

**CORPORATE RESTRUCTURING AT NATIONAL HOSPITAL  
INSURANCE FUND, KENYA**

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**A MANAGEMENT RESEARCH PROJECT SUBMITTED IN PARTIAL  
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## ABSTRACT

Restructuring of a corporation is a means to an end, not the end in itself. It provides the formal channels of decision making and communication. The way a corporation is restructured sets the focus for the work. To achieve long term visions and strategies, the work needs to be organized to achieve the results desired by the management. Sometimes in difficult times it becomes necessary to “right-size” the organization. This necessitates shifting or reorganizing structural elements such as job designs, reporting structures and core processes to ensure that the structures of the organization are the most appropriate and responsive to meet current and future needs and to achieve the effective integration of services across the organization. Corporate restructuring is necessary when a corporation needs to improve its efficiency and profitability. It could involve dismantling and rebuilding of areas within a corporation, requiring the special attention from the management and directors. This is because corporate structure goes hand-in-hand with corporate governance as the ‘critical enablers’ for corporations to meet their strategic goals. The purpose of the study was to determine the extent of Corporate Restructuring at NHIF and the challenges faced in implementation of corporate restructuring at NHIF. The study adopted a case study research design; line managers at the headquarters were targeted and interview guide questions were used to gather data on implementation of corporate restructuring of the case study. Data were analyzed by content analysis and expressed in terms of narratives. The study found out that the corporation encountered challenges on practical operation of magnetic swipe cards in rural areas, service providers were co-charging members and there was lack of proper information to stakeholders on NHIF operations. Limitations of the study included the corporation’s strict policy on outflow of information that could not allow free flow of strategic information from respondents. Further research was recommended in other corporations that have not had good results with restructuring within the Public Sector. Probably by so doing, the conclusions of the study would help in establishing other challenges faced in implementation of corporate restructuring. This study focused on NHIF as a unit of study by design. It was therefore suggested that a study on the experiences of a number of restructured firms in the Ministry of Health would shed more light on challenges faced in implementing corporate restructuring strategy.