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INFLUENCE OF TURNAROUND STRATEGIES ON ORGANIZATIONAL PERFORMANCE: A CASE OF COAST DEVELOPMENT AUTHORITY, KENYA

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ABSTRACT

This study was aimed to determine the influence of turnaround strategies on performance of Coast Development Authority, Kenya. Specifically the study sought to examine the influence of retrenchment strategy, liquidation strategy, divestment strategy and repositioning strategy on organizational performance of Coast Development Authority in Kenya. A case study research design was adopted for this study. The target population of the study comprised of 35 senior staff directly involved in strategic decisions of the firm. Census was used in this study since the target population was small. For this study, data was collected using structured questionnaires based on the research questions. Data analysis was done with the help of Statistical Package for Social Science (SPSS) version 23. Descriptive statistics included frequencies distribution, and percentages and mean, while inferential statistical analysis used included correlations, and multiple regression analysis. From the study findings the results showed that there was a moderately strong positive significant correlation between retrenchment strategy and performance. Further the study postulated that there was positively insignificant influence of liquidation strategy on performance. On divestment strategy results proved that there was positively insignificant influence of divestment strategy on performance. Finally the results confirmed that there existed a positively significant influence of repositioning strategy on performance. The study concluded that retrenchment strategy enabled the institution to shift organizational structure from what it was now to what it has to be in order to sustain competitive edge and satisfy customers' needs. The study further concluded that institute had divested in non-core assets. The study recommended that the Coast Development Authority management should retrench non-core assets and staff so as to improve its performance.

Key terms: *Divestment, Liquidation, Repositioning, Retrenchment, Strategy, Turnaround strategy*

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INTRODUCTION

In the international stage, economic, political and geopolitical developments have led to a spree of economic reforms around the world. The composition of market has also metamorphosed causing the firms to make an intense assessment and reorientation of their assumptions and "mental" models. According to Lussier (2012) many organizations today encounter organizational declines at some point in their life cycles because of both external and internal factors. In most cases organizations face decline when they fail to anticipate recognize and adapt to external and internal pressures that threaten the organization's existence (Sekhar, 2011). As an alternative response to the times of crisis, operating turnaround strategies are targeted to enhance a firm's chances of ending the threat and achieving sustainable performance recovery. Operating turnaround strategies can be defined as the set of consequential, directive decisions and actions aiming to reverse a declining business as quickly as possible through asset reduction, cost cutbacks and revenue generating (Carter & Schwab, 2013).

The current business environment increasingly unpredictable and unstable and can lead a business into rapid decline, if the management fails to understand the signals of business decline (Mirchandani, 2012; Khandswalla, 2013; Fubara, 2011). Businesses that were technology driven found themselves in a declining market where capital is scarce and venture capitalists are retrenching. E-commerce has changed the nature of business to its core. Thousands of strategic alliance and partnerships, even among competitors have been formed in recent years. Downsizing, rightsizing, reengineering and countless divestures acquisition and the liquidations permanently altered the cooperate landscape. To survive and prosper in the competitive business environment, organizations need to build and sustain workable strategy.

Turnaround strategy is a set of consequential directive, long term decisions and actions targeted at the reversal of a perceived crisis that threatens the survival of a firm (Mintzberg, 2010). Further, turnaround strategy can be defined as sustainable positive change in the performance of a business to obtain the desired results. It is the process by which a business with inadequate performance is analyzed and changed to achieve desired results (Scherrer, 2012). Several turnaround strategies have been advanced to different organization, depending on whether they are profit or non-profit organization. Internal development can take the form of investments in new products, services, customer segments, or geographic markets including international expansion. Diversification can also be accomplished through external modes such as acquisitions and joint ventures. Thain and Goldthorpe, (2011) point that strategic restructuring and growth strategies; including divestment or closing of unprofitable activities and acquisitions to diversify or expand promising areas could be adopted by a firm. To achieve its objectives, turnaround strategy must reverse causes of distress, resolve the financial crisis, achieve a rapid improvement in financial performance, regain stakeholder support, and overcome internal constraints and unfavorable industry characteristics (Chakraborty & Dixit, 2013).

Regional Development Authorities (RDAs) were incept in 2003 under the Ministry of Regional Development Authority (MORDA) after the Government realized there was need to embark on an integrated approach to development that provides a multi-faceted and multi-sectoral framework that fosters a more balanced economic development in the country. The Ministry's mandate is to provide Policy guidance, Capacity building and support. Specifically, MORDA provides oversight as well as environmental conservation (Report on Recommended Restructuring of Regional Development Authorities in Kenya, 2010).

Coast Development Authority (CDA) was established by an act of Parliament No.20 of 1990 (cap 449) revised in 1992 to provide integrated development planning, coordination and implementation of projects within its area of jurisdiction which includes the whole of Coast region (Mombasa, Kwale, Kilifi, TaitaTaveta, Tana River, Lamu Counties) and southern Garissa sub county and the Kenya Exclusive Economic Zones (EEZ) (CDA Act, 1992).

As a Regional Development Authority, CDA embarked on implementing various strategies according to its 2013/2014 -2017/2018 strategic plan in response to organizational performance and achievement of its strategic objectives. These strategies were geared towards turning the organization around and repositioning itself as one of the most effective regional development authority. However, the impact and effectiveness of these strategies in bringing the desired turnaround is a subject to be reviewed this is because of the following problems that the authority has been experiencing that calls for urgent turnaround strategies to make it effective; non-prioritizing income generating projects , pending bills, non-remittance of statutory deductions, over employment, nepotism, poor leadership and management style, poor planning , demotivated workforce due to poor remuneration, lack of monitoring and evaluation (M & E) on projects, poor maintenance of vehicles and operational equipment, non-achievement of authority's strategic objectives amongst other issues.

Locally, there is dearth of empirical literature on the relationship between turnaround strategies and firm performance. For instance, Inyange (2014) conducted a study on turnaround strategies used at the National Oil Corporation of Kenya to improve performance and established that turnaround strategies adopted in the corporation was top management change, efficiency and operating strategy, expansion of retail outlets and employee retrenchment. Mutie (2013) carried out a study on the influence of corporate governance and turnaround strategies on the performance of Uchumi Supermarkets limited. The study established that top management teams, customer relationships, prompt delivery and after sales service are thus important factors that should be addressed during turnaround in order to establish a market niche and fulfil customer needs. Kamunde (2010) researched on turnaround strategies at Development Bank of Kenya Limited and established that the bank adopted top management change, stakeholder's involvement and increased efficiency. Saigilu (2010) studied the effectiveness of turnaround strategy at Kenya Revenue Authority (KRA). It was found that the turnaround strategies employed by KRA were highly effective in meeting organizational goals. Mwakida (2013) investigated the turnaround strategies adopted by new Kenya Cooperative Creameries Limited. The study identified that the company pursued two distinctive strategies namely decline stemming that reverse the decline and recovery strategies that yield a defensible competitive position to the firm. From the above discussions, it can be seen that limited research has been done on turnaround strategies on public institutions, and none has been done on regional development authorities and more so on Coast Development Authority. It is hence against this background that this study was undertaken to fill the missing knowledge gap by holistically investigating the influence of turnaround strategy on organizational performance

Research Objectives

- To assess the influence of retrenchment strategy on organizational performance of Coast Development Authority
- To evaluate the influence of liquidation strategy on organizational performance of Coast Development Authority
- To determine the influence of divestment strategy on organizational performance of Coast Development Authority
- To establish the influence of repositioning strategy on organizational performance of Coast Development Authority

Research Hypotheses

$H0_{1:}$ There is no significant influence of retrenchment strategy on organizational performance of Coast Development Authority

$H0_2$: There is no significant influence of liquidation strategy on organizational performance

$H0_3$: There is no significant influence of divestment strategy on organizational performance of Coast Development Authority

$H0_4$: There is no significant influence of repositioning strategy on organizational performance of Coast Development Authority

RELATED LITERATURE

Theoretical Framework

Institutional Theory

The institutional theory acknowledges the embedment of institutional actors in an environment of formal and informal rules. Institutional theorists suggest that organizational actions and processes are driven by their actors in order to justify and plausibly explain their actions. According to this perspective, strategy implementation are rationally accounted for by organizational actors and rooted in the normative and social context that motivates actors to seek legitimacy (Schoenberg *et al.*, 2013). The theory suggests that a leaner organizational structure and reduced red tape increase flexibility and facilitate the fit between intra-organizational processes and the environment. Economically, a key reason for downsizing is to reduce costs as organizations seek to maximize efficiency (Zhang, 2011). Several strategies seem pertinent, notably a cost leadership strategy which enables the organization to increase return on sales, or to increase market share through aggressive costing. Following staff downsizing the company can mute the leaner cost structure into competitive advantage by increasing profitability or lowering prices, which will be expressed in increased market share.

Resource Based Theory

The resource-based view (RBV) of the firm as advanced by Barney in 1991 is a theory of competitive advantage that emphasizes the link between a firm's internal resources, strategy, behaviour and performance. The resource-based view stipulates that the fundamental sources and drivers to firms' superior performance are mainly associated with the attributes of their resources and capabilities which are valuable and costly-to-copy (Casson, 2012). Building on the assumptions that strategic resources are heterogeneously distributed across firms and that these differences are stable overtime.

The resource-based theory argues that any firm is essentially a pool of resources and capabilities which determine the strategy and performance of the firm; and if all firms in the market have the same pool of resources and capabilities, all firms will create the same value and thus no competitive advantage is available in the industry. The basis of the resource-based view is that successful firms will find their future competitiveness on the development of distinctive and unique capabilities, which may often be implicit or intangible in nature. Thus, the essence of strategy is or should be defined by the firm s unique resources and capabilities (Serra *et al.*, 2013).

Portfolio Management Theory

Portfolio theory was advanced by Harry Markowitz in 1952. He defines portfolio is a collection of securities. As most securities are available, investments have uncertain returns and thus risky, one needs to establish which portfolio to own. Markowitz asserts investors should base their portfolio decisions solely on expected returns and standard deviations. Investors should estimate the expected return and standard deviation of each portfolio and then choose the best one on the basis of these two parameters. Expected return can be viewed as a measure of potential reward associated with any portfolio over the holding period and standard deviation can be viewed as a measure of the risk associated with the portfolio (Markowitz, 1952).

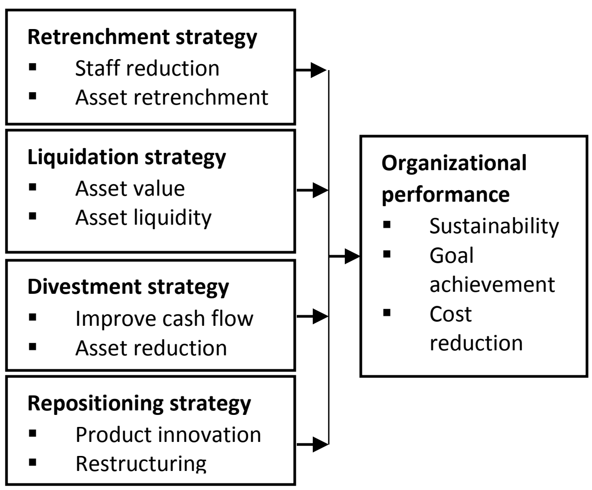
Since an infinite number of portfolios can be constructed from a set of securities, the problem is to determine the most desirable portfolio. The Efficient Set Theorem states that an investor will choose his or her optimal portfolio from the set of portfolios that; (i) Offer maximum expected return for varying degrees of risk; and (ii) Offer minimum risk for varying levels of expected return. The set of portfolios meeting these two conditions is known as the efficient set (also known as efficient frontier). The process will first involve identification of the feasible set which represents all portfolios that can be formed from a given number of securities. The investor will then select an optimal portfolio by plotting his or her indifference curve on the same figure as the efficient set and then proceed to choose the portfolio that is on the indifference curve that is farthest northwest. This portfolio will correspond to the point at which an indifference curve is just tangent to the efficient set. An investor's optimal portfolio is located at the tangency point between the investor's indifference curves and the efficient set (Markowitz, 1952).

Game Theory

Game theory is the study of rational behavior in situations involving the interdependence of outcomes (Camerer,2010). Game theory regards strategy as the art of outdoing an adversary with the assumption that the adversary has the same intent. This is done through rules indicating which action to take at each instant of the game depending on past actions of other players. Firms that survive are those having strategies suited to their industry environments. Shaprio (2009) used game theoretic reasoning to identify certain decisions made by successful firms in concentrated industries. These include investments in physical capital, investments in intangible assets, strategic control of information, network competition and others. Shapiro (2009) posited that these dimensions of strategic behavior determine the evolution of state dependent variables or performance outcomes.

Weidinger and Platts (2012) advises that a set of concepts aimed at decision making in situations of competition and conflict known as game theory to be used. A strategic game represents a situation where two or more participants are faced with choices of action, by which each may gain or lose, depending on what others choose to do or not to do. The final outcome of a game, therefore, is determined jointly by the strategies chosen by all participants. Huber (2010) advises that game theory can provide timely guidance to managers to develop a range of outcomes based on decisions and to present the advantages and disadvantages of each option. The theory supports repositioning variable since it involves interdependence of outcomes.

Conceptual Framework



Independent Variables **Dependent Variable**

Figure 1: Conceptual Framework

Source: Author (2019)

Retrenchment Strategy

Retrenchment strategies involve cutting operating costs and divestment of non-core assets. In times of turbulent environment, business horizons often shorten with owners/managers focusing on immediate survival rather than on long-term aims (Heggde & Panikar, 2011). Believing it is easier to reduce costs than generate additional revenue, many businesses choose to retrench. Beeri (2009) suggests that successful turnarounds are characterized by strategies of retrenchment, repositioning and reorganization. Failing companies that use one or more of these strategies are likely to perform better. Retrenchment is an integral component of turnaround strategy. The critical role of retrenchment in providing a stable base from which to launch a recovery phase of the turnaround process is well established.

Asset retrenchment is often pursued in concert with, or immediately following, a cost efficiency drive. An asset retrenchment strategy is where areas of the firm that are underperforming are appraised to determine if efficiencies can be made, or whether it is best to divest the asset completely rather than allowing it to continue operating at a weaker level than the rest of the firm (Morrow *et al.*, 2009). Some studies indicated that retrenchment was implemented only if cost efficiency strategies did not have enough impact to stabilize the firm's finances, although in the majority of cases it is the natural second step following cost efficiencies (Robbins & Pearce, 2010).

Liquidation Strategy

Liquidation strategy involves a firm being sold in parts or occasionally as a whole for its tangible assets and not as a going concern. The managers of a firm may choose liquidation in order to minimize losses of all firms' stakeholders. Faced with bankruptcy the liquidating firms usually try to develop a planned orderly system that will result in the greatest possible return and cash conversion as the firm slowly relinquishes its market share (Pearce & Robinson, 2010).

Selling of organizational assets, in parts, for their tangible worth is called liquidation (David, 2015). Liquidation is regarded as recognition of defeat and consequently can be an emotionally difficult strategy. Nevertheless, it may be better to cease operating than to continue losing large sums of money. Liquidation provides extra cash that may be utilized in other divestments. It is therefore a strategy that can help a declining organization back to its feet effectively executed. Liquidation represents an orderly and planned means of obtaining the greatest possible cash for an organization's assets (David, 2015).

Divestiture strategy

Divestiture strategy involves the sale of firm or a major component of the firm, when retrenchment fails to bring the desired turn around or when a non-integrated business activity achieve unusually high make value strategic managers often decide to sell the firm. Innovation strategy has been applied with the underlying rationale of creating a new product cycle making similar existing products obsolete (Pearce & Robinson, 2010) differing from product development strategy that seeks to extend the lifecycle of existing products. Divestiture strategy is an option when weaknesses in a business are a major obstruction to success in the industry and the costs of overcoming them are unaffordable or are not justified by a cost-benefit analysis, then eliminating the business must be considered. Divestiture offers the best possibility for recouping the firms' investment (Pearce & Robinson, 2010).When deciding whether to divest a business unit, strategists use a number of evaluating criteria: industry's attractiveness, competitive strength, strategic fit with other businesses, performance potential and compatibility with corporate priorities, capital requirements and value to the overall portfolio.

Repositioning Strategy

The Repositioning strategy, also known as entrepreneurial strategy, its main focus is to generate revenue with new innovations and change in product portfolio and market position. This includes the development of new products, entering new markets, extrapolating alternative sources of revenue and modifying the image or the mission of a company (Boyne & Meier, 2009). Repositioning is an entrepreneurial strategy which primarily focuses on generation of revenue, product innovation, product differentiation; re-branding, growth and innovation all these ultimately leading to capturing market share (Arogyaswami, 2008). It is, therefore, involves several sub-strategies such as moving into new markets, seeking new sources of revenue, developing new products and altering the mission and image of a company. Product differentiation can take many forms. These include differentiating in quality and price of the product from that of rival firms, differences in product design and features, differences in availability of product in terms of time and location etc. It also emphasizes altering the way of customers, suppliers and creditors.

The purpose of turnaround strategy is to reposition an organization from a point of underperformance or failure to achieve its objectives to a point of performance (Ngaruiya, 2010). Boyne, (2010) identified five stages of repositioning an organization. These included the evaluation and assessment stage; the acute needs stage, the restructuring stage, the stabilization stage and the revitalization stage. The first stage is delineated as onset of decline. Factors that cause this circumstance are new innovations by competitors or a downturn in demand, which leads to a loss of market share and revenue. But also stable companies may find themselves in this stage, because of maladministration or the production of goods that are not interesting for customers. In public organizations are external shocks, like political or economic, reasons that could cause a destabilization of a performance. Changes in legislation can also cause delineation among public organization. Sometimes an onset of decline can be temporary and through a corrective action and recovery been fixed.

Organizational Performance

Pearce and Robinson (2010) highlight three economic goals, which define a company's performance guided by strategic direction. These goals are survival in the market, growth and profitability. Organizational performance is the final achievement of an organization and contains a few things, such as the existence of certain targets, has a period of time in achieving these targets and the realization of efficiency and effectiveness (Gibson *et al.*, 2010). On the other hand, organizational performance refers to ability of an enterprise to achieve such objectives as high profit, quality product, large market share, good financial results, and survival at pre-determined time using relevant strategy for action (Koontz & Donnell, 2008). Organizational performance can also be used to view how an enterprise is doing in terms of level of profit, market share and product quality in relation to other enterprises in the same industry. Consequently, it is a reflection of productivity of members of an enterprise measured in terms of revenue, profit, growth, development and expansion of the organization.

RESEARCH METHODOLOGY

This study adopted a case study method which is an appropriate research method for this type of research. It is commonly used when the study involves a single organization with unique characteristics. According to Copper and Schindler (2012) a research design can be defined as the outline for the collection, measurement and analysis of the data. The design is considered suitable as it allows an in-depth study of the influence of turnaround strategies to be adopted by the Authority. It involves a careful and complete observation of all units. It is a method of study in depth rather than breadth and places more emphasis on the full analysis of a limited number of events or conditions and other interrelations. Data analysis was done through descriptive and inferential statistics. The particular descriptive statistics were mean scores, frequencies and standard deviations. The particular inferential statistics was regression analysis. The tool of analysis was the statistical Package for Social Science (SPSS v.23). The results were presented using tables and pie charts to give a clear picture of the research findings at a glance. This study applied a multiple regression model to establish the relationship between the dependent variable and the independent variables. The multiple regression analysis was used because there is more than one independent variable. The model took the following format:

$Y=\alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon$

Where;

Y is organizational performance

a is regression intercept

$\boldsymbol{\beta_1}$- $\boldsymbol{\beta_4}$ is regression coefficients

$\mathbf{X_1}$ is retrenchment strategy

$\mathbf{X_2}$ is liquidation strategy

$\mathbf{X_3}$ is divestment strategy

$\mathbf{X_4}$ is repositioning strategy

$\boldsymbol{\varepsilon}$ is the error term which is assumed to be normally distributed with mean zero and constant variance.

FINDINGS

Influence of retrenchment strategy on organizational performance

With a view to establish the effect of retrenchment strategy on performance, the study sought the views of respondents on the extent to which the given aspects of retrenchment strategy influence performance as indicated by their level of agreement. A likert scale data was collected rating the extent of agreement in a scale of 1 to 5 where 1 is the strongly disagree whereas 5 is the strongly agree indicator. Findings are as presented in table 1 below;

Table 1: Retrenchment Strategy

	Mean	Std. Deviation
It assists the institution in securing or providing slack regardless of the subsequent recovery strategy that is chosen	4.32	.487
It enabled the institution to shift organizational structure from what it is now to what it has to be in order to sustain competitive edge and satisfy customers' needs	3.76	.724
The institution has reduced its workforce	4.32	.147
It enabled the institution to reduce operating costs and increase revenue	4.32	.296

From table 1 above, the respondents agreed (mean = 4.32; std. dev. = .487) indicating that retrenchment strategy assists the institution in securing or providing slack regardless of the subsequent recovery strategy that is chosen. The respondents further agreed that retrenchment strategy enabled the institution to shift organizational structure from what it is now to what it has to be in order to sustain competitive edge and satisfy customers' needs as shown by a mean of 3.76 with a standard deviation of .724. Findings also show that, the respondents agreed (mean = 4.32; std. dev. = .147) indicating that the institution has reduced its workforce in the spirit of retrenchment strategy. This agrees with Cascio, (2008) who asserted that following staff reduction the company can transform the leaner cost structure into competitive advantage by increasing profitability or lowering prices, which will be expressed in increased market share. Finally retrenchment strategy enabled the institution to reduce operating costs and increase revenueas shown by a mean of 4.32and a standard deviation of .296. This has been supported by Mbogo (2012) who asserted that the financially distressed companies generally take actions that are aimed at reducing costs for instance; employee lay off, asset sales and dividend cuts.

Influence of liquidation strategy on organizational performance

The findings under this section are also based on the means and standard deviation for the data that was collected through the likert scale measuring the level of agreement of the respondents with respect to the given aspects of liquidation strategy. The results are as presented in Table 2 below.

Table 2: Liquidation strategy

	Mean	Std. Deviation
Liquidation of non-core assets has given the institution inward cash flow to reinvest	4.32	.847
Liquidation does not significantly improve overall firm performance	4.32	.430
The revenue from liquidation is insufficient to influence organizational performance	4.35	.368
CDA has not adopted liquidation as a turnaround strategy	4.38	.371

As shown in the table 2, the respondents strongly agreed that liquidation of non-core assets has given the institution inward cash flow to reinvest. This is according to the mean obtained of 4.32 with a standard deviation of 0.847 showing that the respondents had a strong extent of agreement and there was no much deviation of the responses from the mean value. The respondents also agreed that liquidation strategy does not significantly improve overall firm performance as shown by a mean of 4.32 for agree and a standard deviation of 0.430. Further, the respondents agreed to a strong extent that the revenue from liquidation is insufficient to influence organizational performance. This is shown by a mean of 4.35 with a standard deviation of 0.368 for a strong extent of agreement. Also the respondents agreed to a strong extent that the institution has not adopted liquidation as a turnaround strategy. This is shown by a mean of 4.38 with a standard deviation of 0.371 for a strong extent of agreement. The findings above resonate with the conclusions drawn by David (2015) who asserted that liquidation provides extra cash that may be utilized in other divestments. It was therefore a strategy that can help a declining organization back to its feet effectively executed.

Influence of divestment strategy on organizational performance

Table 3 presents the study results on the effect of divestment strategy. The results are as well based on the means and standard deviation for the likert scale data collected.

Table 3: Divestment strategy

	Mean	Std. Deviation
The institute has divested in non-core assets	4.32	.147
Divestiture is a favorable option for improving organizational performance	4.35	.368
Costs in the institution are minimized through divestment	4.32	.238
Divestment is adopted with a view of benefitting the individuals rather than the institution	4.32	.501

As shown in the table 3, the respondents strongly agreed that the institute has divested in non-core assets. This had a mean of 4.32 with a standard deviation of 0.147. Divestiture is a favorable option for improving organizational performance. This is as indicated by a mean of 4.35 with a standard deviation of 0.368. Costs in the institution are minimized through divestment as indicated by a mean of 4.32 and standard deviation of 0.238. Finally respondents agreed that divestment is adopted with a view of benefitting the individuals rather than the institution (M=432, SD=501). The study findings are supported by Hanson and Song (2008) who found that divestitures improve firm operating performance, apparently by removing negative synergies.

Influence of repositioning strategy on organizational performance

The section presents the study results on repositioning strategy and how it affects performance. The results are on means and standard deviation presenting the level of agreement of the respondents on the given aspects of repositioning strategy. These are as presented in table 4 below.

Table 4: Repositioning strategy

	Mean	Std. Deviation
The firm had focused on product innovation to improve its performance	4.32	.387
The firm has embarked on seeking new sources of income	3.76	.724

The firm has altered its mission statement to focus on what it can achieve	4.32	.147
The firm has re-branded to improve its image	3.56	.727

Findings as presented in table 4 showed that the firm had focused on product innovation to improve its performance. This is as indicated by the level of agreement of the respondents where this obtained a mean of 4.32and a standard deviation of 0.387 indicating that the respondents agreed to this fact. Findings also show that the firm has embarked on seeking new sources of income (mean = 3.76; std. dev. = .724). The findings also show that the firm has altered its mission statement to focus on what it can achieve (mean = 4.32; std. dev. = .147). Finally respondents agreed that the institution has re-branded to improve its image (mean = 3.56; std. dev. = .727). The study findings are supported by Muringi (2012) who analyzed the strategic positioning as a basis of building sustainable competitive advantage in Uchumi supermarkets in Kenya. The objective of the study was to establish how Uchumi Supermarkets have used strategic positioning to gain sustainable competitive advantage in the retail chain industry in Kenya. The analysis of the findings thus focused on the strategies used by the company to gain and sustain strategic advantage among its competitors. First, the company adopted five competitive advantage strategies including, rebranding, customer service, recapitalization, sales management and cost maximization.

Organizational performance

The study results on organizational performance were as presented in Table 5. The findings were on means and standard deviation showing the extent of the respondents' agreement on the firm performance aspects given.

Table 5: Organizational performance

	Mean	Std. Deviation
Retrenchment strategy has improved firm's sustainability	4.32	.430
Turnaround strategies by the firm have led to cost reduction	4.32	.296
The firm goals have been achieved as a result of adopted turnaround strategies	4.18	.114
Repositioning strategy has improved the firms performance	4.38	.155

According to the findings in table 5, the retrenchment strategy had improved firm's sustainability. The respondents agreed to this with a mean of 4.32 and a standard deviation of 0.430. Turnaround strategies by the firm have led to cost reduction. The respondents had a strong extent of agreement to this aspect (mean = 432; std. dev. = .296). Further, findings showed that the firm goals had been achieved as a result of adopted turnaround strategies as indicated by a mean of 4.18 and a standard deviation of 0.114. Finally it was agreed that repositioning strategy has improved the firms performance (M=4.38, SD=.155). The study is in line with the findings by Ogwobo (2012) who study sought to bring out clearly the strategies employed by Kwale Sugar Company Limited to revamp back to life after having collapsed for a very long period of time and established that some of the many strategies employed by the company to revamp back to business included financial restructuring, reorganization, strategic repositioning, modernization and asset reduction.

Bivariate Correlation Analysis

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A simple bivariate correlation of the variables was exhibited in Table 6. This table provides the Pearson's correlation coefficient for the selected variables. The highest correlation coefficient is 0.752 which indicates that multi collinearity between variables does not exist. The reason being that social science researchers normally used bivariate correlation higher than 0.80 as a benchmark for identifying multi collinearity between variables.

Table 6: Bivariate Correlation

		Retrenchment	Liquidation	Divestment	Repositioning	Performance
Retrenchment	Pearson Correlation	1				
	Sig. (2-tailed)					
Liquidation	Pearson Correlation	.509**	1			
	Sig. (2-tailed)	.002				
Divestment	Pearson Correlation	.551**	.752**	1		
	Sig. (2-tailed)	.001	.000			
Repositioning	Pearson Correlation	.711**	.553**	.556**	1	
	Sig. (2-tailed)	.000	.001	.001		
Performance	Pearson Correlation	.420*	.314	.349*	.317	1
	Sig. (2-tailed)	.013	.021	.043	.047	

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

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

The study used Pearson correlation to identify the relationship between independent variables and depended variable. The study indicated that there was a strong positive correlation of (r=0.420, P=0.013) between retrenchment strategy and organizational performance indicating that retrenchment strategy of the firm had strong positive influence on firm performance. There was also a strong positive correlation of (r=0.314, P=0.021) between liquidation strategy and firm performance. Further there was a strong positive correlation of (r=0.349, P=0.043) between divestment strategy and organizational performance. The study finally found out that there is a positive correlation of (r=0.317, P=0.047) between repositioning strategy and organizational performance.

Regression Analysis and Hypothesis Testing

Findings under this section present the results on the relationship test between the dependent and independent variables. Regression test was carried out to show the extent of turnaround strategies on organizational performance. The significance of the regression model was tested at the 5% level of significance through F-statistics which shows the level of reliability of the so developed models in presenting the relationship between the study variables.

Model Summary

Table 7: Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.715[a]	.511	.486	1.676

a. Predictors: (Constant), Repositioning, Liquidation, Retrenchment, Divestment

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Multiple regression analysis was carried out to test the research objectives with the model equation being $Y = \alpha + \beta_1X_1 + \beta_2X_2 + \ldots + \beta_nX_n + \mathcal{E}$. As shown in table 7 above, 51.1% of the variations in the dependent variable were explained by the independent variables as measured by a goodness of fit (R-square). The model summary table provides the R, R2, adjusted R2, and the standard error of the estimate, which can be used to determine how well a regression model fits the data. From the table, R-squared is the fraction of the variation in dependent variable (organizational performance) that can be accounted for by the four independent variables used in the study.

Statistical Significance

This is a statistical method used to test differences between two or more means.

Table 8: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	234.865	4	58.716	7.574	.000[b]
	Residual	224.829	29	7.753		
	Total	459.694	33			

a. Dependent Variable: Performance

b. Predictors: (Constant), Repositioning, Liquidation, Retrenchment, Divestment

ANOVA was used to compare the difference of means amongst the various groups (dependent and independent variables). To test the fitness of the model in the influence of turnaround strategies on organizational performance, a two way ANOVA was carried out where the statistics ($F(4, 29)= 7.574$, P-value=0.000) was realized. This implied that the model was significantly fit to be used in predicting the influence of turnaround strategies on organizational performance in Coast Development Authority.

Regression Coefficient

The study intended to test the coefficient to define the direction of the relationship (positive or negative) between the turnaround strategies and performance of Coast Development Authority. The results are provided in the table 9 below:

Table 9: Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	6.893	1.205		5.403	.000
	Retrenchment	.505	.170	.791	5.028	.000
	Liquidation	.149	.150	.220	1.972	.052
	Divestment	.017	.141	.030	.208	.836
	Repositioning	.445	.186	.561	5.172	.000

a. Dependent Variable: Performance

According to the findings, all the independent variable showed a positive coefficient indicating a positive influence on organizational performance. The above analysis was conducted at 5% significance level. The criteria for comparing whether the predictor variables were significant in the model was done by comparing the corresponding probability value obtained; $\alpha=0.05$. If the probability value was less than α, then the predictor variables were significant.

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Based on the coefficients, the regression model $Y=\alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4$ therefore becomes; $Y=6.893 + 0.505X_1 + 0.149X_2 + 0.017X_3 + 0.445X_4$ clearly shows a significant positive relationship between the predictor variables and the organizational performance.

The first objective of establishing the influence of retrenchment strategy on performance, according to the regression results, retrenchment strategy had a positive and significant relationship with the performance (B=0.505, P-Value=0.000). Therefore this implies that a unit increase in retrenchment strategy would lead to an increase in organizational performance by a coefficient factor of 0.505.

The second objective of determining influence of liquidation strategy on organizational performance, the result indicated a positive and insignificant effect of liquidation strategy on performance (B=0.149, P-Value=0.052).

Further, it was observed that divestment strategy was statistically insignificant this is because its probability value was more than 5%, p=0.836. The fourth objective of assessing the effect of repositioning strategy on performance indicated a positive and significant effect on organizational performance (B=0.445, P-Value=0.000). The findings indicated a P-Value of 0.000 showing that there is a significant relationship between repositioning strategy and organizational performance. A beta of 0.445 indicated a positive relationship.

Discussion of Study Findings

The first objective that this study sought to determine was the influence of retrenchment strategy on performance of CDA. This was established by determining Pearson correlations of refined data. The results showed that there was a moderately strong positive significant correlation between retrenchment strategy and performance ($r = 0.420$, $P<0.05$). Regression analysis conducted proved that there was a positively significant influence of retrenchment strategy on performance as indicated by the values $\beta_1 = 0.505$, $t = 5.028$, $p<0.05$. Hypothesis testing conducted at 95% confidence level on retrenchment strategy confirmed its significant influence on the dependent variable, hence the Null hypothesis was rejected.

The second objective sought to establish the influence of liquidation strategy on performance of Coast Development Authority. Pearson correlation was conducted and the findings indicated that there was also a moderately strong significant correlation between liquidation strategy and performance ($r = 0.314$, $P<0.05$). Regression analysis was also conducted and the results postulated that there was positively insignificant influence of liquidation strategy on performance as indicated by the values $\beta_2 = 0.149$, $t = 1.972$, $p<0.05$. Further hypothesis testing conducted at 95% confidence level liquidation strategy confirmed that there was statistical significant influence on performance of CDA; hence the Null hypothesis was rejected.

The third objective sought to establish the influence of divestment strategy on performance of Coast Development Authority. Pearson correlation was conducted and the findings indicated that there was a moderately strong significant correlation between divestment strategy and performance ($r = 0.349$, $P<0.05$). Regression analysis was also conducted and the results proved that there was positively insignificant influence of divestment strategy on performance as indicated by the values $\beta_3 = 0.017$, $t = 0.208$, $P>0.05$. Hypothesis testing was also conducted on this variable at 95% confidence level and it was found out that divestment strategy had no statistical significant influence on

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performance of Coast Development Authority, hence failing to reject the Null hypothesis.

The fourth specific objective was to evaluate the influence of repositioning strategy on performance of Coast Development Authority. The findings through Pearson correlation analysis concluded that there was a moderately strong significant correlation between repositioning strategy and performance ($r = 0.317$, $P<0.05$). Regression analysis conducted afterwards confirmed that there existed a positively significant influence of repositioning strategy on performance indicated by the values $\beta_4 = 0.445$, $t = 5.172$, $p<0.05$. Conducting Hypothesis testing on this variable at 95% confidence interval concluded that repositioning strategy had statistically significant influence on performance of Coast Development Authority; hence the Null hypothesis was rejected. These results were confirmed by Mwangi (2011) postulating that there is strong correlation on repositioning strategies on corporate performance.

Table 10: Hypothesis Summary

Hypothesis Statement	Test Model	Results
Retrenchment strategy	$Y= \beta_1 X_1+ \varepsilon$	P<0.05 Reject
Liquidation strategy	$Y= \beta_2 X_2+ \varepsilon$	P<0.05 Reject
Divestment strategy	$Y= \beta_3 X_3+ \varepsilon$	P>0.05 Fail to reject
Repositioning strategy	$Y= \beta_4 X_4+ \varepsilon$	P<0.05 Reject

CONCLUSSION

The study concluded that retrenchment strategy assists the institution in securing or providing slack regardless of the subsequent recovery strategy that is chosen. Further it is concluded that retrenchment strategy enabled the institution to shift organizational structure from what it is now to what it has to be in order to sustain competitive edge and satisfy customers' needs. The study concluded that the institution has reduced its workforce in the spirit of retrenchment strategy.

The researcher concludes that liquidation of non-core assets has given the institution inward cash flow to reinvest. Also it can be concluded that liquidation strategy does not significantly improve overall firm performance. It was concluded that revenue from liquidation is insufficient to influence organizational performance and that the institution has not adopted liquidation as a turnaround strategy.

The study further concludes that institute has divested in non-core assets. Also it was concluded that divestiture is a favorable option for improving organizational performance. Costs in the institution were minimized through divestment. Finally it was concluded that divestment is adopted with a view of benefitting the individuals rather than the institution.

The study also deduced that the firm had focused on product innovation to improve its performance. Further it can be concluded that from the findings that the firm has embarked on seeking new sources of income in the recent past and that the firm has altered its mission statement to focus on what it can achieve. Finally it was concluded that the institution has re-branded to improve its image.

RECOMMENDATIONS

- The study recommends that the Coast Development Authority management should

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retrench non-core assets and staff so as to improve its performance. Further the institution's organizational structure should be redesigned so as to improve efficiency and reduce bureaucratic inefficiencies.

- Secondly, the study recommends that the management should liquidate non-core assets so as to get inward cash flow to reinvest. The study also recommends that liquidation of non-core assets should be done only when the revenue generated has a potential to improve.
- Further the study recommends that divestment should only be carried out once due diligence has established that such a move would result to overall organizational performance. The management of the institution should focus on cost reduction strategies to turn around the organization's fortunes.
- Finally the study recommends that there is still need for more turnaround strategies available for the institution to enable it to fully match the environment in which it operates. These include expediting services with speed certainty and developing and motivating its employees before, during and after the turnaround strategies.

Suggestions for Further Research

The study only covered single institution i.e. Coast Development Authority. This organization was just one of the many sectors in the economy, meaning that a wide knowledge gap exists and there is need to carry out similar research in these sectors. The adoption and implementation of turnaround strategies in all ailing sectors of Kenyan economy will go a long way in improving organizational performance.

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