

*Research Paper*

# IDENTIFYING THE SUCCESS FACTORS FOR EFFECTIVE TURNAROUND STRATEGY IMPLEMENTATION AND OUTCOMES IN A PUBLIC SECTOR ORGANISATION IN NAMIBIA

Lydia Penomuntu Aipinge<sup>1</sup> and Abner Kukeyinge Shopati<sup>2\*</sup>

<sup>1</sup>Ministry of Education, Arts and Culture, Namibia

<sup>2</sup>University of Namibia, Namibia Business School

\*Corresponding author: [shopati.abner@gmail.com](mailto:shopati.abner@gmail.com)

## ABSTRACT

Many organizations such as public institutions and state-owned enterprises often announce the launching of their turnaround strategies and request government for bail-out funding of their turnaround strategies implementation but their outcomes are hardly publicized. The impact of turnaround strategies though critical, rarely receives attention and in a way survives public scrutiny. However, in practice, a good strategy should be both a call for action and a blueprint for success by being responsive to the needs it was formulated to address. The aim of this article was to identify the implementation success factors (ISFs) that are determinants of the successful implementation of the Turnaround Strategy at the Ministry of Home Affairs in Namibia. The research utilised a quantitative approach; a survey design and questionnaire were employed to collect data. The study used mean model to identify the implementing success factors (ISFs) that are determinants for successful implementation outcomes. Reviewing the literature, 16 variables were identified as implementation success factors (ISFs) for turnaround strategy in public sector organisations in Namibia. The research shows that service delivery and client consultation, clear goals and objectives for the turnaround are the most significant ISFs for successful turnaround strategy implementation outcomes in a public sector organisation in Namibia.

**Keywords:** Success factors, Public sector organisation, Turnaround Strategy, Implementation

## INTRODUCTION

The literature reviewed has shown that formulating and implementing a turnaround strategy to revive a declining organization or public institution is a daunting exercise, which is dependent upon many factors. A number of organizations worldwide whether public or private experience and/or continue to face challenges when implementing their turnaround strategies and many take ages to yield any good outcomes or fail to reach their turnaround strategies' objectives. In Namibia, many state-owned-enterprises (SOEs), amongst others, TransNamib and Namibia Wildlife Resorts, often request government for large amounts of money to fund their turnaround strategies but to date there is hardly any reported evidence of success or achievement of their turnaround strategies. However, the Ministry of Home Affairs and Immigration in Namibia is reported to be a success story of a turnaround strategy implementation outcome. Scholars in business leadership have argued that

it can be extremely difficult for business leaders and managers to get everyone in the company pulling in the same direction and ultimately focusing their efforts on the true essentials of the business strategy to achieve the mission, objectives or goals of an organization. Hence, the significant efforts put in by individuals at the helm of the Ministry of Home Affairs and Immigration and Turnaround Strategy management and leadership needs to be examined to find out what factors were critical in making it possible for the ministry to achieve its desired turnaround objectives. Evident in all the accolades and applauses, reference is made to the collective leadership of the Turnaround Strategy and that of the ministry at large. However, there is barely any mention or reference or inquiry of the other factors that yielded such favourable results.

Notwithstanding, Shopati, Mitonga and Aipinge (2018) argued that implementation success factors are the determinants that are assumed to have an effect on strategy implementation outcomes.

Pakseresht & Asgari (2012) reported that in terms of public institutions perspectives, a turnaround strategy can be defined as an analytical approach to solve the root cause of deterioration in service of a public institution to decide the most crucial reasons behind the failure or the deterioration of service. In this sense, a strategic plan and restructuring plan are designed and implemented to solve the issues of a 'sick' public institution. In short, turnarounds can be better considered as organisational recoveries from declines. Various scholars in the area of turnaround strategies seem to agree that a turnaround is only considered to have occurred when a company or organisation recovers adequately to resume normal operations, often defined as having survived a threat to survival and gained sustainable profitability (Shopati et al., 2018). Additionally, Shopati et al., 2018 posit that several persons may define or describe implementing success factors a bit differently due to the contexts and approaches in the way they are implemented in various industries and fields. However, the fundamental purpose of their implementation remains similar. In essence, managing an organisation or business is complex in nature. There are many important matters that compete for attention that it is often extremely difficult for organisational managers to see the 'woods for the trees' and manage to get everyone in the organisation to pull in the same direction and focus on the true essentials of the organisation (Aiping, 2018). Hence, it is very essential for organisational leaders to identify the factors that really matter for the company's success and create a common point of reference that helps in directing and measuring the success of the company or organisation. As a common point of reference, implementation success factors are said to be helpful to members of the organisation in knowing exactly what to do in their work contexts and collectively pull together towards achieving the same organisational overall aims.

Ahmed and Khan (2013) emphasised that identification of implementation success factors in the implementation of any strategy or project is critical and helps the business or project team to improve the chances of success. Identifying implementation success factors is an iterative process that highly considers the link between the organisation's mission and its strategic goals to deduce essential elements of organisational activity for achieving success. According to Rothberg and Morrison (2012), the identification of implementation success factors should begin with an analysis of the organisation's strengths, weaknesses, opportunities, and threats (SWOT). This process also involves evaluating how the organisation monitored and measured important elements of its turnaround strategy and how such a process was communicated to the entire staff of the ministry and relevant stakeholders. In this study, the identification

of possible implementation success factors is done by examining the mission and objectives of the Ministry of Home Affairs and Immigration to see which areas were pinpointed by its turnaround strategy as areas that needed attention and see whether that was achieved. Hence the questions of this study were: What are the implementation success factors which contributed to the successful implementation outcomes of the turnaround strategy at the Ministry of Home Affairs in Namibia? Secondly, What are the significant proportions of each factor contribution to the turnaround strategy implementation outcomes?

## RESEARCH METHODS

### Research approach

The research utilised the quantitative approach; a survey design and questionnaire were employed to collect data from the Ministry of Home Affairs and Immigration's top management and middle management at their head-office in Windhoek to identify implementation success factors. Thus, the whole population of 50 top management and middle management became the sample size of this study as they were all involved in the turnaround strategy implementation process.

### Dimensions of measurement

The questionnaire instrument was based on Pakseresht and Asgari (2012) model of implementation success factors (ISFs) for turnaround strategy implementation. This model was plausible for this study as it has postulated that the parties who are involved in projects, may perceive the project success or failure differently and thus they value the outcome differently. As a result, top and middle management were preferred to evaluate their perceptions on the grouped ISFs of Ministry of Home Affairs and Immigration turnaround project and their possible consequences to meet Pakseresht et al model. Based on this approach, the study adopted the following 16 items for the implementation success factors: Creating an effective change culture for Turnaround Strategy, Clear goals and objectives of the Turnaround strategy, Top management support, Commitment and involvement, Effective communication of the Turnaround Strategy, Internal communication, Stakeholder management and public relations, Interdepartmental cooperation and teamwork. Furthermore, Organisational infrastructure (design) and service footprint optimisation for the Turnaround Strategy, Linking incentive systems with the Turnaround Strategy programme, Staff member training and education on the Turnaround Strategy, Understanding and effective use of the Turnaround Strategy tools, Service delivery and client consultation were also some of the ISFs. Also, Financial control and planning optimisation, Project management skills, Competence of the Turnaround Strategy's Steering Committee, Role of Information

Technology, Use of external consultants were adopted.

### Analysis

The Cronbach's alpha test for scale reliability was carried out during analysis to test for inter-rater reliability and the average inter-item correlation (Pallant, 2010). Reliability is ensured through maintaining a fit between what the researcher records as data and what actually happens in the natural setting which is being researched. The study results showed that all the necessary conditions were met and that it was appropriate to conduct a descriptive analysis using mean model to identify

the implementation success factors (ISFs) that are determinants for successful implementation outcomes.

## RESULTS AND DISCUSSION

The Pakseresht et al. (2012) model of implementation success factors (ISFs) for turnaround strategy implementation was recognised. Based on this approach, 16 items of the implementing success factors (ISF) scale were evaluated using mean model in the descending order of effects. The results presented in Table 1, below show the 16-items of the ISF scale.

**Table1.** ISFs for Turnaround Strategy Implementation outcome

Critical Success Factor	Mean	S.D	Skewness	Kurtosis
Service delivery and client consultation	5,88	1,54	-2,25	6,44
Clear goals and objectives for the turnaround	5,63	1,41	-,86	-,49
Staff member training and education on the turnaround	5,63	1,09	-,19	-1,15
Top management support, commitment and involvement	5,56	1,50	-,88	,28
Project management skills	5,53	1,30	-,76	,11
Effective communication of the turnaround	5,40	1,72	-,72	-,74
Understanding and effective use of the turnaround strategy tools	5,33	1,54	-,78	-,06
Interdepartmental cooperation and teamwork	5,31	1,58	-1,40	2,43
Financial control and planning optimisation	5,31	1,78	-1,11	,75
Role of information technology	5,27	1,62	-1,42	2,37
Competence of the turnaround strategy steering committee	5,25	2,08	-1,04	-,35
Creating an effective change culture for turnaround strategy	5,13	1,50	-,11	-1,40
Internal communication, stakeholder management and public relations	5,13	1,50	-,65	-,22
Organisational infrastructure (design) and service footprint optimisation	5,00	1,21	-,26	-1,02
Use of external consultants	4,56	2,03	-,51	-,82
Linking incentive system with the turnaround	4,50	1,67	-,54	-,35

Table 1, shows the descending order ranking by mean values of the Implementation Success Factors (ISFs) for the Turnaround strategy implementation, with the most important ISF on top. The first most important Implementation Success Factor (ISF) is Service delivery and client consultation (M=5.88, S. D=1.54). Service delivery in public entities should be customer driven. Hence, it is vital for a turnaround strategy of a public institution such as the Ministry of Home Affairs and Immigration to be aligned to the demands and requirements of its primary customers. Khan (2005) indicated

that understanding the needs and requirements of customers is a powerful technique for making sure that the core processes and vital output of the turnaround strategy will eventually derive best results in accordance with the satisfaction of the customer who is the end user of the service. The second most important ISF is Clear goals and objectives for the turnaround (M=5.63, S. D=1.41). According to Chebet (2013) implementation of any programme or strategy should begin with a conceptualisation of the goals and possible ways to accomplish these goals. Chebet (2013) further

argued that clearly communicated goals help companies to achieve continuous improvement in the implementation process. Clearly defined and well-understood strategic goals are needed to guide the turnaround strategy throughout its life cycle and those goals should be specific and operational to indicate the general direction of the strategy (Chebet, 2013). The third ISF is Staff-member training and education on the turnaround (M=5.63, S. D=1.09). This ISF is critical to implementation because poor project management skills & insufficient training of key implementer will cause serious implementers problems. Education and training of staff members on the turnaround strategy is essential in improving quality of service rendered by the ministry and in changing the status quo of the ministry to the desired one. Khan (2005) emphasised that it is critical to communicate both the why and the how of the turnaround strategy to employees, and provide the opportunity for people to improve their comfort level through training classes.

Table 1 also shows that Top management support, commitment and involvement (M=5.56, S. D=1.50) is an important ISF for Turnaround implementation. Cater and Schwab (2008) noted that during a turnaround strategy implementation process, the top managers become the change agents to reverse the organisational decline. Mapetere et al. (2012) agreed that top management commitment is the most important factor in implementing strategy hence top managers must be willing to give energy and loyalty to the implementation process. In the fifth position, Project management skills (M=5.53, S. D=1.30) is ranked as a valuable ISF in ensuring that multi-disciplinary work-streams meet their time, cost and resource targets. A turnaround strategy requires the necessary skills to manage its complete delivery within a specific time frame, adherence to budgetary limits, achievement of the intended goals and ensuring that a specified set of performance characteristics are taken care of during the implementation process.

Ranked sixth, Effective communication of the Turnaround Strategy (M=5.40, S. D=1.72) is also very critical in ensuring that the public is thoroughly informed about the intended vision and progress of the strategy. Khan (2005) explains that effective communication is a great enabler of success because it helps overcoming resistance to management initiatives and maintaining enthusiasm about the turnaround strategy implementation. Table 1, also shows that Understanding and effective use of the turnaround strategy tools (M=5.33, S. D=1.54) is a critical ISF because it enables achievement of high-quality conformance to the process. Turnaround strategy tools and techniques prepare the steering committee with the necessary leadership and skills to implement the strategy.

The other crucial ISF is the Interdepartmental

cooperation and teamwork (M=5.31, S. D=1.58) as it creates the synergy from all organisational components which is positive for ensuring overall turnaround strategic objectives. Through collaboration, cooperation and coordination, adjustments such as defining parameters to be measured, defining target values for the parameters, performing measurements and comparing results, must be carried on in order to increase the public value of the Ministry of Home Affairs and Immigration. Implementing a system-wide initiative such as a turnaround strategy requires high level teamwork, commitment and cooperation among employees from various departments in the organisation. Financial control and planning optimisation (M=5.31, S. D=1.62) is crucial in turnaround strategy management as it ensures that financial control is closely monitored and short-term future of the company is enhanced through cash management, cash generation and cash conservation, as well as by ensuring legal and fiduciary compliance. Nacheri and Ogollah (2015) argue that turnaround strategy cannot be sensibly implemented without taking into account the context of the financial obligations and related governance arrangements such as planning. Therefore, in order for the turnaround to yield expected results, funding and recapitalisation of the turnaround strategy is of paramount importance. Another important ISF is the Role of information technology (M=5.27, S. D=1.67) because it has a key role to play in organisational strategy planning and execution. It is argued to be the central agency which provides directions to managerial efforts in driving the organisation towards a desired goal. In an intra-organisational network, fast and precise co-operation is of great importance and this cooperation cannot be achieved without using the information technology tools.

Furthermore, the Competence of the turnaround strategy steering committee (M=5.21, S. D=2.08) is highly emphasised and teaming consultants with organisational staff members helps develop technical skills for design and implementation of the turnaround strategy, leading to valuable skills transfer (Chebet, 2013). It is argued that having competent members with the right skills in the team is the most important implementing success factor for successful implementation of any programme such as a turnaround strategy. Hence it is imperative for the turnaround strategy's steering committee to have the necessary skills for measuring whether the program's unique variables that are essential for its implementation are achieved and create conducive environment for that process. Table 1, also shows that Creating an effective change culture for turnaround strategy (M=5.13, S. D=1.50) is vital in influencing changes in the organisational culture and habits as well as in the attitudes of its employees. Khan (2005) advocates creation of



change in the organisational culture with a purpose of overcoming employee resistance to the turnaround strategy. This can be achieved by changing the organisational structure at the top, investing in the training of organisational staff members, adjusting the reward and recognition system and ensure early communication to employees about the intention of the turnaround strategy.

Turnaround strategies reportedly risk failing unless stakeholders' advocacy ensures that support for the turnaround is obtained and retained. Hence the ISF of Internal communication, stakeholder management and public relations ( $M=5.13$ ,  $S. D=1.50$ ) is deemed relevant to enable the establishment of internal communication channels and platforms to be established in order to keep employees focused to the common tasks and objectives and also keep everyone up-to-date with progress made by various sections/departments of the organisation. This also requires effective stakeholder management which typically involves progress report, regular structured feedback to shareholders, leaders and staff, as well as road shows, notice boards communications and newsletters. Organisational infrastructure (design) and service footprint optimisation ( $M=5.00$ ,  $S. D=1.21$ ) has to do with buying-in of the turnaround strategy by the ministry. Many people from various directorates and departments of the ministry have to be directly involved and many support systems have to be in place to make it all work smoothly (Khan, 2005). The components and stages of turnaround strategies highly require a systemic process of doing things in order to optimally achieve desired objectives of the turnaround strategy. Another ISF is the Use of external consultants ( $M=4.56$ ,  $S. D=2.03$ ) which is regarded as crucial in successful stage 1 turnaround strategies, for consultants are viewed to have relevant expertise and broader knowledge and capabilities to initiate and guide organisational changes. Chebet (2013) maintains that it is important and critical for consultants with business expertise and relevant knowledge on the subject of implementation (the turnaround strategy in this case) to be assigned to the project on a full-time basis to ensure complete focus on the project at hand. At the bottom of the ranking is Linking incentive system with the turnaround ( $M=4.50$ ,  $S. D=1.67$ ). Although this IFS is regarded as a great enabler in maximising employees' potential and participation in the Turnaround Strategy implementation process; it remains the prerogative of an organisation such as Ministry of Home Affair and Immigration to determine its incentive system and parameters of its rewards and recognition (Khan, 2005, p. 48).

The study utilised 16 ISFs of Pakseresht et al. (2012) framework, applied it to public sector organisation to test the hypothesis whether Pakseresht et al. (2012) model may actually represent effective turnaround strategy implementation and subsequently, have

an influence on the implementation in public sector organisations. The research sought to interpret the model in the context of the research, as well as highlight some contributions and discoveries made in the study. In reviewing literature, 16 variables were identified and were sorted in descending order of effect. The most important ISF was Service delivery and client consultation ( $M=5.88$ ,  $S. D=1.54$ ). Service delivery in public entities should be customer driven. Hence, it is vital for a turnaround strategy of a public institution such the Ministry of Home Affairs and Immigration to be aligned to the demands and requirements of its primary objectives and mandate. Additionally, the findings show that there is a need for improvement within government institutions as far as internal communication, stakeholder management and public relations is concerned. Thus, other government ministries can adopt Pakseresht et al. (2012) framework in order to accelerate service delivery to their clientele; however, they need to do more on internal communication and stakeholder management.

## CONCLUSIONS

The study concludes that 16 ISFs of the Pakseresht et al. (2012), framework, as a model in this study may represent effective turnaround strategy implementation and have an influence on the implementation outcomes in public sector organisations. However, there would be variations on the significant proportion from one sector or country to another. This could be so because human beings are qualitatively different and their geographical location may influence their thinking on ratings.

## REFERENCES

- Ahmed, A., & Khan, M. K. (2013). Identification of critical success factor during ERP implementation. *International Journal of Science and Applied Information Technology (IJSAIT)*, 2(2), 12-17.
- Aipinge, L. P. (2018). Identification of critical success factors in the implementation of the Turnaround Strategy in the Ministry of Home Affairs and Immigration of Namibia. Unpublished dissertation of Masters of Business Administration. Midlands State University of Zimbabwe, Gweru.
- Cater, J., & Schwab, A. (2008). Turnaround strategies in established small family firms. *Family Business Review*, 21(1), 31-50.
- Chebet, S. S. (2013). Critical Success Factors in the implementation of the re-engineered integrated financial management information system in government ministries, Kenya. Unpublished dissertation of Masters of Business Administration (MBA), University of Nairobi, Nairobi.
- Khan, O. H. (2005). A study of Critical Success Factors for six sigma implementation in UK organisations. Unpublished dissertation of Masters of Science in Total Quality and Performance Management, Brandford University School of Management, Brandford.
- Mapetere, D., Mavhiki, S., Nyamwanza, T., Sikomwe, & Mhonde, C. (2012). Strategic role strategy implementation in Zimbabwe's State-Owned Enterprises. *International Journal of Business and Social Science.*, 3(16), 271-276.
- Nacheri, P., & Ogolla, K. (2015). Influence of Turnaround Strategy Adoption on Revenue Performance of Kenya Revenue Authority. *Journal of Business and Management*, 17(4), 84-89.
- Pakseresht, A. & Asgari, G. (2012). Determining the Critical success factors in construction projects: AHP approach. *Interdisciplinary Journal of Contemporary Research in Business*, 4(8), 383-393.
- Pallant, J. (2010). *SPSS survival manual: A step by step guide to data analysis using SPSS*. England, Open University Press.
- Rothberg, A. F. & Morrison, C. (2012). *Performance measurement: Understanding critical success factors*. Southern California, Resource Planning Solutions Corporations.
- Shopati, A. K., Mitonga, K. H., & Aipinge, L. P. (2018). Implementing success factors for effective strategic plans implementation in public health facilities, in Namibia. *International Journal of Community Medicine and Public Health*, 5(2), 430-436.