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AN INVESTIGATION OF TURNAROUND STRATEGIES IN SELECTED ORGANIZATIONS IN NIGERIA: AN EMPIRICAL APPROACH

[1]*UkaidiChris U.A, [2]Ssentamu Ismail, [3]Ukaidi Evelyn Ugonna, [4]Eleanor Kirahora Barongo & [5]Onego Roseline
[1] Faculty of Management Sciences, University of Calabar, Calabar Nigeria.
Email: ukaidchris@kiu.ac.ug
Orcid: https/orcid.org/0009-0008-7289-8020
[2] College of Economics and Management, Kampala International University, Uganda.
Email: ismail.ssentamu@kiu.ac.ug
[3] Department of Business Management University of Calabar, Calabar, Nigeria
[4] College of Humanities and Social Sciences, Kampala International University, Uganda.
Email: Eleanor.barongo@kiu.ac.ug
[5] College of Humanities and Social Sciences, Kampala International University
Uganda

Abstract

It's clear that businesses can't stay in business without making money, and not being able to do that would cause economic sickness. To get these kinds of organizations back to health, you need two types of turnaround strategies: ones that take you from losing money to breaking even and ones that take you from breaking even to making money. So, turnaround management is an act of two kinds of entrepreneurship. This paper's goal is to examine strategies that were effective in turnarounds and compare them to those that weren't. This will help managers of turnarounds improve their success rate and make these organizations more valuable to society. A content analysis with mean and standard deviation was used to get the data. The results show that cost management, operational efficiency, company restructuring, customer refocusing, and image building were more often used in cases of successful turnaround. The paper came to the conclusion that managers need to pay attention to early warning signs and act right away.

Keywords: Entrepreneurship, Turnaround Strategies, Value Creation, Strategic Management

Introduction

Turnaround is the process of getting an organization back on track after it has been sick. When a company's economic performance has been going down for a long time and is so low that it could go out of business if it doesn't make real efforts to improve it, this is called a restructuring situation. To turn a company around, you need a whole new set of skills to figure out why it's going downhill and come up with the right plans to give it a new start on life (Prasad 2006). To turn things around, different groups use different methods. There is enough evidence to conclude that unsuccessful turnarounds do not employ the same strategies as successful ones.

Statement of the Problem

Organizations are all made to make society better. Because of this, groups need to make money to support their stakeholders. On the other hand, most groups can't make enough money to stay in business in the rat race. As the world becomes more industrialized, the number of people getting industrial sickness has also grown. A lot of valuable resources from banks and other financial institutions are still stuck in sick units (Singh 2007). When industries are sick or going through turbulence, it affects the whole company and the country as a whole. Companies need to take action to get their money back in a dynamic environment. Uncompetitive, wasteful, and inefficient industries go away. This study is being done against this background.

Theoretical Review

A gradual or abrupt decline in performance that jeopardizes the organization's basic existence is known as organizational disease (Pandit 2000). Events and causes in the external environment may be the cause, as well as acts or inactions within the business. The definition states that organizational sickness is more of a phrase for the signs and symptoms of a disease than a term for the diagnosis and treatment of the disease. Put otherwise, it discusses the issue that an organization is facing, but it doesn't explain how or why it occurred. Furthermore, it makes no recommendations for activities or remedies that could improve the situation (Walshe 2004). One of the top five issues in both developed and emerging economies is business sickness. A manufacturing plant might become ill for a variety of reasons. Because of the multifarious at tributary factors that may be responsible for the illness. However, several researchers and students have attempted to compile a list of these variables (Barker 2005). A brief summary of the endogenous and exogeneous causes of industrial illness that have been identified by earlier research is provided in the next section.

Endogenous **Causes**

In numerous departments inside the organization, poor management is the root cause of internal disease. Since managing human resources, finances, marketing, production/operations, and corporate planning strategies are an organization's primary responsibilities, inadequate management in these areas would also be one of the internal causes. If detected early enough and the appropriate measures are taken to address them, these issues are typically reversible (Schendel, Patton and Riggs 1,976, Hofer 1980, Hoffman 1989, Manimala 1991, Barker and Mone 1994, Singh 2007). This is due to the fact that they result from one or more internal functional components of the device malfunctioning.

Poor leadership has been identified as one of the symptoms of industrial illness or failure causes (Balgobin and Pandit, 2001; Walshe, 2004). Other indicators include operational inefficiencies, past managerial errors, inertia that makes it difficult to adjust, loss of competitiveness, and insufficient resources. Other significant issues include product failure, a lack of variety, inadequate control mechanisms, and cost slippage (Panchali, 2005). Despite being directly responsible for all of these tasks, management's incapacity to effectively oversee the internal operations of the company accounts for over 80% of business failures (Scherrer, 2003).

Exogeneous Causes

Exogeneous factors are detrimental to a company, but the frequency with which they cause illness varies greatly depending on external circumstances. Because companies that are weak in particular functional areas are more prone to be harmed by outside forces that restrict their capabilities. These can originate from any area of the external environment, including demographic shifts, economic fluctuations, natural disasters, technological advancements, social norms and practices, political systems and shifts, and the ways in which the business engages with and is impacted by other nations (Singh, 2007). Generally speaking, an industrial unit can only get ill from the outside if it is already weak internally.

Many alterations in the external environment have been discovered by researchers to be the cause of industrial disease. Natural disasters, poor market circumstances, industrial unrest, insufficient or costly inputs, shifts in commodity prices, and poor government or governing power activities are a few of these (Panchali, 2005). Additionally, new competitors, unstable financial markets, adjustments to overseas markets, and technical advancements all have an impact (Manimala, 1991; Khandwalla, 1992; Pearce and Robbins, 1993; Scherrer, 2003). These include increased domestic and international rivalry, rivals' new goods and services, shifts in consumer preferences, new technology, and recessions in the economy (Balgobin and Pandit, 2001; Walshe, 2004).

Turnaround Strategies

When a corporation makes a corporate comeback, it typically indicates that its finances have improved after plummeting to the point where it faces bankruptcy (Pandit, 2000; Walshe, 2004). According to Khandwalla (1992), a business is in turnaround when its earnings are at least sufficient to break even, and it is in decline when it is losing money. Turnaround plans are defined broadly by Hofer (1980) as the steps managers take to save failing companies. According to lifecycle theory, mature organizations have a higher probability of experiencing a decline, which is why turnaround management is particularly crucial for them (Miller and Friesen, 1984; Pascale, 1999).

Researchers have implemented strategies and tactics to reorganize items into distinct groupings. Functional area strategies like human resources, product/market, financial, production/operations, and technology strategies (Manimala, 1991; Khandwalla, 1992) are a few examples, as are entrepreneurial versus efficiency actions (Hambrick and Schecter, 1983) and strategic versus operational actions (Schendel, Patton, and Riggs, 1976; Hofer, 1980).

A recovery consists of two phases, as was previously mentioned: losing money to breaking even and then making money again. There may be multiple sub-stages within each stage. Many stage theories attempt to describe how the turnaround process operates. Many well-known models exist for organizational turnaround, including the five stages of decline and accompanying actions proposed by Weitzel and Jonsson (1989), the five stages proposed by Bibeault (1982), the four stages proposed by Chowdhury (2002), the four stages proposed by Manimala (1991), the two-stage contingency model proposed by Barker and Yasai-Ardekani (1995), and the two-stage contingent process models proposed by Pearce and Robbins (1993) and Chowdhury (2002).

Furthermore, turnaround strategies are frequently categorized according to the managerial tasks they address (Manimala, 1991; Khandwalla, 1992). This grouping makes sense since when managers strive to fix issues inside the organization, they typically concentrate on their respective job areas. There are five main types of turnaround strategies: (a) strategies for human resources, (b) strategies for finances, (c) strategies for marketing, (d) strategies for production or operations, and (e) strategies for corporate planning.

(a) Human Resource Strategies

Prasad (2006) says that human resources must work with business leaders to create plans that build the organization's skills and make it easier to turn around the company. A lot of the literature on human resource strategies is about efforts to cut the number of workers, especially those that come from the top down (Cameron, 1994; Cascio, 2003). When a company's performance begins to decline, retrenchment is frequently the first action taken (O'Neill, 1986; Pant, 1991; Smith et al., 1995). In the early 1980s, struggling businesses frequently employed downsizing as a means of attempting to maintain their competitiveness by retrenchment or delayeering (Mishra & Mishra, 1994). This pattern persisted into the 1990s as businesses attempted to cut costs by letting go of employees in order to remain competitive in the global market (Appelbaum et al., 1987a; Cameron et al., 1991). Conversely, Manimala (1991) observed that employee involvement and culture-building approaches to staff management resulted in more successful turnarounds.

A popular strategy in human resources is to rotate the leadership team. According to Arogyaswamy et al. (1995), decline is frequently the result of leaders. Executives either created the issues that precipitated the crisis or failed to recognize the issues in a timely manner (Bibeault, 1982). Admitting that changing management can make a difference is the first step toward turning things around (Barker and Mone, 1994; Jacoby, 2004; Murphy and Meyers, 2008). Turnarounds are widely believed to require a change in top management (Bibeault, 1982; Hofer, 1980; Schendel, Patton, and Riggs, 1976; Slater, 1999). Murphy (2008) asserts that a company's success or failure is more dependent on the characteristics of its senior management team than on its products, abilities, or tangible assets. Top management sets the tone and style of a firm, which implies that they have the ability to empower and involve staff members. Motivated staff members exhibit enthusiasm, dedication, and a sense of ownership over their work. This encourages people to approach the business with a customer service mentality and give it their all creatively (Prasad, 2006). When this occurs, managers are not pressuring staff members to use performance management, and it is more effective than when they initiate performance reviews and tracking.

Hypothesis 1: Strategies for getting employees involved are more likely to be used by turnarounds that work than by ones that don't.

(B) Financial Strategies

Building up and utilizing the company's financial strength as an advantage to increase its competitiveness is the aim of financial strategy in turn-around management (Scherrer 2003). Businesses use strategies such as decreasing the par value of their shares, obtaining low-interest loans, postponing bill maturity, and converting debt to equity in order to manage their finances (Kumar 2003). Robbins and Pearce (1992) also discovered a relationship between the company's financial performance and the turnaround strategies chosen. According to Howard (2005), plans for financial turnaround should prioritize asset reduction above cost reduction as the recession deepens.

Turnaround studies reveal that the performance gains from cutting expenses and assets rely on how the sector evolves (Chowdhury and Lang 1996, Morrow et al. 2004). Turnaround studies cannot be adequately conducted without accounting for the established governance frameworks and financial obligations (Igor and Toms 2006). Kumar (2003). According to Robbins and Pearce (1992) and Hofer (1980), businesses facing severe financial difficulties must immediately reduce expenses and assets in order to remain in operation. One popular strategy used in the early phases of turning around a corporation is to reduce expenses related to labor, production, sales and administrative work, R&D, and financing. b) Slater (1999), however, noted that companies may resist cost and asset reduction, thus it's not always simple. Reducing assets is the advice given to failing companies in an effort to increase cash flow (Hofer 1, 980, Taylor 1, 982; Hambrick and Schecter 1, 983; Robbins and Pearce 1992). This would increase the value of their assets and assist them in meeting their immediate cash needs.

Businesses with large fixed costs are also more likely to lose money when the market shifts since they are less adaptable and efficient.

It's probable that cost control techniques will be employed more frequently by profitable turnarounds than by unsuccessful ones.

The lean management approach that comes from reorganizing assets and costs is more likely to be used by turnarounds that work than by ones that don't.

(C) Marketing Strategies

Several researchers (Hofer 1980, Grinyer et al. 1988, Goldston 1992) have talked about how important new marketing tactics are for turning businesses around. There hasn't been much written about the importance of market research and planning in the process of turning around a company, though (Harker 2001). A corporation that prioritizes marketing shows concern for its clientele and disseminates market data for internal usage (Jaworski et al., 1993). Compared to rivals that turn inward, this type of business is better able to perceive and respond to market dynamics (Day 1994). However, there is a paucity of literature regarding the role that sales and marketing play in turning around a business (Goldston 1992).

In businesses that have made a turnaround, four key components of sales stand out: managing relationships, developing new products and services, selecting the appropriate market, and comprehending the environment (Bibeault 1982; Finkin 1998; Larker and Hacker 1998). The domains of management and marketing have produced a wealth of literature on marketing mindset (Jaworski et al., 1993; Slalcr 1999). Results indicating that successful turnarounds have a strong customer focus highlight the critical role that marketing plays in business. The organization as a whole embraced the customer-focused approach, which had the full backing of upper management. The turnaround company put a lot of effort into working with clients by allocating committed managers and salespeople to important accounts. These individuals put a lot of effort into gaining the respect and trust of clients, which is crucial for fostering positive client interactions (Swan et al., 1988; Harker and Harker I 998).

Turnarounds that are successful are likely to employ the customer refocusing method more frequently than those that are not.

(D) Production/Operation Strategies

According To Hofer's 1980 Study, Which Involved Twelve Underperforming Groups, The Strategies For Improving Them Ought To Be Akin To Those Employed For Treating Medical Conditions. Operational Solutions Should Be Applied If Operational Issues Are The Cause Of The Sickness; Strategic Issues, On The Other Hand, Should Be Addressed Strategically. Research By Harnbrick And Scheeter (1 983) Supported This Theory, Showing That Businesses That Fail Due To Operational Problems Select Operational Turnaround Strategies, Whereas Those That Fail

Due To Strategic Problems Select Strategic Turnarounds. Nevertheless, Strategic Turnaround Measures Were Rarely Used To Address Operational Failure.

Reducing Expenses And Improving Management Are Frequently Linked To Expenditures In Technology And Process Improvement (Arogyaswamy And Yasai-Ardekani 1,997) Investigated The Relationship Between Reductions And Improved Management And Technology Investments. By Taking These Actions, The Company Can Increase Revenue In The Near Term And Free Up Funds For Technological Advancements That Streamline Processes. They Can Also Play A Significant Political Role In Gaining Support From Hack Stakeholders And Assist In Obtaining Outside Finance For Other Projects (Smith And Graves 2005). Developing And Applying New Technologies Would Undoubtedly Provide Companies With A Competitive Advantage And Accelerate Their Market Acceptance And Share. The Money Spent On Research And Development Can Be Slowly Recouped, And Patents Protect The Exclusive Rights Of New Products (Kow 2004).

(E) Corporate Planning Strategies

People often say that not planning or planning too narrowly leads to sickness and loss. Long-term planning in organizations means changing the nature and direction of the organization by growing, diversifying, exploring new paths through research and development, and other things. Short-term planning, on the other hand, means making plans once a year to carry out current activities.

Businesses must make long-term adjustments to their business strategy when their current products and services don't perform effectively in the marketplace. There are two ways that strategic re-orientation might be applied to turnaround management. First and foremost, organizations that have become too old or have dispersed their efforts too far must return to their primary functions. Second, they may choose to expand and alter in response to environmental shifts if their core is already strong or has been made stronger by operational measures as part of the turnaround. Manimala's (1991) research provided support for this viewpoint. where it was observed that strategy actions like growth occur after operational measures like halting illness, focusing on the core, and being supported by institutionalization. Other specialists have reported seeing similar things. Pearce and Robinson (1992) discovered that contraction and consolidation are employed in situations where a company's issues are not systemic. The hypothesis that underperforming organizations could benefit from growth techniques has received little attention from researchers. When Chowdhury and Lang (1996) examined small manufacturing firms, they discovered that instead of making cuts, business owners may take actions that resulted in expansion. Since eliminating non-essential jobs would involve rearranging who does what, refocusing on the core business may frequently need redesigning the organization.

Methodology

Turnaround management is discussed in business publications and newspapers because of its dramatic nature. As a result, there was an abundance of secondary data regarding tactics for improving the situation. This is a truly fantastic opportunity for anyone who are studying the topic. Thus, it was a brilliant decision that proved to be quite effective for the researchers in this instance to go through the written instances on turnaround management. We successfully assembled 34 unsatisfactory examples and 68 successful cases. To obtain quantitative data, these were read aloud. The data was then statistically processed in order to test the aforementioned theories. The actions that were done in this process are as follows:

i. Skimming the cases fast to identify the most typical causes of sickness and recovery strategies.

ii. Creating a list of the primary reasons and their corresponding strategies, and classifying the former into internal and external groups and the latter into the various management roles (e.g., corporate planning, finance, marketing, production/operations, and human resources). Initially, these two primary groupings contained 120 variables: 41 variables had to do with causes, and 79 variables had to do with strategies. Following careful consideration, these factors were assembled into 36 causal variables and 30 strategy variables (by assembling key functional area plans). These were then given a rating and more analysis.

iii. Using a scale of 1 to 3 (where 1 represents "absence"), gather numerical data on causes and remedies. "2" denotes uncertainty, and "3" denotes a known cause or strategy.

iv. Asking two more raters (one with a PhD in economics and the other in sociology) to rate the same factors on the same scale independently will reveal whether the above rating is confirmed by other raters. With a correlation score of 0.904 between the researcher and rater-I and an agreement score of 0.855 between the researcher and rater-2, the raters' agreement was fairly high. It was determined that the researcher's results were generally reasonable.

vi. Separate hierarchical factor analysis was used to find the main aspects of both causes and strategies. This produced six causal factors and eight strategy factors.

vi. Assessing the reliability of these parameters using Cronhach's Alpha, which was generally acceptable for social science research (as detailed in the Results section). Some of the characteristics from the initial list have to be removed based on the size of the Cronbach's Alpha. As a result of these modifications, the final factors now include 23 of the 30 original tactics and 27 of the 36 original causes.

Determining the variations between successful and unsuccessful turnaround cases with respect to the causes of disease and the tactics employed can assist in identifying a set of tactics that are effective and demonstrate the validity of the hypothesis.

Data Presentation and Analysis

Finding the averages and standard deviations of the primary variables the causes of illness and the treatments people underwent was the first step in data analysis. Table 1 displays the means and standard deviations for the cause variables, while Table 2 displays the same data for the approach variables. Variables in the tables that have a mean score higher than 1.5 are indicated in bold. The most prevalent causes of illness and common treatments are indicated by these highlighted elements.

Table-1: Means and standard deviation of causes of sickness variables

Reasons for the decline variables	Mean	Standard deviation
ICI: Urge for more increase	***1.5686***	***0.90663***
IC2: Unnecessary expansion	***1.6961***	***0.95222***
IC4: Credit problem	1.4314	0.49992
IC5: Bad sales and logistics	***1.5686***	***0.89564***
IC6: Bad leadership	1.5392	0.79193
IC7: Expired Hitech	1.3873	0.60895
IC9: Obsolete inventory	1.1961	0.58087
IC10: Lack of Financial Resources	1.3529	0.62374
IC11: Production Incompetence	***1.5000***	0.37244
IC12: High spending on products and services	1.1373	0.50814
IC13: Relucent staff	1.1569	0.34694
IC14: Low demand	***1.5294***	***0.63255***
IC16: Poor operation capacity	***1.5392***	0.86370
IC17: Bad returns	1.2647	0.65893
IC18: Low work capacity	1.1275	0.48075
IC20: Poor Management of work	1.1471	0.51506
IC21: High turnover	1.3039	0.67177
IC22: High on sale products	1.1569	0.32228
IC25: No cash	1.2745	0.54785
IC26: Ineffective use of money	1.3529	0.75317
IC27: Poor Sales Strategy	***1.5719***	***0.59402***
EC1: Cost increment	1.4216	0.81370
EC4: Big percent of loan	1.4216	0.52846
EC5: Bad economy	1.1373	0.50814
EC6: Leadership problem	1.3856	0.44188
EC8: Foreign exchange problem	1.2206	0.45909
EC9: Low money value	1.0922	0.18810

Source: researcher 2023

Table-2: Means and standard deviations of turnaround strategy variables

Turnaround Strategies	Mean	Standard
MS2: Re-examination of product mix	***1.5784***	***0.80144***
MS3: Movement from producer to consumers	1.3039	0.35812
MS4: Concentration on meim market value	1 .3627	0.62599
MS5:Intention to foster debts	***1.5194***	***0.48650***
MS6: Intention to market products and services	***1.5980***	***0. 77408***
MS7: Focus on sales management	1.3333	0.73570
MS8: Creation of sales opportunities	1.3072	0.38591
FS 1: Management of Loans	1.1667	0.40622
FS2: Cutting down values	1.2770	0.37381
FS3: Creating more values efficiency	1.1961	0.28668
FS4: Increase of money	1.1985	0.26406
FS5: Reducing spending	***2.0784***	***1.00184***
FS6: Decrease in cost management	1.3170	0.41791
HRS1: Delayering for huge retrenchment	1.3562	0.42801
HRS5: Staff drive	1.3922	0.78547
HRS6: Habit molding	1.0588	0.33958
HRS7: Staff improvement	***1.5588***	***0.75221***
HRS 8: Spreading of news	1.0392	0.27867
POS1: Good service /product delivery	***1.7614***	***0.56944***
POS2: Inputs in research and development	1.4167	0.54990
POS3: Decrease in raw materials funds	1.2255	0.62785
CPS1: Societal development	1.0760	0.20145
CP2: Turnaround the firm	1 .2333	0.27443

Source: *Researcher, 2023*

Based on observations, it appears that the high-scoring reasons are frequently associated with inefficiencies across various domains, particularly in operations, marketing, finance, and company planning. This data lends credence to the notion that effective management of these operations is critical to a business's success. Additionally, poor management within the organization is the root cause of every high-scoring cause. This implies that organizations are only vulnerable to abrupt external changes if they are internally weak.

Six of the causes had Cronbach's Alpha values between 0.400 and 0.570. These numbers are within an acceptable range even though they are not very high. The following six are the causative factors:

- Sector-1 (C1): Growing without providing resources
- Sector-2 (C2): Unfavorable economic conditions

- Sector-3 (C3): Ineffectiveness of work Insufficient use of resources in
- Sector -4 (C4); reluctance on the state of the economy in Sector -5 (C5)
- Section -6 (C6): Inability to Adjust

What we previously mentioned regarding high-scoring causal variables is supported by these causal factors. Out of the six causes, only one (Sector 2: Unfavorable economic circumstances) is related to external factors. The remaining ones are related to the company's poor management. This confirms our presumption that an employer's policies are the primary cause of occupational illness. That is, groups that are weak internally can only be harmed by external changes.

For eight of the methods, the Cronbach's Alpha values varied from 0.360 to 0.670. While not particularly high, these figures are also not extremely low. The eight plan factors are as follows:

- Sector 1 (S1): Labor Relations
- Sector-2 (S2): Product and service engagement that is serious
- Sector -4 (S4): Inflow of goods and services;
- Sector -3 (S3): Cost reduction
- Sector-5 (S5): Put the mission and vision first
- Sector-6 (S6): Changes in the value of sales
- Sector -8 (S8): Organizational promotion; Sector -7 (S7): Leadership issue

These strategies cover different parts of management, which suggests that to deal with workplace sickness, we need to use more than one method. The names of these factors show what kinds of variables are in them. Many strategies, like employee participation, focus on core business, and lean management, look good and work, but some suggest too aggressive and maybe even unrealistic ways of doing things.

We found the group means of causal factors and strategic factors for both successful and unsuccessful cases to see how these tactics affected the success or failure of the turnaround. This information about how the causes and strategies compare can be found in Tables 3 and 4.

Table 3: Mean scores of causal factors: A comparative perspective of successful and unsuccessful turnaround cases

Causal factors	Mean scores (Successful)	Mean scores (Unsuccessful)
Sector-1 (C1): Increasing but not allocated with resources	1.50	1.34
Sector -2 (C2): Bad economic situation	1.05	1.33
Sector -3 (C3): Work ineffectiveness	1.34	1.51
Sector -4 (C4): Inadequate utilization of resources	1.29	1.45

Sector -5 (C5): Reluctance with respect to economic situation	1.43	1.53
Sector -6 (C6): In-adjustability	1.29	1.72

Source: Researcher, 2023

Table 4: Mean scores of strategy factors — A comparative perspective of successful and unsuccessful turn around cases

Strategy factors	Mean scores (Successful)	Mean scores (Unsuccessful)
Sector-1 (S1): Workforce	1.23	1.19
Sector -2 (S2): Serious engagement of product and services	1.44	1.48
Sector -3 (S3): Cost reduction	1.59	1.43
Sector -4 (S4): Inflow of products and services	1.42	1.64
Sector -5 (S5): Focus on vision and mission	1.35	1.22
Sector -6 (S6): Alteration in sales value	1.54	1 .69
Sector -7 (S7): Leadership problem	1.24	1 .08
Sector -8 (S8): Promotion of the organization	1.06	1

When it comes to strategies, it looks like success is linked to building up an organization's skills slowly at first, then switching to bold strategies for growth and expansion. This is clear because the successful group scored better on many strategy factors, especially those that help organizations grow, like making sure employees are engaged, keeping costs low, focusing on core business, and using lean management.

We used an independent samples t-test to check these observations even more. In Tables 5 and 6, you can see the results of this study.

Table 5: Causal factors: Test of difference between successful and unsuccessful cases

Casual factors	Mean	Standard deviation	t	significance
Sector-1 (C1): Increasing but not allocated with resources	1.5163 1.2495	.35854 .16385	5.177	.000
Sector -2 (C2): Bad economic situation	1 .0500 1.2625	.15934 .41073	-2.949	.000
Sector -3 (C3): Work ineffectiveness	1.3448 1.4297	.32868 .24976	-1.463	013
Sector -4 (C4): Inadequate utilization of resources	1.2941 1.3864	.27147 .32626	-1.437	.086
Sector -5 (C5): Reluctance with respect to economic situation	1.4338 1 .4446	.41400 .50838	-.109	.237
Sector -6 (C6): Inadjustability	1.2945 1.6291	.26566 .39774	-4.488	.001

Table 6: Strategy factors: Test of difference between successful and unsuccessful cases

Strategy factors	Mean	Standard deviation	t	significance
Sector-1 (S1): Workforce	1.2316 1.1735	0.40745 0.24117	0.902	0.003
Sector -2 (S2): Serious engagement of product and services	1 .4375 1.4467	0.39852 0.55989	-0.086	0.004
Sector -3 (S3): Cost reduction	1.5931 1.4521	0.43379 0.49939	1.403	0.108
Sector -4 (S4): Inflow of products and services	1 .4208 1.6268	0.30388 0.34519	-2.954	0.552
Sector -5 (S5): Focus on vision and mission	1.3480 1.2316	0.27771 0.36333	1 .643	0.250
Sector -6 (S6): Alteration in sales value	1 .5368 1.6628	0.60666 0.54633	1.058	0.640
Sector -7 (S7): Leadership problem	1.2418 1.0827	0.22729 0.08317	5.125	0.000
Sector -8 (S8): Promotion of the organization	1 .0588 1.0017	0.34043 0.01009	1.382	0.047

Analysis of Data

The t-tests back up what was noticed when the means were looked at visually. All but one of the means for the causal factors were significantly different between the two groups. The only one that wasn't was causal sector 5 (Reluctance with respect to economic situation). The t-value is positive for causal sector 1, which means that growth that isn't supported by resources and demand, which means that this factor is a big cause of illness in the unsuccessful group.

So, the successful group has an easier time turning things around because their main challenge is getting the business back on track with the right market while using lean management and getting employees involved. This is shown in Table 6, where the successful group gets much better scores on image building, cost management, employee involvement, and lean management. Focusing on core business, changing the mix of products and prices, and investing in new markets and research and development are some factors that don't vary significantly between the groups. This suggests that both groups use these strategies in the same way.

The unsuccessful group, on the other hand, may have had trouble because they didn't use the organizational growth strategies correctly. They also tried to aggressively promote old goods in new markets (Sector 2), where they did much better than the successful group and scored significantly higher, showing a more aggressive approach.

Findings and Conclusion

Most of our hypotheses were backed by the results of this study, as we talked about in the findings. We began by coming up with five main ideas about why successful cases tend to use these strategies more often: getting employees involved, managing costs, shifting the focus to customers, lean management, improving operating efficiency, reorganizing the company, and building a good image. Five of these methods were used more often by the cases that turned out well. Customer refocusing, which was first called "refocusing on core businesses," was the only approach that both groups used in the same way. We can't say for sure what this idea means because "core business" only describes one part of customer refocusing.

We looked for evidence for our hypotheses using different statistical analyses. Some of the results of these analyses gave us some insights that could be turned into theoretical propositions that could help with more study in the field. Here's a quick look at three of them:

When the reasons were looked at, it was found that more problems affected the unsuccessful group than the successful ones. In fact, the successful group only talked about one reason more often: growth that wasn't supported by resources and market demand. This result makes it pretty clear that the chances of getting better are higher if there are fewer reasons for being sick.

As it turns out, this is exactly what happens when someone is sick. People who already have a lot of health problems may have bad side effects when they are treated for one illness. Because of this, it is hard for this person to find a treatment that works for all of their problems. The same is true for organizations that have problems in more than one functional area. This means that turning these organizations around is much harder than turning around organizations with fewer problems. This means that managers should find problems early on, when they are only affecting a few tasks. And in this situation, managers need to be aware of early warning signs and move right away.

The study of causes also showed that the causes with high scores (above 1.5 out of 3) are all internal causes. This seems a little odd since, in the original list of sickness reasons, 15 of the 41 (or 36%) were outside factors. Many outside factors may be mentioned as a sign of another well-studied psychological concept at the individual level—Locus of Control, as suggested by Rotter (1966)—at work at the organizational level. One possible conclusion is that the organizational Locus of Control works in a way that makes many of their mistakes look like they were caused by outside factors. There was no way to give them all the average score needed to be considered a widely observed cause of sickness. This means that the main reason why organizations get sick is because their internal management isn't working well. One of the writers had already looked into this and found that there was no link between the environment and strategy-making in earlier research (Manimala 1992, 2005, and 2010). Even though it doesn't make sense, the fact that there are no links between environment and strategy probably means that the main reason a person or a group act in a certain way is because of who they are and not because of the environment. From a Darwinian point of view, iii is about how the nature of the acting entity leads to actions that are chosen if they fit with the new world and rejected if they don't. So, the environment's job is more like choosing or rejection than it is to cause things.

Recommendations

- MDs and CEOs should make sure that there is enough time for internal skill building and scanning the external environment.
- Managers should stay away from confidence and complacency, which can make people closed off to new information.
- Managers should find problems early on, when they are only affecting a few tasks. To do this, they need to be aware of early warning signs and act right away.

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