CONCERN

Dear Sir/Madam,

INTRODUCTORY LETTER FOR RESEARCH
LILCON KIPKIRUI CHERUIYOT – REGISTRATION NO.D63/9616/2018
This is to confirm that the above named is a bona fide student in the Master of Science in Finace option degree program in this University.He is conducting research on ***"Effect of Ownership Structure on Corporate Restructuring Among Firms Listed at Nairobi Securities Exchange."***

The purpose of this letter is to kindly request you to assist and facilitate the student with necessary data which forms an integral part of the research project. The information and data required is needed for academic purposes only and will be treated in **Strict-Confidence**.

Your assistance will be highly appreciated.

Thank you.

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Jane Muturi
For: MSc. Human Resource Management Co-Ordinator,
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UNIVERSITY OF NAIROBI

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MSC Programme: FINANCE AND INVESTMENT

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Name of Preferred Supervisor(s): (i) DR CYRUS IRAYA (ii) DR. WINNIE NYAMUTE (iii) ....

Signature of student.......... Date: 19/07/2019

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Proposal Presentation: .... Oral Defence: .... Project Report Submission Date: ....

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Name: Dr. K. Okiro Signature: .... Date: 22/7/19

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3. The approved copy of this form must be attached to the proposal when submitting for moderation and presentation and when submitting the final project.
4. Original to be filed in the Department.
5. Turnitin report **MUST** be attached to the proposal when submitting for moderation, presentation and when submitting the final project.
6. Each student **MUST** fill in the attached declaration form on plagiarism and collusion.

ACKNOWLEDGEMENT

This research was made possible thanks to the help and assistance of a number of people to whom I owe a debt of gratitude. First and foremost, I want to express my appreciation to the Almighty God, since it is only through his tremendous mercy that I was able to pursue and finish my education. I offer all praise and honour to Him.

Mr. Martin Odipo, my supervisor, deserves particular recognition for shaping my effort into a meaningful shape, as well as for his continuous and insightful assessments, direction, and support. My thanks goes out to my family, parents, and coworkers for their unwavering support, inspiration, and tolerance.

DEDICATION

This research project is dedicated to my loving parents, my father Mr. Richard C. Rono, my late mother Ester Rono and my stepmother Faustine Rono for the solid foundation you built in me and the sacrifice you endured in seeing me through school. To my siblings (Gladys,Caroline,Maureen,Peninah,Amos,Allan,Elisha,Solomon,Meshack and Henry) may the bond among us grow stronger in God's light and guidance. Thank you and God bless you.

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LIST OF TABLES

LIST OF ABBREVIATIONS

ANOVA	Analysis of Variance
CBK	Central Bank of Kenya
CMA	Capital Markets Authority
NSE	Nairobi Securities Exchange
OLS	Ordinary Least Square
ROE	Return on Equity
SPSS	Statistical Package for Social Sciences
VIF	Variance Inflation Factor

ABSTRACT

A number of companies listed at the securities exchange market of Kenya have taken to mergers and other forms of restructuring to improve their chance of expanding their capability to offer their services, cutting back on costs and mergers of directorship hired to improve technological progression and improve operational efficiencies required to improve long term financial performance. The various ownership structures of different organizations undergoing corporate restructuring provide a valuable context for investigating whether the expected link between ownership structure and corporate restructuring decision holds true. An investigation of corporate restructuring in Kenya's Nairobi Securities Exchange was the primary goal of this research. New Delhi Stock Exchange (NSE)-listed businesses were studied for their corporate restructuring impact on ownership, concentration and state control. It was decided to base the model's results on characteristics including management effectiveness, liquidity, and profitability. Research was conducted in a descriptive manner. In this study, Kenya's NSE was the intended population. There are 63 companies listed at the NSE but only 55 provided complete data set. Research variables data were derived from audited company's annual financial statements from 2016 to 2020 for all 55 companies making 275 observations. Regression and correlation analysis were used to test the study hypotheses by establishing the relationship between ownership structure and corporate restructuring. The study found that ownership concentration (β=0.111, p=0.000) and state ownership (β=0.118, p=0.000) had a positive and significant relationship with corporate restructuring among NSE listed firms. Management efficiency and profitability (β=0.103, p=0.027) had a significant negative effect on corporate restructuring (β=-0.033, p=0.008) while managerial ownership (β=0.001, p=0.538) and liquidity (β=0.001, p=0.834) were not statistically significant. The results also indicated R^2 of 0.234 which implied that the selected independent variables contributed 23.4% to variations in corporate restructuring. The study recommends that policy makers should pay keen attention to ownership concentration, state ownership, management efficiency and profitability as this four has a significant influence on corporate restructuring. The study suggests the need for further studies to focus on other determinants of corporate restructuring.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Meetings of a company's shareholders are mostly responsible for determining the management of a company (Fama & Jensen, 1983). There is a substantial chance that corporate resources may be exploited for other than the shareholders' interest in profit maximization due to the competing interests of management and shareholders. Restructuring the organization to adapt to the prevailing economic environment is a key decision to be made by the management and has to be ratified by the majority of the shareholders. Jensen and Meckling (1976) believe that having top management holding some shares in a firm can align the interests between managers and shareholders. This would mean that any restructuring attempt would be in the interest of the shareholders and would easily be accepted. This conflict of interest may be resolved by the application of corporate governance mechanisms such as ownership structure. As a result, shareholders will look for means of controlling their manager’s actions.

Researchers based their findings on theories such as agency, stakeholder, and stewardship, all of which aim to explain how ownership structure affects financial performance. Berle and Means (1934) examined the contrast between ownership and control, and the board's role in monitoring. The board eliminates the conflict of interest between the executive and the owners by removing and paying managers who fail to create value for the company's investors. An important contrast between agency theory and other stakeholder theories is that the agency theory solely focuses at the function of managers in satisfying stakeholder interests while the foregoing examines a network of interactions with suppliers and other business partners and workers. Leading management is said to be stewards of the company and its performance in the best interests of the owner according to the stewardship theory of leadership. The steward ensures that both the agent and the principal benefit from a successful company, and optimizes on the organization's success (Al-Nawaiseh, 2013).

The research focuses on NSE-listed companies due to their different ownership structures. In recent years, publicly traded companies have seen a number of acquisitions and mergers aimed at increasing the scope of their services, cutting down on costs, and merging the board of directors in an effort to boost long-term growth. A portion of the publicly listed firms have achieved noteworthy turnaround accomplishments subsequent to rebuilding though others no huge contrast has been acknowledged as far as operational and financial performance is concerned (CMA, 2018). This happening motivated the current study to identify whether the structure of ownership of listed firms has an influence on their corporate restructuring decision.

1.1.1 Ownership Structure

Mikael (2009) defines ownership structure as the relation between the owner(s) and the firm itself. There are many parties who possess shares in an organization, including the government, outsiders, insiders and institutions according to Bako (2015). A shareholder's stake of the company's stock determines the kind of ownership structure they have access to. Management, family, government, and institutions are all examples of kinds of ownership (Alipour, 2013). According to Avulamusi (2013), even if owners aren't directly active in running their companies, they have a significant influence in selecting the people who serve on their boards of directors and management committees.

Companies' productivity is directly impacted by the incentives provided by their ownership structures, making them an important consideration in corporate governance. The recent volatility in corporate portfolios has prompted a reassessment of ownership models, particularly for multinational corporations. It is due to globalization that economies are becoming more linked, and this impacts the way in which ownership structures are established, with diverse investors in the form of organizations or people from countries other than the one in which the business is located (Heubischl, 2006). Organizational capital and productive resources, as well as whether or not the company has to be funded with debt or equity, are all influenced by choices on ownership structure (Barbosa & Louri, 2005).

Herfindahl indexes or the equity statuses of the top five shareholders have been used in previous research to examine how ownership structure affects financial performance (Demsetz & Lehn, 1985). There have been several studies done in developing countries where information is scarce that have relied on the ownership holding of the main shareholder (Kapelyushnikov, 2000). In addition, the proportion of common stock held by each type of ownership might be calculated to identify the ownership structure of different businesses, as was done in this research to discover the ownership structures of various enterprises.

1.1.2 Corporate Restructuring

Scholars have advanced a number of definitions of corporate restructuring. Norley, Swanson, and Marshall (2012) define restructuring as rearranging a company's structure to make it more lucrative and more adapted to current demands. A company's capacity to make profits and satisfy its current demands may be improved by reorganizing its legal system, proprietorship structure, operational operations, and associated financial structure or other components (Hoeing and Morris, 2013). Corporate restructuring is one of the procedures that can enable a firm to overcome poor financial performance, develop new strengths and achieve operational efficiency in the capital market. It can likewise massively influence a firm's capital worth and consistency to the tune of billions of dollars (Kalaignanam &Bahadir, 2013).

Kalaignanam and Bahadir (2013) expressed their opinion that corporate restructuring can take place through three modes including; Financial, operational and portfolio restructuring. Financial restructuring is a procedure meant at maintaining a strategic distance from the liquidation of the organization. Contracts between the company and third-party outsiders to meet the firm's responsibilities to creditors and their claims under agreed-upon specified terms and conditions are often included (Lal, Pitt &Beloucif, 2013). As part of its financial restructuring, a business may have to enter into new agreements with financial suppliers and creditors, including terms and circumstances under which lenders were paid their amount due under new conditions and terms different from those under which the loan was originally granted (Norley, Swanson &Marshall, 2012).

Organizational restructuring relates to the modifications made to HR function of the organization (Kalaignanam &Bahadir, 2013). The present HR plans of the company may need to be reorganized and changed according to the developing circumstance (Hane, Bell & Howell, 2012). Restructuring a company's portfolio by selling off certain assets is called portfolio restructuring (Sánchez-Riofro, Guerras-Martin & Forcadell, 2015). Assets that are no longer required might be sold and new ones purchased as part of a portfolio restructuring. Alternatively, the asset portfolio of a company might be restructured by disposing of undesirable assets or securities within a certain class and acquiring preferred assets or securities in their place (Wu &Delios, 2009). The current study operationalized the variable in terms of financial restructuring.

1.1.3 Ownership Structure and Corporate Restructuring

Jensen and Meckling (1976) posit that ownership structure; ownership concentration (share percent of top five holders) and ownership structure (Government share percent, institutional, managerial, local individual holders) have an implication on corporate restructuring decisions made by the firm. In their study shareholders were classified into external shareholders (investors without ballot right) and internal shareholders (investors with management right). The study concluded that a firm's restructuring decisions is dependent on the internal shareholder's share. A company's ownership structure may have a beneficial or bad influence on corporate governance (Duska, 2011).

The link between ownership structure and corporate has a direct influence on the risk-taking alignment of a company. Problems resulting from the agency relationship arise when the interests and predispositions of the owners differ with that of the agents (Leech, 1986). The board is set up to mediate between the principals and agents, tasked with the responsibility of providing leadership, acting as stewards, conduct effective monitoring and giving a report back to the principals. An effective board among other things helps to control the discretion of management. Discretion of management is influenced by two sources mainly internal and external. External variables pertain to the market's role in monitoring and disciplining managers, whereas internal elements relate to the board (Jensen, 1989).

According to Gedajlovic and Shapiro (1998) ownership structure has been a variable of interest to scholars. The greater the percentage of manager owned equity, the more motivated they become in enhancing the performance and therefore any restructuring decision that can enhance firm value will be undertaken (Jensen & Meckling, 1976). Morck, Shleifer and Vishny (1997) argue that managers wield power through acquisition of large equity stakes hence are more inclined to have interest in maximizing profit leading to undertaking of restructuring decisions that have positive net present value. In research, agency costs have mainly been indicated by ownership, concentration and the influence of economic incentives on top executives (Vishny & Shleifer, 1997).

1.1.4 Nairobi Securities Exchange

The NSE was established in 1954 to list and issue securities for both local and international investors. It is the fourth-largest in the sub-Saharan Africa. It focuses in the exchange of securities issued by the Government and listed firms. The mandate of NSE is to oversee its members and provide a trading platform for the listed securities. Trades in the secondary market are conducted mostly via NSE. It has a trading floor that is seldom utilized due to the automated trading system. A wide area network enables participants to work from home. The system is fast, transparent, and can handle massive transaction simultaneously (NSE, 2019).

According to the NSE, there are 65 companies trading in 13 categories as of September 2020. Agriculture (six firms), real estate investment trust (one firm), commercial and services (twelve firms), telecommunications and technology (one firm), automobiles and accessories (one firm), exchange traded funds (one firm), banking (twelve firms), insurance (six firms), investment (five firms), investment Services (one firm), manufacturing and allied (8 firms), construction and allied (5 firms), energy and petroleum (six firms) (NSE, 2019).

Firms listed on the NSE have a variety of ownership structures. The most frequent ownership structures among NSE-listed firms are management, state, domestic individual, institutional, foreign and managerial. Ownership concentration is a common characteristic of NSE-listed firms. As a result, controlling owners are empowered to impose authority by selecting choosing to engage in activities with the purpose of generating personal advantage. This is done at the cost of marginal stockholders (CMA, 2018).

1.2 Research Problem

The segregation of ownership and management is one of the major concerns that investors have nowadays. Jensen and Meckling (1976) explain agency relationships as contracts between owners and their agents. Owner's objectives are mainly to maximize their wealth and hence to achieve this, they supervise the work of the representatives whilst evaluating their performance. In this instance, the main concern is if varied ownership structures of firms affect their corporate restructuring decisions (Jiang, 2004). Thomsen and Pedersen (2000) posit that ownership structure affects restructuring decision depending on ownership concentration. The position was also held by Görg and Greenaway (2004) who argued that ownership by foreign entities has a crucial role to play in restructuring decisions, especially in economies that are developing and those in transition.

Several Kenyan listed companies have utilized mergers and other forms of restructuring to expand their service offerings, reduce costs, and combine directorships to encourage technological innovation and operational efficiency (Njau, 2012). For instance, Kenya Airways is under corporate restructuring after suffering huge losses for some time and the firm forecast to return to profitability in 2020 (Kariuki, 2018). The ownership structure of a corporation may help determine if the predicted link between ownership structure and corporate restructuring is feasible.

Diverse research has been done on the influence of ownership structure and corporate restructuring on performance. According to Rottich's findings, company performance was substantially correlated with ownership structure and government ownership (2014). Institutional, foreign, and private ownership all benefited firm performance. A financial crisis necessitated a majority of companies to undergo corporate restructuring, according to a study by Ngige (2012). Munene discovered in 2013 that restructuring has an impact on the performance of businesses. Ochieng (2018) discovered a statistically significant association between the NSE's costs and the impact of company restructuring. The paucity of local empirical studies addressing the predicted link between ownership structure and corporate restructuring prompted the current investigation to solve the research question: What is the influence of ownership structure on corporate restructuring among businesses listed on the NSE?

1.3 Research Objective

The study main objective was to assess the influence of ownership structure on corporate restructuring among firms listed at the NSE.

The specific objectives were:

i. To establish the effect of ownership concentration on corporate restructuring among firms listed at the NSE
ii. To determine the effect of managerial ownership on corporate restructuring among firms listed at the NSE
iii. To assess the effect of government ownership on corporate restructuring among firms listed at the NSE

1.4 Value of the Study

Company management will use the information to make decisions on their future restructuring. They can compare the type of restructuring they need and how their ownership structure will affect their process. The data collected will greatly help other company management plan a company restructure within a short period considering the pace of technological changes in the market right now.

The government through its relevant bodies uses the restructuring policies of the firms to make analysis and be able to formulate policies from it. The government comes in place to protect other companies from unfair trading due to some restructuring like acquisition and mergers, which might pave way for monopoly in the specific industry. The government can use the data to strengthen their policies affecting foreign ownership to weigh the cost-benefit of foreign investments in the country.

This study will be adding more knowledge to the body of finance. It might be used by other academics to look at the effects of ownership structure on other elements of company. Reduced mistrust between management (agents) and shareholders will help reduce conflicts of interest and the cost of agency (principal).

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

An introduction to the study's theoretical framework is provided in this section. Additional empirical research on this issue and related topics also be covered in this presentation. A conceptual framework will demonstrate the relationship between the research variables and the factors influencing corporate restructuring will also be included.

2.2 Theoretical Framework

The investigated phenomenon will be explained using key theories. Agency, stakeholder, and stewardship theories are all discussed in the theoretical reviews.

2.2.1 Agency Theory

Jensen and Meckling (1976) pioneered the development of this theory, which states that when management and business ownership are separated, an agent-principal relationship emerges that must be handled for greater value generation (Pratt & Zeckhauser, 1985). Because of the differing perspectives of the firm's management and owners, the company may pursue multiple growth plans for various reasons. Some agency expenditures must be paid for a solid financial position in such businesses in order to balance the ambitions of management and shareholders. According to agency theory, the impact of integrated reporting on company value is a function of a business's managerial authority and the efficacy of collective governance procedures. Personal incentives of managers, according to the view, are the cause for corporate development. It shows how information asymmetry makes it extremely difficult for shareholder to obtain, assess, and comprehend all records and facts related to exploitative management action due to information asymmetry.

In the absence of strong governance procedures, managers and owners might find themselves at odds over personal advantage (agency costs). In order to guarantee that management does not use excessive agency fees and diversify too much as well as accumulate personal gain, shareholders may put in place a board of directors and appropriate governance processes. Debt financing may be compelled by shareholders to fund new initiatives, rather than equity financing. For Mole (2002), factors including the size, liquidity, return on equity, and growth of a corporation demonstrate how a firm's success is determined by the agency theory.

Accounting researchers have utilized agency theory to monitor and relate management behavior to shareholders' interests (shareholders) (Amagoh, 2009; Malmir et al, 2014; McFie, 2006). Managers are required to make the most of the resources they have in their hands in order to benefit the company's shareholders and owners alike. According to agency theory, if managers' aims do not line with shareholders', the firm's purpose is lost. The shortcoming of this theory is that it is silent when the principle and actor are objectively consistent. The theory is only significant when there is objective inconsistency between the two.

2.2.2 Stakeholder Theory

Stakeholder theory may be traced back to Freeman (1984), as mentioned by (Fontaine, 2006). A stakeholder, according to Freeman, is a person or group that influences or is impacted whether the company meets its goals. In 1984, Freeman published his book "Strategic Management: A Stakeholder Approach," which introduced the notion of stakeholders theory. Since then, numerous economists and sociologists have contributed to the notion of stakeholders, although not all of them share the same feelings (Fontaine, 2006). The lack of consistency in the concept of stakeholders is a fundamental flaw in the stakeholders' theory. There are far more than 75 different definitions of stakeholders, according to Fontaine (2006). Nonetheless, there is agreement among the authors on key issues (Fontaine, 2006). Every organization has stakeholders with various expectations, and each stakeholder has a varied level of influence. The goal of stakeholder management is to take into account all of these requirements and adjudicate them if they conflict.

Scholars believe that the theory is vital, and they believe that the organization should be held accountable both internally and externally since its actions have a direct influence on the external environment. This theory is slammed because it assumes a single-valued aim, which is where the advantages that flow to a firm's stakeholders (Jensen, 2001). Jensen (2001) argues that there are other ways to evaluate a company's performance outside the advantages it provides its stakeholders. These measurements include the flow of information from top management to lower-level employees, the working environment, and interpersonal ties inside the company.

This theory is pertinent to the current research since it aims to ensure that all stakeholders' various requirements are adequately reflected. This is accomplished through forging a network of connections with the firm's stakeholders, which include investors, suppliers, workers, regulators, and consumers. This is a company aim. Managers of publicly traded companies should aim to enhance their firm's worth, according to this research. They should only perform corporate restructuring if it produces positive net present values, independent of the ownership arrangements, to accomplish this purpose.

2.2.3 Stewardship Theory

It is derived from the academic writings of Donaldson and Davis (1989) and argues that these agents are operating for the advantage of the shareholders and also the organization, which is in contrast to the theory on agency, which presents agents as self-interested as well as individualistic (Bouaziz & Triki, 2012). It proposes that roles of executive agents are not those of a selfish opportunist. Rather, executive managers aim to perform a successful role as a good steward of corporate assets because of accountability (Othman et al., 2014).

It implies that the agent is able to combine the interests of the many stakeholders and therefore fulfill his tasks meticulously to secure their assets and his judgments would result in higher income for the owner over time (Siswanto & Fuad, 2017). Various non-financial incentives that inspire agents and influence their decision-making process are also acknowledged. Acknowledgement of authority and adherence to a code of behavior are all included in this section (Amer, 2016). Based on the stewardship idea, agents have the same objectives as the firm's owners, and hence their careers are related to its aims, while their position and benefits to shareholders are included in its worth.

2.3 Determinants of Corporate Restructuring

Businesses often restructure their operations in order to boost profits. Asset/portfolio restructuring, Mergers & Acquisitions, Financial restructuring, and Organizational restructuring are some of the most typical forms of restructuring. In a firm, the following elements influence corporate restructuring.

2.3.1 Ownership Structure

Profitability and efficiency are affected by ownership structure. It is defined by the ownership mix and the level of ownership. There are three levels of ownership concentration: low to moderate, moderate to high, and high. Individual, institutional, and foreign ownership all had a negative association with state ownership, according to Matibe (2005), while state ownership had a significant positive link with capital structure. As per Ogega (2014), commercial banks' financial performance was favorably influenced by their ownership structure. The research indicated that increasing ownership concentration improves commercial banks' financial performance in Kenya. With this in mind, we are anticipating that ownership structure has effects on corporate restructuring.

2.3.2 Profitability

Asset returns and cash flow from operations are used to assess profitability. Consider the company's net profit when working out the amount of dividends to pay to shareholders. An increase in profit means that a lot of cash flow is available for the company to reinvest in profitable units of the company. A study by Nissim and Ziv (2001) states that increase in dividends leads to an increase the firm's earnings. Velnampy and Nimalathasan (2008) concluded movements in financial markets are affected by change in dividend payments and that projected dividend payments depends on the earnings projections. Profitable companies are less likely to do a restructuring considering they want to keep up with the profit longer. Restructuring occurs when the profitability of the company is at risk.

2.3.3 Liquidity

The availability of liquid assets to meet the company's present and future financial commitments is referred to as liquidity. Market liquidity is where a firm or individual can converts assets to cash without causing a drastic change in asset price. (Marfo and Agyei 2011) claims that a firm with stable cash flow has a higher chance of paying dividends. This means that if a firm does not pay dividends at the end of their financial year, then they might be having cash flow issues and might restructure soon to avert the situation from getting worse. Bhunia (2010) made a conclusion in his study that a firm should consider their current liquidity position before paying dividends. Liquidity management uses liquidity ratios such as current ratio, quick ratio and acid test ratio which have great effects on profitability of an organization (Su, 2010 ; Wang, 2002).

2.3.4 Management Efficiency

The operational efficiency of a company may be measured and determined by this internal qualitative factor. Management's capacity to utilize resources effectively, raise revenue, and distribute monies effectively are examples of how management efficiency will be evaluated. Management quality is the ability of the management to detect, evaluate and mitigate risks related to business activities of a firm and operations follow the stipulated rules and regulations. If the management is efficient enough, it will detect crisis from far and solve it before it affects the profits of the company (Kusa & Ongore, 2013).

2.4 Empirical Review

Dadson (2012) researched concentrated share ownership and listed company performance in Ghana. Between 1999 and 2008, the Ghana Stock Exchange's listed companies were studied in a ten-year span. Tobin's Q and ROA were utilized to calculate the performance of the panel data regression model. The results indicated that locals had a disproportionate share of ownership. To improve the company's financial performance, he advocated investment in ownership concentration, institutional and insider ownership.

Foreign ownership, the structure of capital, and company performance in Vietnamese listed companies were analyzed by Phuong (2013). Unbalanced panel data from non-financial firms were utilized in an experimental investigation over six years (2007-2012). Researchers used an OLS pooling approach as well as a fixed-effect regression technique. Foreign ownership and leverage were shown to be negatively correlated, whereas state ownership was positively correlated. Leverage and performance were shown to have a substantial correlation in the research. It was conducted in a global context, which is distinct from the local context.

Yu (2013) studied a panel of Chinese listed companies between 2003 and 2010 to examine the influence of ownership status and financial affluence on the success of these companies. A U-shaped impact on organizational performance was identified by him. That's why it was first less profitable for the government (maybe because of political intervention), but subsequently increased as a consequence of more ownership. This is due to the fact that enterprises that have a larger proportion of state rights are more likely to profit from government subsidies and political ties that are favorable to them. The research found that government policies have an impact on the performance of businesses, depending on how favorable or unfavorable the business climate is.

Ownership ownership has an impact on the profitability of listed firms on the Tehran Stock Exchange according to Shohreh, Seyedeh, Mir and Armin (2015). 90 businesses were studied from 2006 to 2010. The research employed Pearson correlation and multiple regression. Discovered a correlation between institutional ownership and dividend policy. It was shown that institutional ownership had a positive association with the company's return on equity.

Afang and Musa (2016) tested the link amongst shareholding structure and ROE of Nigerian conglomerate listed at Nigerian Securities Exchange using an explorative design. Study population involved 50 conglomerates, panel data was covering duration of 5 years. A multiple kind of a regression equation was used and the results depicted that management and foreign ownership shareholding impacted negatively on ROE. Size of the firm was positively linked to firm performance. It was conducted in an international context where the circumstances are distinct from those in the local area.

A study conducted in Kenya's banking industry by Ngige (2012) found a link between firm financial performance and corporate restructuring. Results revealed that restructuring improved overall performance in terms of geographical spread, competitiveness, boom in best of items, market percentage growth, and customer retention. Banks were also found to have employed unique restructuring approaches that had different effects on overall performance. The study's findings were inconclusive, resulting in conflicting conclusions on the financial effect of restructuring.

Ogega (2014) looked at the influence of ownership structure on the financial performance of Kenyan banks, and found that ownership structure had a favorable impact on their financial success. In Kenya's banking industry, the research showed a strong positive correlation among ownership structure and financial success. According to the analysis, a unit rise in foreign ownership would result in an improvement in fiscal performance among Kenyan banks. The research discovered that a bank's domestic ownership has a major impact on its performance, as well as the bank's government ownership.

Rotich (2015) examined the impact of ownership structure on the financial performance of Kenya's 43 commercial banks. A four-year period from 2010 to 2013 is covered by secondary data on bank ownership and accounting data from CMA and CBK financial annual reports of all the various banks. Multiple regression analysis was utilized to examine the association between the ownership structure of commercial banks in Kenya and their financial performance. According to the data, the financial performance of a bank is positively influenced by foreign ownership, local ownership, and government ownership.

According to Mudi (2017), listed companies' financial performance is influenced by their ownership structure. Managerial ownership had a significant financial influence on the firms that were the focus of this research. Descriptive survey, cross section and longitudinal research methods were utilized in the study. Between 2011 and 2016, all NSE-listed companies were included in the study's population. In this analysis, 52 companies were eligible for inclusion. The structure of the company's ownership has a substantial influence on its financial results. Regardless of the age of the company, management ownership has a statistically significant influence on ROA. Regardless of the company's age, individual ownership has a substantial impact on asset returns.

From 2012 to 2016, Oketch (2017) evaluated the effect of NSE-listed firm ownership structures on financial performance. Primary goal of research was to evaluate ownership structure and stock market performance. An investigation of the ownership and profitability of 58 publicly traded corporations was conducted. As per the study, the structure of ownership has a negative effect on financial success. In Kenya, a company's financial performance is significantly determined by ownership structure.

2.5 Summary of the Literature Review and Knowledge Gaps

Ownership structure and company reorganization are intertwined, according to many theoretical frameworks developed for the Nairobi Securities Exchange. They include: stewardship theory, stakeholder theory, and agency theory. In this chapter, we've also discussed some of the most essential factors that drive corporate restructuring. Researchers in the US and worldwide have examined the link between company restructuring and ownership changes. The results of these investigations are also reported here.

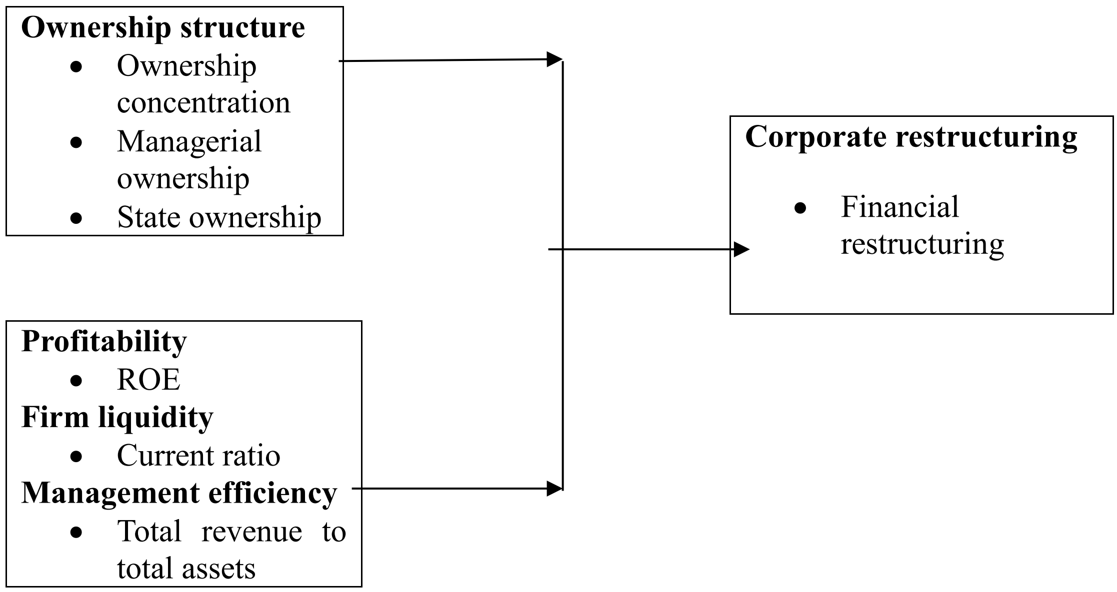
From empirical review, although there exists numerous studies on ownership structures and corporate restructuring, these studies have not related the two variables. Rotich, Mudi, and Oketch (2017) studied the impact of ownership structure on financial performance, whereas Ngige (2012) studied the impact of corporate restructuring. Because managers and owners' aims are linked, it is expected that greater management ownership will lead to organizational restructuring that maximizes shareholder value. The NSE-listed companies offer a useful backdrop for studying ownership structures and corporate restructuring.

2.6 Conceptual Framework

An illustration of the relationship between research variables may be seen in the diagram below. Ownership structure, operationalized as ownership concentration, management ownership, and state ownership, was used as a predictor variable in this study's analyses. Profitability, liquidity, and management performance were all carefully monitored and controlled. The dependent variable was the rearrangement of the company's financial resources.

Figure 2.1: The Conceptual Model

Independent variable **Dependent variable**



Control Variables
Source: Researcher (2020)

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

The study's methodology outlined how it was done, which was critical in evaluating the effect of ownership structure on company restructure. This section describes the research design, sample, data collection, and analyses technique.

3.2 Research Design

The study employed descriptive research design. This research utilized a descriptive research design since it entails observation with the goal of portraying the subjects in an accurate way without any form of manipulation. The researcher opts for this design because the data obtained was analyzed without subjecting them to further manipulation.

3.3 Population and Sample

As of December 31, 2020, there were 63 NSE-listed companies which formed the population (see Appendix I). Because the population was so small, no sampling was carried out.

3.4 Data Collection

From 2016 through 2020, the annual financial reports of publicly listed companies were used as the basis for this study, which was compiled in a number of ways. The study period was chosen as it provided adequate data for robust regression analysis. The publications were extracted from CMA financial publications of the specific listed firms. The specific data collected include, managers' shareholding, state shareholding, block shareholding, net income, total assets, total revenue, total equity, long-term debt and fixed assets.

3.5 Data Analysis

Data were analyzed using SPSS. The data were provided in statistical tables. It calculated the mean and standard deviation for each variable. Correlation and regression were used in inference. The study employed correlation and regression to examine variables and determine cause and effect. It was determined by utilizing multivariate regression that the dependent and independent variables had a linear connection.

3.5.1 Diagnostic Tests

Diagnostic tests such normality, stationarity, Hausman test, multi-colinear test, homogeneous test, and autocorrelation were performed to determine the model's viability. Normality implied a normally distributed residual towards the mean. There were two methods used to do this: Shapiro–Wilk and Kolmogorov–Smirnov tests. If one of the variables lacked normal distribution, the logarithmic adjustment approach was used to make the adjustments. Stationarity test was utilized in determining if the statistical characteristics such as variance, mean, as well as autocorrelation change with the passage of time. The Levin-Lin Chu unit root test was employed to determine this fact. Natural logarithms were used in cases when the data did not fit this condition. Robust regression was also be used as it provides better regression coefficients than ordinary least square (Khan, 2008).

Autocorrelation is a measure of how similar one time series was when compared to its lagged value across successive timings. The measure of this test was done using the The Wooldridge test and robust standard errors were included into the model in case the assumption was violated. Multicollinearity occurs when a linear link exists between a large number of independent variables. Variance Inflation Factors (VIF) as well as tolerance levels were utilized. Heteroskedasticity confirms if the errors variance in a regression lies among the independent variables. This was tested using the Breuch Pagan test and if data does not meet the homogeneity of variances assumption, robust regression analysis would be employed as it provides better regression coefficients when outliers exist in the data (Burns & Burns, 2008).

3.5.2 Analytical Model

The regression model below was used:

$$Y= \alpha+ \beta_1X_1+\beta_2X_2+\beta_3X_3+ \beta_4X_4 +\beta_5X_5+\beta_6X_6 +\varepsilon.$$

Where: Y = Corporate restructuring measured as financial restructuring will be given by change in long-term debt to total assets ratio

α =y intercept of the regression equation.

$\beta_1, \beta_2, \beta_3, \beta_4, \beta_5, \beta_6$ =are the regression coefficients

X_1 = Managerial ownership measured as a proportion of common shares held by the management divided by cumulative common shares in issue

X_2 = Ownership concentration given by the proportion of common shares held by largest shareholder divided by cumulative common shares in issue

X_3 = State ownership measured as a proportion of common shares held by the state divided by cumulative shares in issue

X_4= Management efficiency measured as the ratio of total revenue to total assets

X_5= Firm liquidity as measured by current assets divided by current liabilities

X_6= Firm profitability as measured by the ratio of net income to equity

ε =error term

3.5.3 Operationalization of Variables

Variable	Measure
Corporate restructuring	Financial restructuring (Change in long-term debt to total assets ratio)
Ownership concentration	Proportion of common shares held by largest shareholder divided by cumulative common shares in issue
Managerial ownership	Proportion of common shares held by the management divided by cumulative common shares in issue
State ownership	Proportion of common shares held by the state divided by cumulative shares in issue
Firm profitability	Ratio of net income to average equity
Firm liquidity	Ratio of current assets to current liabilities on an annual basis
Management efficiency	Ratio of total revenue to total assets on an annual basis

3.5.4 Tests of Significance

The overall model and the relevance of each individual variable were used to develop parametric tests. An ANOVA and a t-test were employed to assess the overall model's significance of the coefficients.

CHAPTER FOUR: DATA ANALYSIS RESULTS AND FINDINGS

4.1 Introduction

The analyses of data is the subject of this chapter.The objective of the research was to establish the relationship between ownership structure and corporate restructuring among firms listed at the NSE, Kenya. Patterns were studied by descriptive and inferential analysis, that were then analyzed and conclusions drawn on them, in accordance with the specific objectives.

4.2 Descriptive Statistics

The mean and standard deviation were computed to better comprehend the data. Before undertaking inferential analysis, descriptive analysis was required to comprehend the acquired data's features. Table 4.1 shows the findings.

Table 4.1: Descriptive Results

	N	Minimum	Maximum	Mean	Std. Deviation
Corporate restructuring	275	-.645	1.083	.23609	.192817
Managerial ownership	275	.002	9.549	2.62653	2.274363
Ownership concentration	275	.029	.692	.51335	.097536
State ownership	275	.000	.248	.02656	.037908
Management efficiency	275	.025	1.419	.50214	.248611
Liquidity	275	.343	11.648	2.23363	1.808872
Profitability	275	-.570	.390	.03837	.106719
Valid N (listwise)	275				

Source: Research Findings (2021)

Data for each variable are presented in the form of Table 4.1, which displays how many cross-sectional units and how many periods were analyzed (55*5 = 275). Corporate restructuring was the dependent variable and ownership structure the independent variable (managerial ownership, ownership concentration and state ownership). Finally, the control variables were management efficiency, liquidity and profitability.

4.3 Diagnostic Tests

A variety of diagnostic tests, including normality, stationarity, multicollinearity, homogeneity of variance, and autocorrelation, were used to verify the model's feasibility.

4.3.1 Normality Test

The data were subjected to the Shapiro-Wilk test to see whether they had a normal distribution. The data were considered normal if the p value was greater than 0.05.

Table 4.2: Test for Normality

	Shapiro-Wilk		
	Statistic	Df	Sig.
Corporate restructuring	0.869	275	0.078
Managerial ownership	0.918	275	0.102
Ownership concentration	0.881	275	0.094
State ownership	0.874	275	0.091
Managerial efficiency	0.892	275	0.101
Liquidity	0.923	275	0.120
Profitability	0.874	275	0.094

Source: Research Findings (2021)

A p-value greater than 0.05 means the null hypothesis was rejected and the alternative hypothesis was accepted, indicating the data had a normal distribution.

4.3.2 Multicollinearity Test

Multicollinearity exists when a perfect or near perfect linear relation exist between a number of independent variables. Variance Inflation Factors (VIF) as well as tolerance levels were utilized.

Table 4.3: Multicollinearity

	Collinearity Statistics	
Variable	**Tolerance**	**VIF**
Managerial ownership	0.724	1.382
Ownership concentration	0.684	1.463
State ownership	0.697	1.434
Management efficiency	0.703	1.422
Liquidity	0.661	1.513
Profitability	0.634	1.577

Source: Research Findings (2021)

Table 4.3 demonstrates that there was no multicollinearity since all variables had VIF values less than 10 and tolerance values greater than 0.2.

4.3.3 Heteroskedasticity test

The heteroskedasticity was checked using the Breusch-Pagan test. Specifically, the null hypothesis stated that error terms exhibited constant variance. Table 4.4 shows the heteroskedasticity test results.

Table 4.4: Heteroskedasticity Results

Breusch-Pagan / Cook-Weisberg test for heteroscedasticity		
Ho: Constant variance		
Variable: fitted values		
chi2(1)	=	0.784
Prob > chi2	=	0.6318

Source: Research Findings (2021)

Table 4.4 shows that a p-value of 0.6318 does not rule out the null hypothesis of homoskedastic error terms as true.

4.3.4 Autocorrelation Test

Autocorrelation is a measure of how similar one time series was when compared to its lagged value across successive timings. The measure of this test was done using the Wooldridge test.

Table 4.5: Test of Autocorrelation

Wooldridge test for autocorrelation in panel data H0: no first-order autocorrelation
F(1, 274) = 0.314
Prob> F = 0.5176
Source: Research Findings (2021)

This null hypothesis of no serial correlation is not disproved by the data in Table 4.5 due to its substantial p-value (p-value = 0.5176).

4.3.5 Stationarity Test

An analysis of the stationarity of variance, mean, and autocorrelation was performed in order to see whether they have changed over time. Levin-Lin Chu unit root test results are shown in Table 4.6.

Table 4.6: Levin-Lin Chu unit-root test

Levin-Lin Chu unit-root test			
Variable	**Hypothesis**	**p value**	**Verdict**
Corporate restructuring	Ho: Panels contain unit roots	0.0000	Reject Ho
Managerial ownership	Ho: Panels contain unit roots	0.0000	Reject Ho
Ownership concentration	Ho: Panels contain unit roots	0.0000	Reject Ho
State ownership	Ho: Panels contain unit roots	0.0001	Reject Ho
Management efficiency	Ho: Panels contain unit roots	0.0000	Reject Ho
Liquidity	Ho: Panels contain unit roots	0.0000	Reject Ho

Profitability	Ho: Panels contain unit roots	0.0000	Reject Ho

The null hypothesis that: Panels have unit roots was rejected for all variables since the p values were less than 0.05, as shown in Table 4.6. This meant that the panel data for all of the variables were stationary.

4.4 Correlation Results

Correlational analysis was used to examine the direction and strength of relationship between each predictor and response variable. As stated in Table 4.7, the strength and direction of correlations between the study variables are indicated.

Table 4.7: Correlation Results

		Corporate restructuring	Managerial ownership	Ownership concentration	State ownership	Management efficiency	Liquidity	Profitability
Corporate restructuring	Pearson Correlation	1						
	Sig. (2-tailed)							
Managerial ownership	Pearson Correlation	.254**	1					
	Sig. (2-tailed)	.000						
Ownership concentration	Pearson Correlation	.432**	.175**	1				
	Sig. (2-tailed)	.000	.010					
State ownership	Pearson Correlation	.266**	-.042	.017	1			
	Sig. (2-tailed)	.000	.535	.800				
Management efficiency	Pearson Correlation	-.503**	-.275**	-.044	-.017	1		
	Sig. (2-tailed)	.000	.000	.524	.803			
Liquidity	Pearson Correlation	.105	.199**	.064	.104	.055	1	
	Sig. (2-tailed)	.084	.003	.347	.129	.425		
Profitability	Pearson Correlation	-.525**	-.235**	-.104	.118	.051	.020	1
	Sig. (2-tailed)	.000	.001	.127	.084	.460	.775	

**. Correlation is significant at the 0.01 level (2-tailed).
b. Listwise N=275

Source: Research Findings (2021)

The results in Table 4.7 reveal that managerial ownership and corporate restructuring are positively and significantly correlated (r=0.254**) at 5 % significance level. This implies that managerial ownership and corporate restructuring change in the same direction in that a higher stockholding in the firm by managers leads to a higher level of corporate restructuring. In addition, the results show that ownership concentration and corporate restructuring are positively and significantly correlated (r=0.432**) at 5 % significance level. This implies that both ownership concentration and corporate restructuring change in the same direction in that a board with more ownership concentration leads to higher corporate restructuring.

Further, results show that state ownership and corporate restructuring are positively and significantly correlated (r=0.266**) at 5 % significance level. State ownership and corporate restructuring move in a synchronized manner, implying that government ownership and corporate restructuring change in the same direction. Management efficiency and profitability had a negative relationship with corporate restructuring while liquidity did not have a significant relationship.

4.5 Regression Results

The degree to which the identified variables explain corporate restructuring was determined by regression analysis. The regression results were presented in Table 4.8 to 4.10.

Table 4.8: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.484[a]	.234	.215	.100068

a. Predictors: (Constant), Profitability, State ownership, Liquidity, Management efficiency, Ownership concentration, Managerial ownership

Source: Research Findings (2021)

The independent variables evaluated explained 23.4% of the variation in corporate restructuring among NSE-listed businesses, according to the modified R^2 findings. Hence, the six variables accounted just 23.4% of the variance in corporate restructuring, whereas other factors explained 76.6%.

Table 4.9: ANOVA Analysis

Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	.730	6	.122	12.145	.000[b]
1	Residual	2.383	268	.010		
	Total	3.113	274			

a. Dependent Variable: Corporate restructuring
b. Predictors: (Constant), Profitability, State ownership, Liquidity, Management efficiency, Ownership concentration, Managerial ownership

Source: Research Findings (2021)

Table 4.9 which contain ANOVA results reveal that the data had a 0.000 level of significance, which implies that the data is suitable for drawing inferences on the variables.

Table 4.9: Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	.113	.095		2.766	.006
	Managerial ownership	.001	.002	.038	.617	.538
	Ownership concentration	.211	.039	.412	5.382	.000
1	State ownership	.218	.024	.492	5.984	.000
	Management efficiency	-.221	.028	-.467	-7.996	.000
	Liquidity	.001	.004	.012	.210	.834
	Profitability	-.156	.016	-.198	-3.403	.001

a. Dependent Variable: Corporate restructuring

Source: Research Findings (2021)

The coefficient of regression model was as below;

$Y = 0.113 + 0.211X_1 + 0.218X_2 - 0.221X_3 - 0.156X_4$

Where:

Y = Growth X_1 = Ownership concentration; X_2 =state ownership; X_3=management efficiency; X_4 = Profitability

4.6 Discussion of Research Findings

This research sought to discover how ownership influences corporate restructuring. Descriptive analysis was performed on the 63 firms listed on the NSE. Respondents from 55 firms represented 87.3% of the total. The study drew on information from the CMA and company annual reports. Among the variables considered in the study were: concentration of ownership, state ownership and managerial ownership. Management efficiency, profitability, and liquidity were used as the control variables in the investigation. The data were examined using descriptive and inferential statistics. This section will summarize the results.

Regression results revealed that managerial ownership was positively but not significantly related with corporate restructuring of firms listed at NSE ($\beta=0.001$, $p=0.538$). In addition, results reveal that ownership concentration was positively and significantly related with corporate restructuring of firms listed at NSE ($\beta=0.211$, $p=0.000$). Further, the findings suggest that state ownership ($\beta=0.218$, $p=0.000$) was positively and substantially associated with corporate restructuring of NSE-listed enterprises. For the control variables, management efficiency exhibited a significant negative effect, profitability exhibited a significant negative effect while liquidity did not exhibit a significant effect. The R-squared was 0.234. In other words, the chosen predictor factors accounted for 23.4 percent of the variance in corporate restructuring.

These findings are in line with those of Shohreh, Seyedeh, Mir, and Armin (2015), who looked at how institutional ownership affects financial policies and performance of listed businesses on the Tehran Stock Exchange. From 2006 to 2010, a total of 90 firms were chosen as a sample. The study goals were met via the use of Pearson correlation and multiple regression analysis. Institutional ownership has a favorable and significant association with dividend policy, but a significant negative relationship with leverage, according to the findings. Using return on equity as a metric, the results similarly revealed a positive and noteworthy association between institutional ownership and financial success.

The results of the research agree with those of Oketch (2017), who looked at how ownership structure influences the financial performance of NSE-listed companies from 2012 to 2016. The main goal was to figure out how the ownership structure of firms listed on the NSE correlated with their performance. Using secondary data, we were able to acquire information on management ownership, institutional ownership, ownership concentration, profitability, and financial performance for 58 organizations. The findings reveal that ownership structure and financial performance have a negative relationship. In general, the research found that the ownership structure of listed firms in Kenya had a significant association with their financial success.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

A summary of the preceding chapter's results, as well as its limitation and conclusions, are presented in this chapter. In addition, it offers policymakers with suggestions and suggest topics for further investigation.

5.2 Summary of Findings

The objective of the study was to determine how a company's ownership structure influences its corporate structure. The variables that were examined were managerial ownership, ownership concentration, state ownership, liquidity, management efficiency, and profit. A descriptive approach was used in the investigation. SPSS was used to conduct an analysis of secondary data from CMA. The annual reports of 55 publicly traded companies for the five-year period from 2016 to 2020 were used to compile the statistics.

The first objective was to establish the effect of managerial ownership on corporate restructuring in Kenyan businesses that were publicly traded on the Nairobi Stock Exchange (NSE). Correlation findings suggest that management ownership structure is positively associated with company restructuring. This means that a rise in management ownership would lead to an increase in corporate restructuring. Regression findings ($\beta=0.001$, $p=0.538$) suggest that there was a positive but not significant influence of managerial ownership on corporate restructuring among businesses listed at the NSE, Kenya.

The second objective of this study was to examine the influence of ownership concentration on corporate restructuring in Kenyan firms that are publicly listed on the Nairobi Stock Exchange (NSE). When it comes to corporate restructuring, ownership concentration has been shown to be linked to it at a 5% significance level in correlation results As a consequence, the frequency of corporate restructurings would rise as a result of an increase in ownership concentration. Corporate restructuring in Kenyan firms listed on the NSE was positively and significantly affected by ownership concentration, according to regression findings (β=0.211, p=0.000).

For the third objective, the study sought to examine the effect of state ownership on corporate restructuring in Kenyan firms listed on the Nairobi Stock Exchange (NSE). Correlations between state ownership and restructuring were found to be significant at the 5% level of significance, according to the research. This suggests that a rise in state ownership would lead to an increase in corporate restructuring. According to regression findings (β=0.218, p= 0.000), there was a positive and significant influence of state ownership on corporate restructuring among businesses listed on the NSE, Kenya.

The fourth objective was to study the influence of managerial efficiency on corporate restructuring among enterprises listed at NSE, Kenya. Managerial efficiency seems to have a negative connection with corporate restructuring at the 5% significance level. This suggests that an improvement in managerial efficiency would lead to a reduction in corporate restructuring. Regression findings (β=-0.221, p=0.000) reveal that there was a negative and significant influence of managerial efficiency on corporate restructuring among businesses listed at NSE, Kenya.

The fifth purpose was to explore the influence of liquidity on corporate restructuring among Kenyan businesses that were publicly traded on the NSE. The correlation results at 5 % significance level show that liquidity had a positive correlation with corporate restructuring. The correlation was however not statistically significant. The regression findings (β=0.001, p=0.834) suggest that there was a positive but not statistically significant influence of liquidity on corporate restructuring among businesses listed on the NSE.

The sixth objective of the research was to examine the relationship between profitability and corporate restructuring in Kenyan firms that were listed on the NSE. Corporate restructuring has a negative link with profitability, as shown by the correlation data with a 5% significance level. This means that a reduction in corporate restructuring would be associated with an increase in profitability. Corporate restructuring was negatively affected by profitability, according to regression data (β=-0.156, p=0.001).

5.3 Conclusions

The study's purpose was to demonstrate an association between ownership structure and corporate restructuring. The kind of management ownership has a tiny but favorable influence on company restructuring. Not all public companies with higher management ownership undergo significant levels of corporate restructuring.

According to findings from the research, organizations with substantial shareholders benefit from corporate restructuring since they have more influence over decision-making and it is more difficult for their strong CEOs to dominate. Increased ownership concentration enables a firm to make decisions more easily.

According to the findings of the research, state ownership had a considerable and favorable impact on corporate restructuring. This may mean that the higher proportion of government ownership is likely to lead to corporate restructuring. A government-owned company's bureaucracy may be to blame for this, since they often seek financial restructuring.

Results show that managerial efficiency has a considerable detrimental impact on corporate restructuring. This research found that high-efficiency managers are less prone to restructure their firms. As a consequence, capable managers can satisfy their financial responsibilities without restructuring. Furthermore, the research found that profitability has a considerable detrimental impact on corporate restructuring. This may be due to the fact that successful companies are able to meet their maturing commitments.

5.4 Recommendations for Policy and Practice

Corporate restructuring was discovered to be significantly influenced by company's concentration of ownership. The study therefore recommends he need to have a majority shareholder in a board as this shortens the decision making procedure making it easy for firms to undertake corporate restructuring where need be. The results are indicative that more concentrated firms in terms of ownership are likely to undertake corporate restructuring.

The research found that state ownership has a substantial effect on corporate restructuring. Therefore, the study suggests that the CMA, which is the regulator, adopt laws on the maximum proportion of shares the state may own in a publicly traded company. Furthermore, government should have a finance expert sitting in the board of the firms with state ownership as this will help in identifying areas that are likely to result in financial restructuring.

5.5 Limitations of the Study

Some of the elements that are thought to affect restructuring of NSE-listed companies were discussed. The researchers focused on six explanatory variables in particular in their study. It's possible that a company's corporate restructuring will be influenced by other factors. Some are controlled by the company, such as leverage and internal controls, while others are not.

The research used a quantitative analytical technique. Qualitative evidence that might explain the link between ownership structure and organizational restructuring in publicly listed corporations was also overlooked by the investigation. Qualitative methods like focus groups, open-ended surveys, and interviews can aid in the development of more definite outcomes.

The research was limited to a five-year time frame in this case (2016 to 2020). It's not certain whether the effects will endure for a long time. After 2020, it's unknown whether the same benefits will be attained. Over a longer period of time, the research should have taken into consideration major economic developments.

A regression model was used by the researchers to examine the data. Researchers were unable to generalize their findings because of the regression model's shortcomings, such as deceptive and erroneous results that cause a variable's value to change. Adding more data to the regression might have a significant influence on the outcome. As a result, the model has still another drawback.

5.6 Suggestions for Further Research

The study findings revealed an R square of 23.4%. This suggests that there are additional variables that effect corporate restructuring among NSE firms that were not addressed by the investigation. Other researches ought thus to focus on other factors for example; CEO tenure, incentive compensation, board composition in terms of expertise, audit committee, among other corporate governance aspects that affect corporate restructuring among the NSE firms.

The research focused on firms listed on the NSE. Additional research on other Kenyan companies should be conducted, according to the study's suggestions. Future research should look into how ownership structures affect other factors besides the corporate restructuring, such as company value, efficiency, and performance, to name a few.

Because of the readily available data, the focus of this research was drawn to the last five years. Future studies may span a longer time period, such as ten or twenty years, and might have a significant impact on this study by either complementing or contradicting its conclusions. Longer studies enable researchers to capture the impacts of economic cycles like recessions and booms.

Lastly, regression models have their own limitations, such as incorrect or misleading findings when a variable is altered. This study relied on one of these regression models. VECM models should be used in future research to analyze the multiple connections between ownership structure and corporate restructuring.

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APPENDICES

Appendix I: Firms Listed at the NSE

AGRICULTURAL
Eagads Ltd
Sasini Ltd
Williamson Tea Kenya Ltd
Kakuzi
Kapchorua Tea Co. Ltd
Limuru Tea Co. Ltd
Rea Vipingo Plantations Ltd
REAL ESTATE INVESTMENT TRUST
Stanlib Fahari I-REIT
TELECOMMUNICATION AND TECHNOLOGY
Safaricom PLC
AUTOMOBILES AND ACCESSORIES
Car and General (K) Ltd
COMMERCIAL AND SERVICES
Nairobi Business Ventures Ltd
Uchumi Supermarket Ltd
Kenya Airways Ltd
Scangroup Ltd
Standard Group Ltd
Sameer Africa PLC
Deacons (East Africa) Plc

TPS Eastern Africa (Serena) Ltd
Longhorn Publishers Ltd
Express Ltd
Nation Media Group
CONSTRUCTION AND ALLIED
Bamburi Cement Ltd
Athi River Mining
Crown Paints Kenya PLC
E.A.Portland Cement Ltd
E.A.Cables Ltd
ENERGY AND PETROLEUM
Umeme Ltd
Kenya Power & Lighting Co Ltd
KenGen Ltd
KenolKobil Ltd
Total Kenya Ltd
EXCHANGE TRADED FUND
New Gold Issuer (RP) Ltd
INVESTMENT
Olympia Capital Holdings ltd
Centum Investment Co Ltd
Home Afrika Ltd
Kurwitu Ventures
Trans-Century Ltd

INVESTMENT SERVICES
Nairobi Securities Exchange Ltd
MANUFACTURING AND ALLIED
B.O.C Kenya Ltd
Mumias Sugar Co. Ltd
East African Breweries Ltd
Eveready East Africa Ltd
British American Tobacco Kenya Ltd
Flame Tree Group Holdings Ltd
Unga Group Ltd
Kenya Orchards Ltd
Carbacid Investments Ltd

Appendix II: Research Data

Company ID	Year	Corporate restructuring	Managerial ownership	Ownership concentration	State ownership	Management efficiency	Liquidity	Profitability
1	2016	0.303	2.340	0.662	0.002	0.513	1.766	-0.160
1	2017	0.332	2.210	0.655	0.002	0.456	2.909	-0.060
1	2018	0.318	2.110	0.644	0.002	0.676	5.958	0.150
1	2019	0.304	1.980	0.591	0.001	0.745	11.648	0.040
1	2020	0.318	1.860	0.519	0.002	0.723	7.503	0.050
2	2016	0.356	2.340	0.492	0.000	0.274	2.123	0.140
2	2017	0.314	2.340	0.504	0.001	0.325	3.237	0.150
2	2018	0.297	2.320	0.538	0.000	0.289	1.082	0.120
2	2019	0.310	2.280	0.525	0.001	0.295	2.279	0.090
2	2020	0.330	2.390	0.505	0.001	0.275	1.303	0.110
3	2016	0.316	0.094	0.552	0.003	0.643	1.594	0.010
3	2017	0.313	0.087	0.492	0.005	0.666	1.438	0.020
3	2018	0.319	0.098	0.490	0.005	0.664	1.013	0.020
3	2019	0.308	0.102	0.442	0.003	0.653	0.911	0.040
3	2020	0.273	0.109	0.416	0.019	0.637	2.355	0.060
4	2016	0.274	1.320	0.607	0.008	0.116	3.047	0.130
4	2017	0.260	1.280	0.575	0.007	0.132	3.001	0.120
4	2018	0.298	1.270	0.539	0.005	0.166	2.807	0.130
4	2019	-0.299	1.340	0.470	0.005	0.147	2.973	0.170
4	2020	-0.339	1.290	0.482	0.005	0.127	2.834	0.220
5	2016	0.083	0.873	0.587	0.056	0.701	3.249	0.040

Company ID	Year	Corporate restructuring	Managerial ownership	Ownership concentration	State ownership	Management efficiency	Liquidity	Profitability
5	2017	0.477	0.877	0.636	0.064	0.691	6.252	0.050
5	2018	0.112	0.892	0.614	0.077	0.702	2.076	0.010
5	2019	0.296	0.875	0.645	0.068	0.650	2.051	0.010
5	2020	0.332	0.839	0.647	0.084	0.538	2.674	0.070
6	2016	0.291	3.420	0.640	0.004	0.733	1.940	-0.100
6	2017	0.323	3.450	0.640	0.006	0.661	1.022	-0.080
6	2018	0.322	3.760	0.643	0.004	0.595	0.721	0.020
6	2019	0.261	3.890	0.621	0.008	0.608	0.699	0.390
6	2020	0.292	3.950	0.648	0.006	0.550	0.803	0.060
7	2016	0.260	1.760	0.426	0.058	0.383	1.052	-0.040
7	2017	0.266	1.740	0.430	0.055	0.355	2.357	0.150
7	2018	0.268	1.680	0.433	0.052	0.403	2.297	0.310
7	2019	0.297	1.740	0.433	0.054	0.573	2.681	-0.020
7	2020	0.303	1.680	0.443	0.011	0.561	2.348	0.110
8	2016	0.014	1.560	0.526	0.011	0.289	2.620	0.350
8	2017	0.068	1.540	0.524	0.009	0.551	1.316	-0.180
8	2018	0.337	1.620	0.523	0.008	0.431	1.196	0.390
8	2019	0.317	1.570	0.522	0.007	0.765	1.174	-0.190
8	2020	0.304	1.610	0.521	0.013	0.580	1.206	0.050
9	2016	0.304	0.002	0.520	0.012	0.248	1.228	0.100
9	2017	0.296	0.002	0.518	0.100	0.241	1.056	0.110
9	2018	0.334	0.002	0.517	0.009	0.358	1.096	0.120
9	2019	0.277	0.002	0.516	0.009	0.228	1.112	0.040

Company ID	Year	Corporate restructuring	Managerial ownership	Ownership concentration	State ownership	Management efficiency	Liquidity	Profitability
9	2020	0.234	0.002	0.515	0.048	0.221	1.160	0.050
10	2016	0.299	1.680	0.513	0.085	0.514	1.123	0.020
10	2017	0.305	1.720	0.512	0.027	0.530	4.511	0.020
10	2018	0.285	1.690	0.511	0.030	0.587	6.296	0.190
10	2019	0.239	1.680	0.510	0.039	0.693	10.089	0.020
10	2020	0.266	1.710	0.508	0.026	0.607	4.258	0.030
11	2016	0.298	8.720	0.507	0.000	0.535	8.843	0.090
11	2017	0.494	8.770	0.506	0.000	0.592	1.107	0.090
11	2018	0.270	8.520	0.505	0.000	0.508	1.146	0.100
11	2019	0.333	8.760	0.503	0.000	0.693	1.382	0.040
11	2020	0.261	8.650	0.502	0.000	0.763	1.536	0.020
12	2016	0.228	9.549	0.501	0.000	0.795	1.464	0.020
12	2017	0.180	9.549	0.500	0.000	0.785	1.283	0.020
12	2018	0.194	9.549	0.498	0.000	0.697	1.168	0.030
12	2019	0.247	9.549	0.497	0.000	0.668	1.305	0.040
12	2020	0.214	9.549	0.496	0.000	0.683	1.197	0.030
13	2016	0.070	9.512	0.495	0.002	1.307	1.161	-0.060
13	2017	0.785	9.512	0.493	0.041	1.229	1.585	-0.190
13	2018	0.777	9.512	0.492	0.050	1.033	0.946	-0.190
13	2019	0.497	9.512	0.491	0.044	0.810	1.085	-0.020
13	2020	0.244	5.172	0.490	0.045	0.746	1.024	-0.040
14	2016	0.266	5.172	0.488	0.032	0.156	1.469	0.300
14	2017	0.215	5.172	0.487	0.040	0.174	0.984	0.240

Company ID	Year	Corporate restructuring	Managerial ownership	Ownership concentration	State ownership	Management efficiency	Liquidity	Profitability
14	2018	0.216	7.570	0.486	0.080	0.336	1.334	0.200
14	2019	0.218	2.466	0.485	0.021	0.322	1.540	0.170
14	2020	0.200	6.433	0.483	0.025	0.377	1.259	0.140
15	2016	0.406	6.060	0.482	0.009	0.393	1.115	0.000
15	2017	0.389	9.053	0.481	0.030	0.444	4.144	-0.200
15	2018	0.333	9.053	0.480	0.021	0.384	6.657	-0.010
15	2019	0.228	4.900	0.479	0.015	0.328	7.954	-0.020
15	2020	0.147	4.900	0.477	0.019	0.270	8.475	0.120
16	2016	0.037	4.901	0.392	0.028	0.142	3.345	0.020
16	2017	0.391	5.268	0.391	0.004	0.104	0.951	0.030
16	2018	0.415	5.268	0.392	0.004	0.090	1.097	0.130
16	2019	0.155	7.848	0.394	0.004	0.188	1.422	0.380
16	2020	0.222	8.532	0.393	0.004	0.295	1.486	0.010
17	2016	0.266	8.532	0.394	0.004	0.582	1.736	-0.050
17	2017	0.078	1.326	0.620	0.004	0.529	1.237	0.050
17	2018	-0.645	1.326	0.648	0.005	0.569	0.950	-0.070
17	2019	0.151	1.591	0.654	0.005	0.462	0.935	0.050
17	2020	0.217	1.591	0.638	0.005	0.507	0.968	0.050
18	2016	0.602	1.591	0.645	0.006	0.437	1.224	0.070
18	2017	0.542	5.646	0.668	0.017	0.465	1.643	0.060
18	2018	0.453	1.000	0.691	0.022	0.486	1.032	0.050
18	2019	0.366	1.000	0.541	0.023	0.495	0.923	0.040
18	2020	0.362	1.000	0.478	0.023	0.615	0.897	0.030

Company ID	Year	Corporate restructuring	Managerial ownership	Ownership concentration	State ownership	Management efficiency	Liquidity	Profitability
19	2016	0.355	1.000	0.492	0.024	1.006	1.157	-0.210
19	2017	0.342	1.000	0.492	0.009	0.797	0.502	-0.050
19	2018	0.331	3.259	0.492	0.013	0.966	0.465	-0.050
19	2019	0.329	3.485	0.492	0.015	0.366	0.563	-0.080
19	2020	0.328	1.854	0.492	0.016	0.446	1.400	0.030
20	2016	0.324	1.844	0.645	0.018	1.419	0.624	-0.570
20	2017	0.322	1.844	0.668	0.038	0.867	0.740	-0.530
20	2018	0.316	1.844	0.669	0.036	0.520	0.693	0.080
20	2019	0.314	1.674	0.688	0.022	0.475	0.563	0.060
20	2020	0.314	2.005	0.513	0.021	0.466	0.636	0.000
21	2016	0.313	2.005	0.533	0.016	0.381	2.205	0.060
21	2017	0.304	2.005	0.541	0.018	0.383	2.524	0.070
21	2018	0.304	1.000	0.491	0.032	0.394	3.374	0.060
21	2019	0.284	1.000	0.477	0.059	0.471	2.833	0.040
21	2020	0.282	1.000	0.416	0.079	0.279	3.020	0.120
22	2016	0.272	1.000	0.690	0.248	0.285	4.402	0.130
22	2017	0.268	1.000	0.692	0.234	0.295	2.328	0.160
22	2018	0.265	1.000	0.675	0.236	0.266	1.771	0.200
22	2019	0.263	1.000	0.581	0.232	0.280	1.895	0.230
22	2020	0.260	1.000	0.561	0.237	0.277	2.131	0.020
23	2016	0.253	1.000	0.428	0.008	0.240	0.955	0.060
23	2017	0.253	1.000	0.558	0.010	0.261	1.219	0.060
23	2018	0.253	1.000	0.615	0.014	0.240	1.156	0.100

Company ID	Year	Corporate restructuring	Managerial ownership	Ownership concentration	State ownership	Management efficiency	Liquidity	Profitability
23	2019	0.233	2.782	0.619	0.049	0.216	1.116	0.080
23	2020	0.215	2.782	0.571	0.059	0.820	1.078	0.120
24	2016	0.213	2.782	0.628	0.052	0.888	1.524	0.160
24	2017	0.207	2.782	0.631	0.076	0.801	1.488	0.140
24	2018	0.202	2.782	0.602	0.047	0.855	1.277	0.110
24	2019	0.197	0.002	0.500	0.007	0.868	1.300	0.110
24	2020	0.158	0.002	0.367	0.003	0.078	1.100	0.170
25	2016	0.135	0.002	0.645	0.006	0.091	0.630	0.050
25	2017	0.134	0.002	0.668	0.005	0.148	1.595	0.010
25	2018	0.078	0.002	0.503	0.010	0.191	1.487	-0.090
25	2019	0.054	0.087	0.382	0.009	0.239	1.285	0.100
25	2020	0.042	0.094	0.173	0.007	0.265	1.410	-0.030
26	2016	0.004	0.098	0.495	0.012	0.221	0.343	0.050
26	2017	0.000	0.102	0.493	0.008	0.229	0.672	0.010
26	2018	0.000	0.109	0.492	0.007	0.253	2.973	0.090
26	2019	-0.005	0.839	0.491	0.009	0.303	2.834	-0.030
26	2020	-0.008	0.873	0.490	0.006	0.294	3.249	0.050
27	2016	-0.011	0.875	0.488	0.049	0.280	6.252	-0.010
27	2017	-0.022	0.877	0.487	0.088	0.284	2.076	0.070
27	2018	-0.047	0.892	0.486	0.059	0.382	2.051	0.090
27	2019	-0.068	1.270	0.485	0.067	0.283	2.674	-0.070
27	2020	-0.128	1.280	0.483	0.088	0.271	2.828	-0.080
28	2016	-0.247	1.290	0.550	0.035	0.267	2.910	0.010

Company ID	Year	Corporate restructuring	Managerial ownership	Ownership concentration	State ownership	Management efficiency	Liquidity	Profitability
28	2017	-0.330	1.320	0.620	0.005	0.236	3.463	0.000
28	2018	-0.363	1.340	0.676	0.003	0.241	3.601	0.080
28	2019	0.303	1.540	0.640	0.006	1.139	4.359	-0.070
28	2020	0.332	1.560	0.622	0.021	0.939	1.766	-0.250
29	2016	0.318	1.570	0.637	0.002	0.728	2.909	-0.140
29	2017	0.304	1.610	0.602	0.002	0.673	5.958	-0.160
29	2018	0.318	1.620	0.546	0.002	0.587	11.648	0.000
29	2019	0.356	1.680	0.563	0.002	0.476	7.503	0.010
29	2020	0.314	1.680	0.505	0.002	0.437	2.123	0.000
30	2016	0.297	1.680	0.432	0.000	0.388	3.237	-0.030
30	2017	0.310	1.680	0.347	0.003	0.347	1.082	0.010
30	2018	0.330	1.690	0.416	0.003	0.346	2.279	0.030
30	2019	0.316	1.710	0.439	0.000	0.348	1.303	0.040
30	2020	0.313	1.720	0.439	0.000	0.347	1.594	0.030
31	2016	0.319	1.740	0.302	0.054	0.310	1.438	0.020
31	2017	0.308	1.740	0.555	0.069	0.357	1.013	0.040
31	2018	0.273	1.760	0.605	0.080	0.369	0.911	0.060
31	2019	0.274	1.860	0.649	0.050	0.683	2.355	-0.230
31	2020	0.260	1.980	0.620	0.064	0.679	3.047	0.030
32	2016	0.298	2.110	0.545	0.039	0.594	3.001	0.030
32	2017	-0.299	2.210	0.360	0.017	0.763	2.807	0.100
32	2018	-0.339	2.280	0.424	0.094	0.754	2.973	0.030
32	2019	1.083	2.320	0.403	0.006	1.087	2.834	-0.040

Company ID	Year	Corporate restructuring	Managerial ownership	Ownership concentration	State ownership	Management efficiency	Liquidity	Profitability
32	2020	0.477	2.340	0.364	0.009	1.053	3.249	-0.040
33	2016	0.112	2.340	0.029	0.009	1.011	6.252	-0.100
33	2017	0.296	2.340	0.302	0.001	0.906	2.076	0.000
33	2018	0.332	2.390	0.302	0.009	0.889	2.051	0.030
33	2019	0.291	3.420	0.266	0.008	0.530	2.674	-0.080
33	2020	0.323	3.450	0.379	0.007	0.526	2.271	-0.030
34	2016	0.322	3.760	0.309	0.014	0.537	1.838	0.000
34	2017	0.261	3.890	0.453	0.017	0.452	2.358	0.000
34	2018	0.292	3.950	0.480	0.009	0.403	2.522	-0.110
34	2019	0.260	8.520	0.487	0.014	0.046	1.310	0.100
34	2020	0.266	8.720	0.462	0.025	0.075	1.175	0.090
35	2016	0.268	8.760	0.496	0.018	0.075	1.170	0.160
35	2017	0.297	8.770	0.611	0.032	0.084	1.167	0.190
35	2018	0.303	4.251	0.652	0.024	0.364	1.138	0.230
35	2019	0.014	4.267	0.658	0.052	0.560	0.448	0.190
35	2020	0.068	4.271	0.626	0.035	0.524	1.042	0.260
36	2016	0.337	4.261	0.654	0.070	0.526	1.059	0.270
36	2017	0.317	4.230	0.624	0.007	0.555	1.112	0.230
36	2018	0.304	4.428	0.689	0.055	0.025	1.125	0.220
36	2019	0.304	4.310	0.645	0.049	0.718	1.159	0.060
36	2020	0.296	4.372	0.668	0.021	0.710	1.144	-0.230
37	2016	0.334	4.436	0.528	0.005	0.636	1.145	-0.120
37	2017	0.277	3.269	0.629	0.005	0.567	1.094	-0.050

Company ID	Year	Corporate restructuring	Managerial ownership	Ownership concentration	State ownership	Management efficiency	Liquidity	Profitability
37	2018	0.234	3.271	0.609	0.004	0.491	1.033	0.060
37	2019	0.299	2.838	0.539	0.003	0.492	1.271	0.050
37	2020	0.305	2.877	0.543	0.003	0.448	1.278	0.090
38	2016	0.285	2.836	0.517	0.002	0.423	1.172	0.130
38	2017	0.239	3.358	0.517	0.002	0.437	1.166	0.170
38	2018	0.266	3.396	0.517	0.002	0.486	1.558	-0.120
38	2019	0.298	3.293	0.517	0.001	0.392	1.623	0.040
38	2020	0.494	2.741	0.517	0.002	0.280	1.638	0.030
39	2016	0.270	2.267	0.517	0.000	0.530	1.605	-0.040
39	2017	0.333	2.316	0.517	0.001	0.468	1.505	0.050
39	2018	0.261	2.354	0.457	0.000	0.450	1.265	0.039
39	2019	0.228	2.382	0.475	0.001	0.442	1.287	0.039
39	2020	0.180	2.414	0.475	0.001	0.341	1.278	0.036
40	2016	0.194	2.267	0.475	0.003	0.283	1.222	0.028
40	2017	0.247	2.316	0.457	0.005	0.400	1.047	0.050
40	2018	0.214	2.354	0.475	0.005	0.318	1.169	0.039
40	2019	0.070	2.382	0.538	0.003	0.399	1.125	0.039
40	2020	0.785	2.414	0.538	0.019	0.400	1.100	0.036
41	2016	0.777	2.291	0.523	0.008	0.335	1.042	0.028
41	2017	0.497	2.343	0.538	0.007	0.326	1.240	0.045
41	2018	0.244	2.347	0.457	0.005	0.338	1.198	0.045
41	2019	0.266	2.369	0.529	0.005	0.376	1.159	0.047
41	2020	0.215	2.399	0.529	0.005	0.337	1.148	0.028

Company ID	Year	Corporate restructuring	Managerial ownership	Ownership concentration	State ownership	Management efficiency	Liquidity	Profitability
42	2016	0.216	2.035	0.489	0.056	0.460	1.081	0.037
42	2017	0.218	2.083	0.489	0.064	0.679	2.095	0.042
42	2018	0.200	2.164	0.600	0.077	0.414	2.365	0.041
42	2019	0.406	2.219	0.600	0.068	0.737	2.520	0.043
42	2020	0.389	2.229	0.600	0.084	0.546	2.253	0.039
43	2016	0.333	1.966	0.600	0.004	0.390	2.313	0.036
43	2017	0.228	2.089	0.600	0.006	0.440	2.941	0.014
43	2018	0.147	2.096	0.500	0.004	0.420	2.381	0.007
43	2019	0.037	2.061	0.500	0.008	0.380	2.632	-0.010
43	2020	0.391	2.484	0.500	0.006	0.230	4.348	0.001
44	2016	0.415	2.509	0.500	0.058	0.202	4.950	0.038
44	2017	0.155	2.576	0.500	0.055	0.368	2.717	0.040
44	2018	0.222	2.670	0.400	0.052	0.331	3.021	0.045
44	2019	0.266	2.703	0.400	0.054	0.308	3.247	0.039
44	2020	0.078	1.290	0.400	0.011	0.280	3.571	0.041
45	2016	-0.645	2.043	0.400	0.011	0.211	4.739	0.040
45	2017	0.151	2.138	0.400	0.009	0.460	2.174	0.042
45	2018	0.217	2.170	0.509	0.008	0.340	2.941	0.023
45	2019	0.602	2.215	0.509	0.007	0.304	3.289	0.041
45	2020	0.542	1.609	0.509	0.013	0.291	3.436	0.041
46	2016	0.453	1.670	0.509	0.012	0.337	2.967	0.019
46	2017	0.366	1.782	0.509	0.100	0.376	2.660	0.019
46	2018	0.362	1.001	0.600	0.009	0.679	1.473	0.016

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46	2019	0.355	1.000	0.600	0.009	0.414	2.415	0.021
46	2020	0.342	2.334	0.600	0.048	0.737	1.357	0.011
47	2016	0.331	2.377	0.600	0.085	0.546	1.832	0.056
47	2017	0.329	2.441	0.600	0.027	0.390	2.564	0.056
47	2018	0.328	2.533	0.350	0.030	0.340	2.941	0.067
47	2019	0.324	2.579	0.350	0.039	0.440	2.273	0.052
47	2020	0.322	2.300	0.350	0.026	0.604	1.656	0.042
48	2016	0.316	2.360	0.350	0.020	0.480	2.083	0.040
48	2017	0.314	2.451	0.433	0.030	0.400	2.500	0.042
48	2018	0.314	2.531	0.314	0.022	0.340	2.941	0.033
48	2019	0.313	2.544	0.314	0.008	0.240	4.167	0.034
48	2020	0.304	1.670	0.418	0.028	0.230	4.348	0.038
49	2016	0.304	1.782	0.418	0.086	0.202	4.950	0.023
49	2017	0.284	2.234	0.418	0.099	0.368	2.717	0.029
49	2018	0.282	2.298	0.418	0.064	0.331	3.021	0.032
49	2019	0.272	2.312	0.400	0.024	0.308	3.247	0.025
49	2020	0.268	0.846	0.475	0.004	0.280	3.571	0.022
50	2016	0.265	0.895	0.662	0.002	0.714	1.197	0.021
50	2017	0.263	1.740	0.655	0.041	0.833	1.161	0.010
50	2018	0.260	1.813	0.644	0.050	0.875	1.585	0.033
50	2019	0.253	1.815	0.591	0.044	0.875	0.946	0.034
50	2020	0.253	0.945	0.519	0.045	0.875	1.085	0.029
51	2016	0.253	0.985	0.492	0.032	0.875	1.024	0.027

Company ID	Year	Corporate restructuring	Managerial ownership	Ownership concentration	State ownership	Management efficiency	Liquidity	Profitability
51	2017	0.233	1.010	0.504	0.040	0.714	1.469	0.017
51	2018	0.215	1.019	0.538	0.080	0.714	0.984	0.013
51	2019	0.213	1.016	0.525	0.021	0.714	1.334	0.016
51	2020	0.207	1.014	0.505	0.025	0.750	1.540	0.011
52	2016	0.202	1.135	0.552	0.009	0.875	1.259	0.055
52	2017	0.197	1.237	0.492	0.030	0.778	1.115	0.049
52	2018	0.158	1.301	0.490	0.021	0.778	4.144	0.041
52	2019	0.135	1.350	0.442	0.015	0.778	6.657	0.049
52	2020	0.134	1.280	0.416	0.019	0.750	7.954	0.038
53	2016	0.078	1.293	0.645	0.028	0.750	8.475	0.027
53	2017	0.054	1.331	0.668	0.004	0.750	3.345	0.022
53	2018	0.042	1.344	0.503	0.004	0.889	0.951	0.013
53	2019	0.004	1.351	0.382	0.004	0.778	1.097	0.012
53	2020	0.000	1.664	0.173	0.004	0.750	1.422	0.007
54	2016	0.000	1.716	0.495	0.004	0.909	1.486	0.033
54	2017	-0.005	1.792	0.493	0.004	0.909	1.736	0.041
54	2018	-0.008	1.834	0.492	0.005	0.889	1.237	0.039
54	2019	-0.011	1.919	0.491	0.005	0.875	0.950	0.031
54	2020	-0.022	2.267	0.490	0.005	0.875	0.935	0.039
55	2016	-0.047	2.316	0.488	0.006	0.875	0.968	0.050
55	2017	-0.068	2.354	0.487	0.017	0.875	1.224	0.039
55	2018	-0.128	2.382	0.486	0.022	0.400	1.643	0.039
55	2019	-0.247	2.414	0.485	0.023	0.500	1.032	0.036

Company ID	Year	Corporate restructuring	Managerial ownership	Ownership concentration	State ownership	Management efficiency	Liquidity	Profitability
55	2020	-0.330	2.414	0.483	0.022	0.571	0.923	0.028