

INFLUENCE OF TOP MANAGEMENT CHANGE TURNAROUND STRATEGY ON PERFORMANCE OF MANUFACTURING FIRMS: THE CASE OF PUBLIC SUGAR COMPANIES IN KENYA

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ABSTRACT

Turnaround strategy refers to actions that are put in place to enable a firm facing distress or underperforming to return to normalcy in terms of acceptable levels of profitability, solvency, liquidity and cash flow. Top management change strategy is one of the turnaround strategies and it means employing an effective leadership style that is able to motivate and support the employees whilst making strategic changes to the organization's capital, financial well-being and operations. The study sought to establish the influence of top management change turnaround strategy on the performance of manufacturing firms. The objective of the study was to establish the relationship between top management change strategy and performance of manufacturing firms. The research hypothesis is; there is no relationship between top management change strategy and performance of manufacturing firms. The findings of the study may be used by the government of Kenya and the County governments as a guide in policy making. It may also provide invaluable insight to management of public sugar companies in Kenya and stakeholders in designing strategies. Finally it may contribute to academic knowledge. This study was guided by Dynamic Capabilities theory. The study adopted a cross-section survey research design. The target population were 1,000 managers from three public sugar companies. Krejcie and Morgans' table for determining sample size was used, to draw a sample size of 278 respondents. A questionnaire was used in data collection and it was conveyed to the respondents through drop and pick technique. Correlation analysis was undertaken to determine the relationship between top management change strategy and performance of manufacturing firms. The results were presented in tables. The study established that top management change strategy has a positive relationship with performance and recommends that the companies should focus on new recommendations on negotiation and approval of contracts so as to improve on their performance.

KEYWORDS: Top Management Change, Turnaround Strategy, Performance, Manufacturing Firms