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The Strategic JOURNAL of Business & Change MANAGEMENT
ISSN: 2312-9492 www.strategicjournals.com
Vol. 6, Iss. 3, pp 536 - 551, August 21, 2019. www.strategicjournals.com, ©Strategic Journals

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Accepted: August 20, 2019

ABSTRACT

The purpose of the study was to investigate the influence of turnaround strategies on organizational performance with specific focus on hotels in the coast region. The study adopted descriptive research design. The study population of interest was 84 managers of star-rated hotels in Coast region. The study used Slovin's formula to obtain a sample size of 69 respondents. The study utilized both primary and secondary data. Analysis was done by use of Statistical Package for Social Science (SPSS) version 25. From the study findings, it was established that the hotel had requested for an extension of debt payment terms which was less expensive alternative to bankruptcy. The study established that the hotels had undertaken internal operations reconfiguration which had improved efficiency and that the hotel had redesigned the existing structure so as to improve decision making. The study also established that new markets entry enabled hotels to obtain expertise and apply new and best business practices across markets. The study also established that hotel had embraced service innovation so as to retain and attract customers. The study established that hotel had a platform to engage customers so as to improve their satisfaction and that the hotel had segmented its customers so as to address varying needs of different customers. On financial restructuring, the study concluded that debt reduction as a financial restructuring strategy had not been adopted by the sampled hotels. On organizational restructuring, the study concluded that internal operations reconfiguration pursued by hotels had improved hotels' efficiency. On repositioning strategy, the study concluded that new markets entry enabled hotels to obtain expertise and apply new and best business practices across markets. Finally, the study concluded that the hotel had embraced service innovation so as to retain and attract customers. The study recommended that the hotels should invest in service innovation so as to reduce costs and satisfy customers.The study recommended that the hotels should change current leadership so as to tap to new ideas and innovation and demolish status quo.

Key Words: *Restructuring, Hotel Repositioning, Market Redefinition, organizational performance*

CITATION: Mutavi, I. N., & Gichinga, L. (2019). Influence of turnaround strategies on organizational performance of hotel industry in coast region, Kenya. *The Strategic Journal of Business & Change Management,* 6 (3), 536 – 551.

INTRODUCTION

Many reasons make a firm to experience decline in profitability and hotels are not immune to this reality. The major cause of decline in hotel profitability is recession in the economy, inefficiencies in the production and competitor's innovation. The firm experiencing decline in profitability can however recover if right strategies are formulated and implemented. The strategy adopted to ensure declining firm survives is turnaround strategy (Pearce & Robinson, 2017).According to Hill and Jones (2015) organizational decline is fueled by poor managerial decisions, uncontrolled expansion, weak financial controls, competition and unexpected demand shifts.

Strategic repositioning strategy proves effective in enhancing effectiveness and efficiency based on the business value proposition (Modern, 2015). Repositioning turnaround strategy can alter mission statement and the distressed firm customer value proposition through amending the products offered as well as market the products are offered which in turn can yield increased profitability and cost reduction. Damanpour, Walker and Avellaneda (2014) posits that organizational performance encompasses three specific areas of firm outcomes: (a) financial performance (profits, return on assets, return on investment, etc.); (b) product market performance (sales, market share, etc.); and (c) shareholder return (total shareholder return, economic value added, etc.

The Balanced scorecard (BSC) has been said to provide three different types of performance measurement systems which are the minimum standards combining both financial and non-financial measures, cause and effect which combines strategies and outcomes and fully developed perspective which combines objectives, outcomes and incentives to the organization (Baggio & Sinaghis, 2013). Furthermore, it has recently been said that it is important to understand what happens after performance data has been collected, reported and evaluated because this alone cannot lead to performance (Kroll, 2013).Thus it is essential for hotels to adopt both financial and non-financial methods to assess if the performance is bringing shareholder return.

Tourism sector and hotel industry are closely linked to the tourism sector which has shown impressive growth over the years. Tourism is one of the six key areas that have been given priority in acting as the key growth drivers in Kenya (Fwaya, 2014). Kenya has about 500 licensed hotels. "The hotel industry alone is a multi-billion dollar and growing enterprise. The emerging positive trend in the tourism industry indicates that hotel industry is like a reservoir from where foreign exchange flows" (Tourism Regulatory Authority, 2017). Kenya hotels present the most diverse range of accommodation to suit every taste. Class, elegance, ambiance and quality service are the major distinguishing factors of Kenya's hotels and game lodges (Tourism Regulatory Authority, 2017).

Statement of the Problem

The hotel industry has great significance in attracting tourists in the country thus improve the economy. According to Mureithi, Morara and Michael, (2014) the hotel industry has experienced myriad of pressures occasioned by globalization and internationalization coupled by star-ratings and membership to international hotel associations and this has provided an incentive for the hotels to innovate with a view to improve their competitiveness in the global stage.

At the coast region, as indicated by Tourism Regulatory Authority report (2017), the hotels encounter many difficulties which spans from skilled staff deficit, lack of infrastructure, lack of security and lack of process innovations which affects the hotels' competitiveness (Onyango & Kipchumba, 2015).Statistics from Tourism Regulatory Authority indicate that Kenya hotel industry contracted in the years of 2013 by 45% as viewed against the year 2012 which saw an expansion of 2.6 per cent. Kenya undertook the last hotel classification in 2003 but since then so many new hotels have come up with improved products and services. The coast region accounts for 50 per cent of all bed-nights out of which 140 or 8.2% are classified. This falls below the standard requirements of at least 100,000 and could limit the country's ability to hold major conferences and conventions (Tourism Regulatory Authority, 2017).

Locally, a study by Mutie (2016) on the effect of turnaround strategies and governance on the performance of Uchumi supermarkets limited 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. Inyange (2014) carried out a study on the effect of turnaround strategies on National Oil Corporation of Kenya 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. Saigilu (2016) 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. From the reviewed literature, it can be noted that limited research has been done on turnaround strategies on public institutions, and none has been done on Hotels in the Coast region. The current study sought to fill the literature gap by examining the influence of turnaround strategies on organizational performance of Hotel industry in Coast region.

The broad objective of the study was to investigate the influence of turnaround strategies on organizational performance of hotels in the Coast region of Kenya. The specific objectives were:-

- To assess the influence of financial restructuring strategy on the organizational performance of hotels in Coast region of Kenya
- To establish the influence of organizational restructuring strategy on organizational performance of hotels in Coast region of Kenya
- To determine the influence of repositioning strategy on organizational performance of organizational performance of hotels in Coast region of Kenya.
- To assess the influence of market redefinition strategy on organizational performance of organizational performance of hotels in Coast region of Kenya.

The research hypotheses were:-

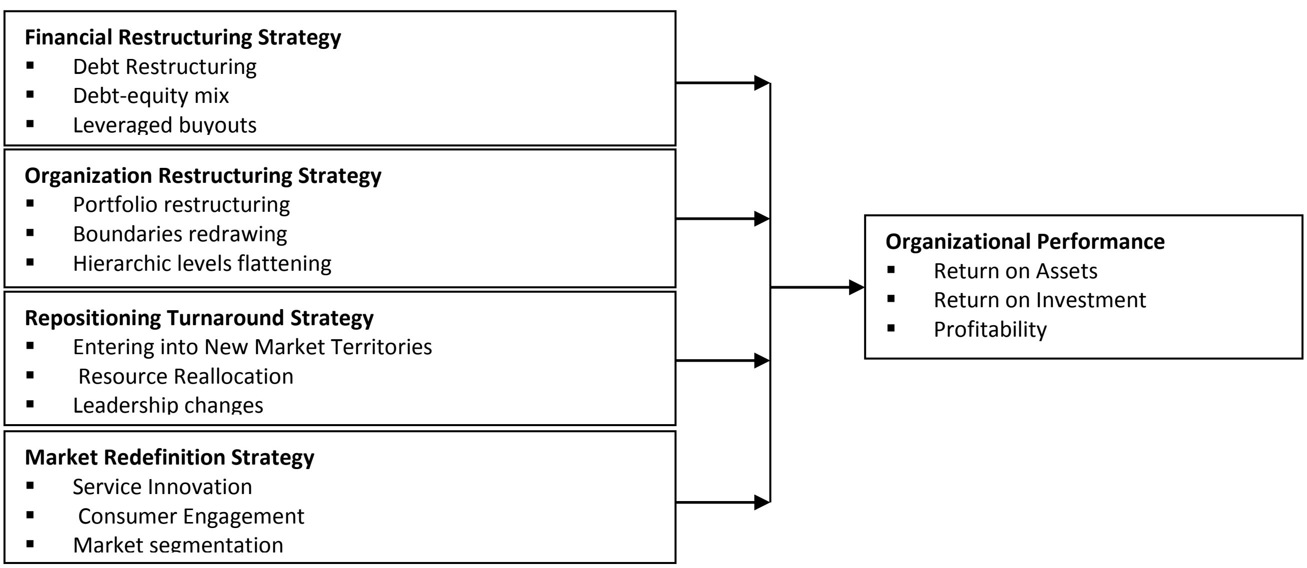
- **$H0_1$:** Financial restructuring strategy has no significant influence on organizational performance of hotels in Coast region of Kenya.
- **$H0_2$:** Organizational restructuring strategy has no significant influence on organizational performance of hotels in Coast region of Kenya.
- **$H0_3$:** Repositioning strategy has no significant influence on organizational performance of hotels in Coast region of Kenya.
- $H0_4$: Market redefinition strategy has no significant influence on organizational performance of hotels in Coast region of Kenya.

LITERATURE REVIEW

Stage Theory of Successful Turnaround: The stage theory of successful turnaround as posited by Manimala (2016) recognizes four stages which are important in any successful turnarounds. These turnarounds include sickness arrest, core business focus, expansion and growth. The theory puts a lot of emphasis on turnaround leaders to adopt a "stage wise procedure in the process of strategy implementation. The stage theory of successful turnaround emphasizes why and how chronology of event interacts with one another overtime and finally produces survival or organizational failure.

Resource-Based View theory (RBV): Resource based view theory (RBV) is an approach to achieving competitive advantage that emerged in 1980s and 1990s, the supporters of this view argue that organizations should look inside the company to find the sources of competitive advantage instead of looking at competitive environment for it. The theory considers the environment of an organization as highly important because it's where the organization goes to the drawing board and design strategies that will enable them to establish relationship with the external environment. This relationship is of great importance for an organization as it enables to gain support which is a technique to survive in the highly competitive market.

Verifier Determinant Theory: A verifier determinant in this study is defined as 'the root confirmed that a decision maker uses to validate the cause of decline or distress, underscores an early warning sign and focuses rescue strategy choice' (Holtzhauzen, 2016). "Verifiers are used to confirm the existence of problems in the business or in the business environment, as environmental scanning units seem to be unable to respond to what Ansoff calls 'weak signals'. Stubbart (2011) concludes 'we have too many places to look and too few theories of how significant environmental change can be linked to the business's plans'. The use of verifier determinants is essential when attempting to classify the warning signs used in the enormous array of business applications such as operational non-efficiencies. These verifiers could also contribute to the day-to-day monitoring of the business, if used as a prolonged business activity" (Pretorius &Holtzhauzen, 2015). As Holtzhauzen (2016) had put it that verifier determinant correctly identifies the causes of a business's decline through the application of early warning sign theory is of the utmost importance in effectively addressing the question of whether or not to continue with a business turnaround strategy. At this stage, Holtzhauzen (2016) suggested that the turnaround decision is one of the very first steps in the turnaround process.



Independent Variables **Dependent Variable**

Figure 1: Conceptual Framework

Empirical Review

Narte, Agbemabiese, Kodua, and Braimah, (2013) examined the impact of relationship marketing on customer loyalty in Ghana. They revealed a positive correlational relationship, and suggested that luxury hotels need integrate multiple relationship marketing practices to maximize guest loyalty. Mengand Elliot (2015) also placed attention on relationship marketing and proposed a measurement model to examine predictors of relationship quality in luxury establishments. Kim (2015) revealed the relationship between brand equity and firm performance, which implied that strong brand equity can cause a significant increase in profitability and a lack of brand equity in hospitality firms can damage a potential cash flow.

Locally, a study by Okello (2017) sought to establish the effect of turnaround strategies on SMEs performance in Kenya. The study adopted a descriptive research design and utilized both secondary data and primary data. The study established that small businesses profitability was positively influenced by turnaround strategies. The study concluded that SMEs performance is positively influenced by financial restructuring strategies. The study also concluded that repositioning strategies adopted by SMEs influenced their performance and finally market redefinition strategy was found to influence SMEs performance positively.

Mwakida (2016) carried out a study to examine the type of turnaround strategies adopted by New Kenya Cooperative Creameries (New KCC) Ltd and how they affect its performance. The study established that the company at adopted decline stemming and recovery strategies. The study concluded that decline stemming strategies helped the firm to avert downward trend.

A study by Kinyanjui and Ngugi (2014) carried out to investigate the influence of turnaround strategies on consolidated bank performance. The study utilized descriptive research design. The study target population comprised of 140 management staff. The study utilized stratified sampling technique in selecting a sample of 70 respondents. The study concluded that the turnaround factors influencing performance of the bank are managerial skills, innovativeness of the bank, and government policies.

A study by Situma (2016) sought to examine the influence of turnaround strategies on Kenya Commercial Bank performance. The study concluded that to “achieve a successful turnaround, a management team must first stem a firm’s decline and select an appropriate strategy for recovery”. Nacheri and Ogolla (2015) carried out a study on the influence of turnaround strategy adoption on performance of Kenya Revenue Authority. The study found out that adopted turnaround strategies have increase revenue collection performance by Kenya Revenue Authority.

METHODOLOGY

This study adopted a descriptive survey design as described by Cooper and Schindler (2012) as detailed description of events, situations and interactions between people and things. The population of interest was 84 senior managers of 3-5 star hotels in Coast region. According to Tourism Regulatory Authority (2017) there were 28(3-5) star hotels in coast region. Stratified random sampling method was used to select relevant respondents from the target hotels. The choice of stratified sampling technique was because of non-homogeneity of the population of interest. Primary data was collected by use of a questionnaire that was administered to each of the sampled hotels to generate quantitative data. Secondary data was obtained from published journals, Hotel relevant reports and dissertations. Quantitative methods of data analysis were used to analyze the data. Quantitative information was analyzed through statistical procedures. Data was analyzed by use of Statistical Package for Social

Sciences (version 25.0). To test the hypotheses, multiple regression analysis was applied to provide estimates of net effects and explanatory power.

$Y=\beta_0+\beta_1X_1+\beta_2X_2+\beta_3X_3+\beta_4X_4+\varepsilon$

Where;

Y = Organizational Performance

β_0 = Constant (Coefficient of intercept);

X_1 = Financial Restructuring Turnaround;

X_2 = Reorganization Strategy;

X_3 = Repositioning Strategy;

X_4 = Market Redefinition Strategy;

ε = Error term for the Model

$\beta_1....\beta_4$=Regression coefficient of four variables.

RESULTS

Influence of Financial Restructuring Strategy on Organizational Performance

With a view to establish the influence of financial restructuring strategy on organizational performance, the study sought the views of respondents on the extent to which the given aspects of financial restructuring affect organizational 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 was the strongly disagree whereas 5 was the strongly agree indicator. The mean score for each item was calculated and the findings were shown in table 1.

Table 1: Financial restructuring strategy

	Mean	Std. Deviation
The hotel has opted for debt reduction as a financial restructuring strategy	3.46	.988
Equity based leverage is more preferred over debt leverage to restructure financially	3.37	1.032
The hotel has requested for an extension of debt payment terms which is less expensive alternative to bankruptcy	4.17	1.341
The hotel trades off between debt leverage and equity	4.24	1.430

Results presented in table 1, the respondents were neutral on the statement that the hotel had opted for debt reduction as a financial restructuring strategy as indicated by a mean of 3.46 and standard deviation of 0.988. The respondents were also neutral on the statement that equity based leverage was more preferred over debt leverage to restructure financially as indicated by a mean of 3.37 with a standard deviation of 1.032. The respondents agreed that the hotel had requested for an extension of debt payment terms which was less expensive alternative to bankruptcy as indicated by a mean of 4.17 and standard deviation of 1.341.

Finally, respondents agreed that the hotel tradeoff between debt leverage and equityas indicated by a mean of 4.24 and a standard deviation of 1.430. The findings agreed with a study by Okello (2017) on influence of turnaround strategies on SMEs performance in Kenya which concluded that financial restructuring strategies positively influence Small and Medium Enterprises performance.

Influence of Organizational Restructuring Strategy on Organizational Performance

Data was collected through the likert scale measuring the level of agreement of the respondents with respect to the given aspects of organizational restructuring strategy and organizational performance. The results were as presented in Table 2.

Table 2: Organizational restructuring strategy

	Mean	Std. Deviation
Hotel reconfiguration of internal operations has improved efficiency	4.17	1.341
The hotel has redesigned the existing structure so as to improve decision making	4.41	1.301
Changing the management structure eliminates overlapping and duplication of work	4.39	1.313
The hotel has reduced the bureaucracy by delegating decision making to lower staff	4.16	.538

As indicated in table 2, majority of the respondents agreed that hotel reconfiguration of internal operations had improved efficiency as indicated by a mean of 4.17 and standard deviation of 1.341. The respondents also agreed that the hotel had redesigned the existing structure so as to improve decision making as shown by a mean of 4.41 and a standard deviation of 1.301. Respondents agreed that changing the management structure eliminated overlapping and duplication of work as indicated by a mean of 4.39 and standard deviation of 1.313. Finally, respondents agreed that the hotel had reduced the bureaucracy by delegating decision making to lower staff as indicated by a mean of 4.16 with a standard deviation of 0.538. The findings were supported by Evans, *et al.,* (2013) whose study established that successful companies were most likely to employ cost and expense reduction strategies and dispel non-core assets.

Influence of Repositioning Strategy on Organizational Performance

The study sought to determine the influence of repositioning strategy on organizational performance. The results were presented in table 3.

Table 3: Repositioning strategy

	Mean	Std. Deviation
Entering into new markets enables our company to obtain expertise and apply new and best business practices across markets	4.17	.741
Opening a store in a new market also generates excitement among customers for our company	4.39	1.313
The hotel has reallocated resources to potential cash cows	4.38	.509
The hotel has changed its leadership so as to tap in new ideas and innovativeness	4.05	1.341

The results in table 3 indicated that majority of respondents agreed that entering into new markets enabled their company to obtain expertise and apply new and best business practices across markets as indicated by a mean of 4.17 with a standard deviation of 0.741. Respondents also agreed that opening a store in a new market also generates excitement among customers for our company as indicated by a mean of 4.39 with a standard deviation of 1.313. Respondents agreed that the hotel had reallocated resources to potential cash cows as shown by a mean of 4.38 and standard deviation of 0.509. Finally, majority of the respondents agreed that the hotel had changed its leadership so as to tap in new ideas and innovativeness as indicated by a mean of 4.05 and standard deviation of 1.341. The findings were supported by Okello (2017) who conducted a study to establish the influence of turnaround strategies on SMEs performance in Kenya and concluded that repositioning strategies adopted by SMEs influenced their performance positively.

Influence of Market Redefinition Strategy on Organizational Performance

Data was collected to establish the influence of market redefinition strategy on organizational performance. The results were as presented in table 4.

Table 4: Market redefinition strategy

	Mean	Std. Deviation
The hotel has embraced service innovation so as to retain and attract customers	4.39	.885
The hotel has a platform to engage customers so as to improve their satisfaction	4.07	.596
The hotel has segmented its customers so as to address varying needs of different customers	3.42	.894
The hotel has undertaken brand awareness campaign so as to improve its ratings	3.71	.682

The results in table 4 indicated that the hotel had embraced service innovation so as to retain and attract customers indicated by a mean of 4.39 and standard deviation of 0.885. Respondents also showed that the hotel had a platform to engage customers so as to improve their satisfaction as indicated by a mean of 4.07 and standard deviation of 0.596. The findings indicated that respondents were indifferent on the statement that the hotel had segmented its customers so as to address varying needs of different customersas depicted by a mean of 3.42 and standard deviation of 0.894. Finally, majority of the respondents moderately agreed that the hotel had undertaken brand awareness campaign so as to improve its ratings as shown by a mean of 3.71 and standard deviation of 0.682. The findings were supported by Okello (2017) who conducted a study to establish the influence of turnaround strategies on SMEs performance in Kenya and concluded that market redefinition strategy positively influences performance of Small and Medium enterprises.

Organizational Performance

The study results on organizational performance were as presented in Table 5 below.

Table 5: Organizational performance

	Mean	Std. Deviation
The hotel return on assets is improved over the last three years	4.41	.901
Return on investment has increased over three years period	4.24	.830
The hotel profitability has improved	4.80	.600

The results presented in table 5 indicated that respondents agreed to the statement that the hotel return on assets was improved over the last three years as shown by a mean of 4.41 and standard deviation of 0.901. The respondents also moderately agreed that return on investment had increased over three year period as indicated by a mean of 4.24 and standard deviation of 0.830. Finally, respondents agreed that the hotel profitability had improved as indicated by a mean of 4.80 and standard deviation of 0.600.

Correlation Analysis

Table 6: Pearson correlation results

		Financial restructuring	Organizational restructuring	Repositioning strategy	Market redefinition	Organizational performance
Financial restructuring	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	59				
Organizational restructuring	Pearson Correlation	.495**	1			
	Sig. (2-tailed)	.000				
	N	59	59			
Repositioning strategy	Pearson Correlation	.588**	.634**	1		
	Sig. (2-tailed)	.000	.000			
	N	59	59	59		

Market redefinition	Pearson Correlation	.120	.236	.071	1	
	Sig. (2-tailed)	.018	.002	.034		
	N	59	59	59	59	
Organizational performance	Pearson Correlation	.625**	.492**	.446**	.243	1
	Sig. (2-tailed)	.000	.000	.000	.028	
	N	59	59	59	59	59

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

Results in table 6 showed that financial restructuring strategy had a strong positive correlation with organizational performance (r=0.625, P=0.000). Bivariate correlation results also showed that organizational restructuring strategy had a moderate positive correlation with organizational performance (r=0.492, P=0.000). Also repositioning strategy had a moderate positive correlation with organizational performance (r=0.446, P=0.000). Finally, correlation results showed that market redefinition strategy had a weak positive correlation with organizational performance (r=0.243, P=0.028).From the correlation results, there was no multicollinearity issues since the highest correlation coefficient was 0.634 which is below the set benchmark of 0.80 (Mugenda & Mugenda, 2012).

Regression Analysis

Table 7: Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.770[a]	.594	.563	1.714

a. Predictors: (Constant), Market redefinition, Financial restructuring, Organizational restructuring, Repositioning strategy

Results presented in table 7 indicated coefficient of determination (R^2) of 0.594. This implied that 59.4 per cent of organizational performance variation was attributed to a combination of market redefinition strategy, financial restructuring strategy, organizational restructuring strategy and repositioning strategy. This meant that other factors not in the model explained 40.6% of variation in the dependent variable.

Table 8: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	231.821	4	57.955	19.717	.000[b]
	Residual	158.722	54	2.939		
	Total	390.543	58			

a. Dependent Variable: Organizational performance
b. Predictors: (Constant), Market redefinition, Financial restructuring, Organizational restructuring, Repositioning strategy

From table 8, the significance value in testing the reliability of the model for the relationship between turnaround strategies and organizational performance was obtained as 0.00 which was less than 0.05, the critical value at 95% significance level. This indicated that regression model was statistically significant in predicting the relationship between the study variables. The F value calculated was 19.717 indicating a significant model for the relationship as given by the regression coefficients.

Table 9: Regression Coefficients

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	2.512	1.035		2.427	.000
	Financial restructuring	.337	.122	.655	2.762	.000
	Organizational restructuring	.259	.101	.344	2.564	.013
	Repositioning strategy	.106	.043	.177	2.465	.008
	Market redefinition	.193	.089	.198	2.169	.034

a. Dependent Variable: Organizational performance

The regression equation was:

$Y= 2.512 + 0.337X_1 + 0.259X_2 + 0.106X_3 + 0.193X_4$

The regression equation established that taking all factors constant at zero, organizational performance would be 2.512. This therefore implied that all the four predictor variables have moderate positive relationship with the organizational performance.

Regression results showed that financial restructuring strategy had a positive and significant relationship with organizational performance (beta=0.337, p-value 0.000). The findings implied that an increase in financial restructuring by one unit would lead to increase in organizational performance by 0.337 units. Regression results also showed that organizational restructuring had a positive and significant relationship with organizational performance (beta=0.259, p-value 0.013). The findings implied that an increase in organizational restructuring by one unit would lead to increase in organizational performance by 0.259 units.

Regression results indicated that repositioning strategy had a strong positive and significant relationship with organizational performance (beta=0.106, p-value 0.008). The findings implied that an increase in repositioning strategy by one unit would lead to increase in organizational performance by 0.106. Finally, regression results indicated that market redefinition had a weak positive and significant relationship with organizational performance (beta=0.193, p-value 0.034). The findings concluded that an increase in market redefinition strategy by one unit would lead to increase in organizational performance by 0.193.

DISCUSSION

The correlation results indicated that there was a strong positive significant correlation between cash management literacy and investment decisions ($r = 0.625$, $P<0.05$). Regression results concluded that there was a positively significant influence of financial restructuring on organizational performance as shown by $\beta_1 = 0.337$, $t = 2.762$, $p<0.05$. Hypothesis testing conducted at 95% confidence level indicated a significance level of less than 0.05 hence Null Hypothesis was rejected. This implied that financial restructuring has significant influence on organizational performance. The findings confirm prior findings by Okello (2017) who studied the influence of turnaround strategies on SMEs performance in Kenya which concluded that financial restructuring strategies positively influence Small and Medium Enterprises performance.

Bivariate correlation results indicated a moderate correlation between organizational restructuring and organizational performance ($r = 0.492$, $P<0.05$). Regression results on the variable indicated a positive and significant influence of organizational restructuring on organizational performance as indicated by $\beta_2 = 0.259$, $t = 2.564$, $p<0.05$. Hypothesis

The Strategic Journal of Business & Change Management. **ISSN** 2312-9492 (Online) 2414-8970 (Print). www.strategicjournals.com

testing conducted at 95% confidence level concluded that organizational restructuring had a statistical significance on organizational performance hence the Null hypothesis was rejected. The findings were supported by Kontes (2014) asserts that top management must consider reviewing the business processes and altering the organization structure to become a powerful enabler of above average performance rather than an obstacle.

Pearson correlation was conducted and the findings indicated that there was a moderate significant correlation between repositioning strategy and organizational performance ($r = 0.446$, $P<0.05$). Regression results showed a weak positive significant influence of repositioning strategy on organizational performance as indicated by $\beta_3 = 0.106$, $t = 2.465$, $p<0.05$. Hypothesis testing was also conducted at 95% confidence level and it showed a statistically significant relationship between the variables hence the Null hypothesis was rejected. Thus repositioning strategy has a positive influence on organizational performance. The findings agreed with a study by Walshe, (2014) who observed and identified different techniques that can be applied to cause a repositioning and concluded that repositioning strategies are used to generate resources, with the intention to utilize those for more productive activities, and prevent financial losses.

The bivariate correlation results indicated a weak positive and significant correction between market redefinition and organizational performance ($r = 0.243$, $P<0.05$). Regression results indicated a positive and significant influence of market redefinition on organizational performance ($\beta_4 = 0.193$, $t = 2.169$, $p<0.05$. Hypothesis testing conducted at 95% confidence interval concluded that market redefinition strategy had a statistically significant influence on organizational performance hence Null hypothesis was rejected. It was concluded that market redefinition has a significant influence on organizational performance of hotels. The findings were supported by Ghouri, Khan, Malik and Razzaq (2013) who concluded that efficient practice of implementing marketing practices can contribute to the growth of businesses in terms of sales volumes, goodwill, market share and a firm's competitiveness.

Table 10: Hypothesis tests

Hypothesis Statement	Test Model	t	Sig.	Decision
Financial restructuring strategy	$Y= \beta_1X_1+ \mathcal{E}$	2.762	.000	$H0_1$Rejected
Organizational restructuring strategy	$Y= \beta_2X_2+ \mathcal{E}$	2.564	.013	$H0_2$Rejected
Repositioning strategy	$Y= \beta_3X_3+ \mathcal{E}$	2.465	.008	$H0_3$Rejected
Market redefinition strategy	$Y= \beta_4X_4+ \mathcal{E}$	2.169	.034	$H0_4$Rejected

CONCLUSIONS

On financial restructuring strategy, the study concluded that debt reduction as a financial restructuring strategy had not been adopted by the sampled hotels. The study also concluded that equity based leverage was preferred as compared to debt leverage when restructuring the hotel financially and that the request for an extension of debt payment terms has been utilized to avoid bankruptcy. Finally, the study concluded that there is likelihood of debt leverage and equity trade-off.

On organizational restructuring strategy, the study concluded that internal operations reconfiguration pursued by hotels have improved hotels' efficiency and that the hotel has redesigned the existing structure so as to improve decision making. The study also concluded that management structure change eliminates overlapping and duplication of work. Finally, the study concluded that delegation of decision making to lower staff had reduced bureaucracy in hotels.

On repositioning strategy, the study concluded that new markets entry enables hotels to obtain expertise and apply new and best business practices across markets. The study concluded that store opening in a new market also generates excitement among customers for our company and that the hotel has reallocated resources to potential cash cows. Finally, the study concluded that leadership change has been carried out in the hotels so as to embrace new ideas and innovation.

Finally, the study concluded that the hotel had embraced service innovation so as to retain and attract customers. The study concluded that the hotel had a platform to engage customers so as to improve their satisfaction and that the hotel had segmented its customers so as to address varying needs of different customers. The study concluded that the hotel had undertaken brand awareness campaign so as to improve its ratings.

The study recommended that hotels should adopt debt reduction strategy as a means of conducting financial restructuring. The management of the hotels should prioritize equity based leverage and only adopt debt leverage when all other financing sources have been exhausted since it increases hotel gearing ratio. The study recommends that the hotel management should negotiate with creditors for an extension of debt payment terms so as to avoid plunging in to bankruptcy.

The study recommended that the hotel management should prioritize internal processes reengineering as this will improve hotel efficiency. The management should alter existing structure to follow adopted turnaround strategies and that the hotel should redesign management structure to improve decision making and avoid confusion. The study recommends that the management should delegate decision making to lower staff so as to improve customer responsiveness.

The study recommended that the hotel management should pursue new markets entry so as to obtain expertise and best business practices hence improve hotel performance. The hotel should open new outlets in unexplored markets as this creates customer excitement which improves hotel earnings. The study recommends that the hotels should change current leadership so as to tap to new ideas and innovation and demolish status quo.

The study recommended that the hotels should invest in service innovation so as to reduce costs and satisfy customers. The hotel should create a platform to engage disgruntled customers as well as satisfied customers and that the hotel management should adopt generic strategies of focus by segmenting the markets to effectively satisfy customers varied needs.

Further research on turnaround strategies should be carried out on beach hotels context and across sectional survey design used to compare and make generalizations. Further, a study should be carried out on turnaround strategies and performance in a wider scope by targeting all star hotels in Kenya.

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