THE EFFECT OF TURNAROUND STRATEGY ON THE PERFORMANCE OF KENYA POWER LIGHTING COMPANY PLC

EVANS OTIENO OCHIENG'

A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION, FACULTY OF BUSINESS AND MANAGEMENT SCIENCES, UNIVERSITY OF NAIROBI

2023

DECLARATION

The research project is my own work and has never been submitted for examination to any other university.

Signature ………………………………. Date …**06/12/2023………..**

EVANS OTIENO OCHIENG'

D61/37174/2020

This project has been submitted with my authority as the university supervisor.

Signature ……………………………… Date 06/12/2023……………………………………..

PROF. EVANS AOSA

School of Business

University of Nairobi

DEDICATION

This project is dedicated to my beloved parents, Eng. Gilbert Ochieng Omolo and Julia Adhiambo, who provided me with the best academic foundation any child could hope for. May they continue to be at peace in eternity. To my adored spouse, Brigid Cherop, and treasured children, Kimberly Hawi Ochieng' and Kayla Faith Ochieng', whose steadfast support and understanding served as my guiding beacon throughout. Their unwavering affection, forbearance, and support spurred me towards success, enabling the completion of this final project. I offer this accomplishment to them with profound appreciation and affection.

.

ACKNOWLEDGEMENT

I wish to express my sincere gratitude to my supervisor, Prof. Evans Aosa, for his invaluable guidance and support during the successive stages of this project. His expertise and insightful feedback enabled me to develop a robust understanding of the subject and greatly contributed to the success of this project.

I am deeply grateful to the senior management of Kenya Power and Lighting Company for providing me with an audience during the data collection stage. Their industry experience and insights contributed to the study's depth and quality.

TABLE OF CONTENTS

DECLARATION ii

DEDICATION iii

ACKNOWLEDGEMENT iv

TABLE OF CONTENTS v

LIST OF TABLES vii

ABSTRACT viii

LIST OF ABBREVIATIONS ix

CHAPTER ONE: INTRODUCTION 1

1.1 Background of the study 1

1.1.1 Turnaround Strategy 3

1.1.2 Organizational Performance 4

1.1.3 The Energy Sector in Kenya 6

1.1.4 Kenya Power and Lighting Company Limited Plc 7

1.2 Research Problem 8

1.3 Objectives of the Study 10

1.4 Value of the Study 11

CHAPTER TWO: LITERATURE REVIEW 12

2.1 Introduction 12

2.2 Theoretical Foundation 12

2.2.1 Stage Theory of Successful Turnaround 12

2.2.2 Stakeholder Theory 13

2.3 Turnaround Strategy and Organizational Performance 14

2.4 Empirical Studies and Research Gaps 17

CHAPTER THREE: RESEARCH METHODOLOGY 22

3.1 Introduction 22

3.2 Research Design 22

3.3 Data Collection 23

3.4 Data Analysis 24

CHAPTER FOUR: DATA ANALYSIS, RESULTS, AND DISCUSION 25

4.1 Introduction 25

4.2 Demographics 25

4.2.1 Length of Service 25

4.2.2 Profile of Respondents 26

4.3 Effect of turnaround strategy on the performance of Kenya Power and Lighting Company Plc 26

4.3.1 Cost-Reduction Strategy 29

4.3.2 Revenue-Generating Strategy 29

4.3.3 Reorganization Strategy 30

4.3.4 Distribution Efficiency Improvement 31

4.3.5 Customer Focus Strategy 32

4.4 Discussion of Findings 40

CHAPTER FIVE: SUMMARY, CONCLUSION, AND RECOMMENDATIONS 44

5.1 Introduction 44

5.2 Summary of the findings 44

5.3 Conclusion of the Study 45

5.4 Recommendations 46

5.5 Limitations of the study 46

5.6 Suggestions for Further Research 47

REFERENCES 48

APPENDICES i

Appendix 1: KPLC Letter of Approval For Research i

Appendix 2 : NACOSTI Research License ii

Appendix 3: Data Collection Letter of Introduction from UoN iii

Appendix 4 : Interview Guide iv

LIST OF TABLES

TABLE 1: Annual targets distribution of KPIs …………………………..32

TABLE 2: Summary of financial performance metrics ………………….34

TABLE 3: Summary of performance of key performance Indicators …..35

ABSTRACT

This study investigated the effect of a turnaround strategy on the performance of Kenya Power and Lighting Company (KPLC). The energy sector, particularly in developing economies like Kenya, faces multifaceted challenges ranging from operational inefficiencies, a lack of management autonomy, bureaucracy, and financial instability that cause its performance to decline. The study aimed to establish the specific turnaround strategies that KPLC adopted when its performance declined and assess their correlation with the observed changes in performance indicators over a five-year period. The study anchored on two theories: the Stage Theory of Successful Turnaround and the Stakeholder Theory. The study employed a case study research design and used interview guides to collect data. The respondents were six senior managers of KPLC based at the company's headquarters in Nairobi. After being subjected to content analysis, the gathered data was written up and presented. Cost Reduction, Revenue Generating, Reorganization, Distribution Efficiency Improvement, and Customer Focus were identified as the turnaround strategies adopted by KPLC to improve the performance of the company. The study found that although the turnaround efforts of KPLC successfully improved their short-term financial performance, external factors such as the delay in approval of a cost-reflective tariff, a subsequent 15% tariff reduction, the direct and indirect effect of COVID-19 on the broader economy and business, and the depreciation of the Kenya Shilling against major foreign currencies hindered sustainable or long-term recovery. This adversely impacted the desired performance, with a negative variance of 80% of the performance targets set. The study concluded that the turnaround strategy fell short of comprehensively addressing the multifaceted challenges contributing to the company's performance decline. The study recommended that KPLC should develop a new, agile strategy that incorporates lessons learned, embraces innovation, and aligns with the evolving energy landscape. Additionally, it suggested that KPLC should review its approach to power purchase contracting to mitigate the significant foreign exchange exposure. This is important considering that KPLC's entire revenue is in local currency, while 84% of its debt portfolio is denominated in foreign currency. This should include engaging existing power generators for sustainable currency-related solutions that will resolve the accumulation of overdue obligations.

LIST OF ABBREVIATIONS

BPC	Botswana Power Corporation
EAP&L	East Africa Power & Lighting Company Limited
EPRA	Energy and Petroleum Regulatory Authority
GDC	Geothermal Development Company Limited
GWh	Gigawatt Hour
IPPs	Independent Power Producers
KenGen	Kenya Electricity Generating Company Plc
KETRACO	Kenya Electricity Transmission Company
KPLC	Kenya Power and Lighting Company plc
MoE	Ministry of Energy
MW	Mega Watts
NuPEA	Nuclear Power and Energy Agency
PPAs	Power Purchase Agreements
PBT	Profit Before Tax
RERAC	Renewable Energy Resource Advisory Committee
REREC	Rural Electrification & Renewable Energy Corporation

CHAPTER ONE: INTRODUCTION

1.1 Background of the study

In the ever-changing and highly competitive business environment, organizations frequently encounter critical junctures that require strategic interventions to rejuvenate their activities and secure sustainable viability (Bibeault, 1999; Hofer, 1980). These organizations compete for survival, and to emerge successful during times of distress, most of them adopt turnaround strategies to preserve their inherent value, resolve financial difficulties, and identify new strategic opportunities whose immediate aim is to enhance the company's operational performance and financial stability (Shah and Nair, 2014). Thompson and Strickland (2008) state that a turnaround strategy's primary goal is to return an underperforming or ailing company to typical levels of reasonable profitability, solvency, liquidity, and cash flow. Corporate decline is so widespread, affecting businesses across several sectors. Globally speaking, prior studies on turnaround management techniques have produced contradictory findings (Beeri, 2009). On one hand, organizations have achieved significant improvement in performance. On the other hand, some studies have shown that some organizations have stagnated and could be perceived as persistently failing (Sunil, 2007). Given his observation of staggering losses as a result of profit declines occurring in all types of businesses, Makridakis (1991) suggested the need to design a sustainable turnaround. These phenomena had been alarming, in that for every successful turnaround Makridakis (1991) observed, there were two failures.

The Stage Theory of Successful Turnaround and the Stakeholder Theory served as the study's foundational theories. The Stage Theory is particularly relevant because it allows for a clear explanation of the step-by-step progression of turnaround events that lead to either the recovery or downfall of a struggling firm. Stakeholder theory has been considered due to its prominence as a guiding principle for socially responsible and ethical business practices. The theory highlights that in order to ensure long-term sustainability, it is crucial to balance the frequently conflicting interests of many stakeholders and success for the organization, which Kenya Power and Lighting Company Plc aspires to achieve.

The energy sector in Kenya has made significant contributions to the economic prosperity of the country by effectively increasing generation capacity, facilitating widespread electricity access, and expanding the infrastructure for power transmission and distribution. Kenya Power and Lighting Plc, as a prominent player in the industry, has significantly contributed to the advancement of "The Kenya Vision 2030" program, which seeks to propel Kenya towards the attainment of a newly industrialized and middle-income position by the year 2030. Amidst rapid urbanization, increased demand for electricity, and evolving regulatory frameworks such as the Energy Act 2019 that introduced competition in the electricity retail market, KPLC faced an array of operational and financial challenges. Recognizing the need for change and to address concerns about its declining performance and service delivery capabilities, KPLC embarked on a journey of strategic transformation through a turnaround plan initiated in June 2018, aiming to reposition itself as a robust and agile player in the market and to place the company firmly on the path towards sustainable profitability and growth.

1.1.1 Turnaround Strategy

A turnaround refers to a significant transformation that a company undergoes when it faces a decline in its performance or is at risk of such a decline soon (Burns, 2004). If left unaddressed, the organization is likely to experience further deterioration, possibly leading to bankruptcy. The actions taken to rescue the organization from this downward spiral are an integral part of a turnaround strategy (Kanter, 2004). Turnaround strategies can be broadly categorized into two types: efficiency-oriented and growth-oriented. Growth-oriented strategies typically involve redefining the company's core activities, either by strengthening its position in existing markets or by branching out into new markets or product lines. Achieving a turnaround often requires entrepreneurial reconfiguration of the company's assets (Hambrick and Schecter, 1983). In contrast, efficiency-oriented strategies concentrate on downsizing or streamlining the organization, emphasizing the elimination of unproductive and unprofitable aspects of the business to enhance efficiency (Hofer, 1980).The plan is aimed at elevating firms through cost-cutting and asset-reduction measures (Pearce and Robinson, 2004). Additionally, these strategies aim to rebuild the company's core competencies, which are essential for regaining its competitive edge—the foundation of growth and profitability. Most turnaround strategies take into account industry and operational environment factors. Additionally, a business may choose to combine the resource-based model and the competitive forces model. To improve a company's performance to the targeted levels within a turnaround framework, it is essential to select a suitable collection of tactics. The 3Rs method and the cost-based method are the two basic viewpoints that are used to categorize these techniques (Boyne, 2004). To reverse organizational decline and eventually provide the company with a competitive edge, it is essential to implement these measures at the right time (Boyne, 2004). Management must effectively implement cost-reduction initiatives that focus on reducing the company's overall expenses. This strategy involves reducing existing costs, eliminating non-essential expenses, and finding alternatives for higher expenses. The revenue-generating strategy encompasses management's efforts to boost demand for the company's existing products, often involving price reductions, increased advertising, and direct sales. Asset retrenchment focuses on cutting unproductive and unprofitable segments, typically achieved through reductions in the firm's size and scope. Financial restructuring, production, decentralization, technology, human resources, and changes to planning systems are all part of reorganization plans that aim to increase efficiency in many functional areas (Nyagiloh, 2020).

1.1.2 Organizational Performance

The primary aim of implementing turnaround strategies within an organization is to enhance its performance, with the belief that a decline in performance can be reversed and turned into a positive trend. In the realm of strategic management, assessing corporate performance plays a pivotal role, requiring a careful examination of how we conceptualize and measure business success (Venkatraman & Ramanujam, 1986). Consequently, achieving sustainable organizational performance stands as a critical objective for all types of organizations (Ritson, 2017). However, evaluating firm performance has posed challenges for both academics and business professionals over an extended time (Simerly & Li, 2000). According to Chakravarthy (1986), firm success is a multidimensional concept, and a singular index measure fails to provide a comprehensive analysis that can effectively capture the relationship between performance and the factors under examination. Therefore, it has been confirmed that employing a combination of financial and non-financial metrics for assessing the effectiveness of turnaround strategies yields more meaningful results.

The Balanced Scorecard (BSC), created by Kaplan and Norton (1992), was employed to evaluate performance in this study. The proponents of this approach contend that non-financial variables are also included in a comprehensive picture of an organization's financial success, which goes beyond only financial data. A multifaceted instrument for performance evaluation, the Balanced Scorecard emphasizes four major perspectives: learning and growth, internal company processes, customer, and financial. Whether the organization's strategy and operations provide value for shareholders is evaluated from a financial standpoint. In the case of organizations without shareholders, this perspective gauges how effectively the strategy and operations enhance the organization's financial well-being. Analyzing the company's strategy and operations from the viewpoint of its consumers allows for an evaluation of how well they serve their needs. The ability of internal processes to benefit consumers and increase shareholder wealth is evaluated from the standpoint of internal business and manufacturing processes. The learning and growth viewpoint assesses the organization's capacity for innovation and long-term growth. A crucial component of this viewpoint is the capability of the infrastructure to enable innovation and expansion. The Balanced Scorecard framework is influential because it offers a comprehensive view of business value by considering these four critical perspectives.

Several factors designate firms as turnaround candidates; thus, the turnaround performance of each firm will be assessed based on relative evaluation periods. As a result, performance gains serve as a metric for evaluating turnarounds because measurements are crucial for stabilizing a declining organization (Khandwalla, 1983). The performance of the companies will be assessed using a range of indicators based on turnaround management timeframes. In this study regarding the decline and turnaround of Kenya Power and Lighting Company plc, net profit was highlighted as a primary performance measure. Measurements of the change in sales growth, revenue growth, system efficiency, working capital, and customer satisfaction index are other factors that were considered when analyzing success during turnarounds.

1.1.3 The Energy Sector in Kenya

The Ministry of Energy in Kenya serves as the primary government entity overseeing the energy sector. Its core responsibilities encompass formulating and executing policies aimed at fostering an efficient and progressive energy sector within the country. Regulatory oversight in the energy sector is carried out by the Energy and Petroleum Authority (EPRA), while the Energy and Petroleum Tribunal handles dispute resolution among sector stakeholders. Within the power generation subsector, multiple entities play significant roles. Foremost among them are the Kenya Electricity Generation Company (KenGen) and the Geothermal Development Company (GDC).

There are two parties engaged in the transmission of power: Kenya Electricity Transmission Company (KETRACO) and KPLC. Before the establishment of KETRACO, KPLC retained control over the transmission network. In the distribution segment, KPLC enjoys a monopoly, handling the distribution of electricity to end consumers. REREC is charged with the responsibility of increasing access to electricity through the implementation of the Rural Electrification Program. Over 70% of Kenyans have gained access to electricity through government-led electrification efforts.

1.1.4 Kenya Power and Lighting Company Limited Plc

KPLC is a publicly traded company, and its ownership structure consists of 51% government ownership and 49% held by private investors. In Kenya, KPLC is the sole energy off-taker and is in charge of transmitting, distributing, and selling electricity to consumers throughout the country. It was founded on January 6, 1922, marking the beginning of the business. This incorporation followed the merger of various entities, and the company currently operates in Kenya based on legal procedures.

According to the State Corporations Act, KPLC operates under the direction of policy directives issued by the Ministry of Energy and Petroleum (MoEP) and the supervision of the National Treasury, which is under the Ministry of Finance. Over the years, the company has expanded its transmission and distribution infrastructure, covering a vast network spanning more than 300,000 kilometers. As of June 2023, KPLC boasted over 9.2 million accounts and had successfully provided access to the national grid for 75% of Kenya's population, earning the country a top ranking in global connectivity pace as reported in the World Bank's 'Energy Progress Report' for 2021.

1.2 Research Problem

In the dynamic and intensely competitive business world, most organizations experience a significant decline in performance at some point during their existence and face key periods that demand strategic interventions to reinvigorate their operations and assure long-term viability. The typical course of action in such circumstances often involves a significant endeavor to turn around the organization. It is important to note that not all instances of business turnaround result in a favorable outcome. According to Liao's (2015) findings, the likelihood of a turnaround plan leading to improvements in organizational performance was observed to be 25% within a five-year timeframe. This implies that implementing a turnaround strategy, particularly in challenging operating conditions such as mature and highly competitive industries, is a complex endeavor.

The risk that relatively high-power prices and petroleum product prices pose to Kenya's goals of becoming a globally competitive, newly industrialized, middle-income, and prosperous nation by 2030 is something that the country's energy sector is currently grappling with. The Kenyan government is also profoundly concerned about KPLC's dire financial situation, which many Kenyans blame on the high cost of power purchased from IPPs. Other elements of Kenya's power condition that the Kenyan people find perplexing include the paradox of complaints that Kenya has too much power-producing capacity yet widespread underserved and frustrated demand and an unpredictable supply of that power. This unfavorable combination of the high cost of electric power, unfulfilled demand, unstable supply, and a financially troubled sole retailer of electricity has been persistent.

Like any other commercial enterprise, KPLC's vision is driven towards maximizing shareholder value by enhancing the customer experience, expanding business, and managing operational costs. Nevertheless, in recent years, there have been notable concerns about the financial performance of Kenya Power and Lighting Company (KPLC). In the financial year that ended in June 2015, KPLC reported its highest-ever profit before tax (PBT) of Kshs 12.25 billion. Thereafter, the company experienced a steady decline in performance for five consecutive years. In 2016, the company recorded a PBT of Kshs. 12.08 billion, which decreased to Kshs. 7.65 billion in 2017, Kshs. 3.08 billion in 2018, and Kshs. 0.33 billion in 2019. In June 2020, the firm reported current liabilities amounting to Kshs. 117.4 billion, surpassing its current assets of Kshs. 42.6 billion by Kshs. 74.8 billion. Furthermore, at the end of June 2023, the company disclosed a persistent negative working capital position for the seventh consecutive year, amounting to Kshs. 44.68 billion and a net loss of Kshs. 3.2 billion. This kind of problem requires a review of the strategic initiatives undertaken to improve the financial performance of KPLC, which appear not to have yielded the intended results as of June 2023.

Corporate decline is a global problem that has been studied by various scholars. Gichuki (2009) studied the turnaround strategies at the Cooperative Bank of Kenya. Lucy (2014) studied the effect of turnaround strategy on the performance of public corporations in Kenya; Nacheri (2015) studied the influence of turnaround strategy adoption on the performance of the Kenya Revenue Authority; and Wandera (2017) also evaluated the topic of state-owned sugar companies in Kenya. The studies concluded that there was improved performance for organizations that implemented turnaround strategy.

The researcher came across numerous empirical studies on the concept of turnaround strategy and its influence on organizational performance for companies in Kenya and around the globe. Nevertheless, there was dearth of research that particularly investigated the effect of turnaround strategy on the performance of Kenya Power and Lighting plc. Additionally, no existing study had proposed that its research findings on other organizations could be directly applied to the distinct characteristics of KPLC. Consequently, there existed a knowledge gap on the impact of implementing a turnaround strategy on the performance of Kenya Power and Lighting Company (KPLC). Therefore, the primary inquiry of this study was: What was the effect of implementing a turnaround strategy on the performance of Kenya Power & Lighting Company Plc?

1.3 Objective of the Study

The study's goal was to determine how turnaround strategy affected Kenya Power and Lighting Plc's performance.

1.4 Value of the Study

The study’s findings contribute to the existing literature on turnaround strategies by providing an empirical analysis of their impact on the performance of Kenya Power and Lighting, Plc. The findings of the study help inform the management of KPLC and other stakeholders about the effectiveness of the implemented strategies and provide valuable insights into the key factors influencing their success or failure. The study’s recommendation serves as a guide for improving the performance of KPLC and may have broader implications for other state-owned enterprises facing similar challenges in the energy sector and beyond. Additionally, governments and policymakers can leverage the findings to map out areas for policy review and formulation to help many public institutions experiencing a decline in performance reverse the trend and improve their performance.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter presents an extensive examination of relevant literature on the turnaround process. This review encompasses factors contributing to organizational decline, the essential elements of a turnaround, various strategies employed for a turnaround, key determinants of a successful turnaround, and a comprehensive model of the turnaround process. The theoretical review delves into different theories and frameworks that have relevance to the study, emphasizing their interconnectedness with the study's variables. Furthermore, an empirical review spotlights previous studies that provide insights relevant to this research.

2.2 Theoretical Foundation

The stakeholder theory and the stage theory of successful turnarounds serve as the foundation for this research. The section that follows discusses the ideas, supporting evidence, presumptions, restrictions, and study applications.

2.2.1 Stage Theory of Successful Turnaround

Kurt Lewin's three-stage model, which entails freezing previous organizational events, transitioning to new information, and finally refreezing through reinforcement and support for change (Lewin, 1947), is where the idea of stage theory first emerged. In the context of this study, stage theory is employed to categorize the actions that contribute to the recovery or further decline of poorly performing firms. This theory is valuable for explaining the causes and circumstances leading to such outcomes. Corporate turnaround is not a static or singular event; rather, it encompasses a series of processes aimed at assessing improvements in firm performance over a specific period. Stage theory holds significance in this study because turnaround involves reversing organizational performance, making it crucial for comprehending the trajectory of research on organizational decline. It allows for the elucidation of the sequences of events in turnaround that ultimately determine whether a declining firm survives or fails. Stage theory highlights the evaluation of how various stages of implementing turnaround strategies impact the desired firm's performance.

This theory is particularly relevant for studying turnaround topics for two key reasons. First, turnaround initiatives entail multiple dynamic changes within a firm, necessitating a combination of processes over time. Second, the implementation sequences in turnaround cases can vary based on firm-specific characteristics. Therefore, stage theory posits that examining turnaround from a stage perspective is essential, as it can elucidate the chronological events that influence a firm's ultimate survival or failure. The stage theory identifies three critical components: events, incidents, and concepts. As a result, the model clarifies the relevance of these elements at each stage and facilitates the firm's progression from performance deterioration to potential success (Chowdhury, 2002). An analysis of the turnaround at Chrysler Corporation provides support for the model.

2.2.2 Stakeholder Theory

The concept of stakeholders first appeared in Edward Freeman's 1984 book "Strategic Management: A Stakeholder Approach." Stakeholder theory has positioned itself as a break from conventional economic thought since its inception (Freeman et al., 2010). Stakeholder theory places a heavy focus on collaboration, while traditional economic theories stress market competition as the main driver of social well-being (Freeman and Phillips, 2002). Unlike traditional economic theories, particularly agency theory, which sees managers' primary duty as maximizing the financial market value of firms, stakeholder theory argues that managers should foster cooperative relationships with stakeholders by balancing their various interests (Jensen, 2002).

The majority of conventional economic theories presumptively assume that people act like Homo economicus, driven logically by the pursuit of self-interest through responses to financial incentives. Stakeholder theory, on the other hand, maintains that human behavior is more complex and multidimensional (Freeman et al., 2010; Jones, 1995). The concept of stakeholders evolved as an alternative to the traditional understanding of corporate governance, which sees businesses as essentially instrumental contracts between shareholders and the managers who have been chosen to run them. The notion rose to popularity in the setting of strategic management when it was acknowledged that corporate actions usually had an influence on a wide range of stakeholders beyond shareholders.

2.3 Turnaround Strategy and Organizational Performance

Hofer identified five key indicators for turnaround strategies in 1980: reorganization strategies, repositioning strategies, asset retrenchment strategies, revenue generation strategies, and cost reduction strategies. Nyagiloh highlighted an emerging phenomenon in 2020 based on the acceptance of turnaround plans as a strategic decision inside enterprises, building on this framework. The possible advantages that an organization could derive from executing a turnaround strategy can be seen from one aspect, while the environment in which this tactical choice is most effective can be seen from another.

When combined with strategic resources, the potential that a turnaround strategy and the capacity for turnaround management inject into the organizational system pave the way for an organization to achieve sustainable competitive advantage. Both the non-financial and financial aspects of a firm's success make this competitive advantage clear. According to Kaplan and Norton in 2001, financial dimensions include indicators like profits per share, return on assets, and return on investment, gross profit, and revenue growth. On the other hand, operational effectiveness, labor productivity, product quality, lead times, and overall quality management are non-financial characteristics that are assessed using measures of indications of readiness for change, industry-related performance indicators, and personnel performance. Adopting a turnaround plan within the context of strategic choices entails taking into account all pertinent aspects of the market and management commitments. The antecedent factor of a turnaround strategy, the contingent variable of organizational characteristics, and an intermediate factor of organizational learning come before the construct of corporate performance, which is the ultimate state of achievement.

The implementation of a turnaround plan acts as the starting point for the onset of the hypothesized phenomena. According to Nandakumar, Ghobadian, and O'Regan's (2010) definition, businesses use these strategies to achieve survival, stabilization, and growth during times of financial difficulty. The operationalization of the concept ensures that, when used in practice, it has a broad influence on a company's success. When an organization is faced with changes in the business environment that necessitate strategic aptitude for successful alignment with those changes, to facilitate strategic change for increased competitive efficiency and effectiveness, turnaround plans are therefore essential. Specific performance-enhancing tactics are used in reform initiatives for businesses going through financial downturns. These strategic actions aim to develop hospitable business environments both inside and outside of the organizations that the businesses can adapt to. Therefore, as described by Solnet, Paulsen, and Cooper (2010), a company's capacity to adapt to the available transition methods for implementation will determine whether it succeeds or continues to fail.

Turnaround strategies are effectively put into practice through a range of approaches, including reorganization strategies, repositioning, asset retrenchment, revenue generation, and cost reduction. Traditionally, the assessment of corporate performance has heavily relied on accounting and financial metrics. However, the diverse nature of turnaround strategies has expanded the scope of performance measurement to encompass a broader set of dimensions. These dimensions go beyond financial parameters and encompass factors such as organizational well-being, industry-specific metrics, employee-centric indicators, and the organization's adaptability to change, as highlighted by Schuster in 1997.

Utilizing turnaround strategies has a very specific goal, which is to apply corporate strategies in order to achieve the necessary performance outcomes. As turnaround strategies are instrumental in driving cultural and transformational changes within an organization during periods of transformation, they necessitate management's prioritization of initiatives that enhance overall performance. These steps are taken to enable the firm to transition from a state of financial decline to fulfilling its fundamental obligations to business stakeholders, as discussed by Hofer in 1980 and Johnson, Scholes, and Whittington in 2005. In this study, the dependent variable under scrutiny was the organization's performance, while the independent variables encompass the various turnaround strategies. These strategies are designed to enhance both financial and non-financial aspects of the organization's performance. Performance assessment in this context will be conducted from four distinct perspectives: innovation and learning, internal business processes perspective, customer satisfaction, and the financial perspective.

2.4 Empirical Studies and Research Gaps

Many academics have investigated the connection between organizational success and turnaround tactics. To fill in gaps and develop hypotheses, the current study builds on previous research's foundation. Regarding top leadership changes at KPLC, which had six different CEOs in six years between the years 2018 and 2023, the findings of Grinyer, Mayes, and McKiernan (1988) are that a significant distinction between the sample firms that successfully recovered from bad performance and the control firms lies in the extent of managerial reforms implemented by the former. According to Whitaker's (1999) research, it has been shown that a greater number of enterprises experience financial trouble due to inadequate management practices rather than economic difficulties. According to Whitaker (1999), the measures taken by management have a crucial role in determining the recovery and improvement of industry-adjusted market value for enterprises with a history of poor management. According to Slatter (1984), the replacement of top-level executives serves as a concrete indication to bankers, investors, and employees that proactive measures are being taken to enhance the performance of the organization, notwithstanding the possibility that the underlying factors contributing to the bad performance may have been beyond the control of the management team. Based on the findings of Wruck (1990), it has been observed that the presence of incumbent managers and directors within an organization can impede the firm's capacity to achieve recovery, particularly when the attainment of new or specialized skills is necessary to reverse the firm's performance trajectory. The researcher observed that companies in financial difficulties saw a management turnover rate of 52% every year. According to Gilson (1990), a study revealed that following the commencement of financial hardship, a mere 47% of incumbent directors managed to retain their positions within a span of four years. Additionally, the research indicated that approximately 8% of the companies opted to completely replace their whole board of directors. According to Capelli's (1992) research, managers have a higher susceptibility to relocation compared to other employees. Empirical research suggests a negative correlation between the likelihood of a management change and the performance of a firm's stock.

The goal of Azman's (2003) debt restructuring study was to look at how a debt restructuring strategy affected Malaysian businesses' performance. This study investigated the impact of the Corporate Debt Restructuring Committee (CDRC) debt restructuring program on the performance of seven publicly listed firms that had successfully completed the scheme by the year 2000. The study conducted an analysis on two specific domains, namely the capital structures of organizations utilizing six leverage ratios and the financial performances of companies utilizing three profitability measures. The study reached the conclusion that the implemented scheme had a limited impact on the companies' capital structures while demonstrating an improvement in their financial performance.

In their study concerning cost reduction, Smith and Graves (2005) discovered that cost containment is a significant area of focus for management. They observed that a failure to effectively control expenses or experiencing a rapid increase in input costs can lead to inefficiency inside a corporation, ultimately resulting in organizational decline when compared to competitors. In order to conduct a meaningful analysis of turnarounds, it is imperative to consider the contextual factors of financial commitments and associated governance frameworks (Igor & Toms, 2006).

Additionally, the study's hypothesis regarding the beneficial effects of various turnaround strategies on various aspects of corporate performance is consistent with those of another study that Birir, Kombo, and Kipchumba conducted in 2014. The performance of public enterprises in Kenya was the subject of their study on the impact of turnaround tactics. Their results provided compelling evidence that turnaround techniques improve the performance of Kenya's public companies. According to the study, revenue-generating and cost-reduction tactics were complementary, even though cost-reduction strategies had a greater impact on performance. However, it's worth noting that a methodological research gap exists between the Birir, Kombo, and Kipchumba 2014 study and the present study. Their research employed a cross-sectional sample in a survey approach, while the present study will employ a case study design to provide a more in-depth and nuanced perspective.

Only the strategy of reorganization and realignment showed a notable and favorable relationship with the performance of these state-owned sugar companies in Kenya, according to a Wandera study from 2018 that examined the relationship between turnaround strategies and the performance of state-owned sugar companies in Kenya.

Retrenchment, diversification, and modernization strategies had insignificant effects on organizational performance, despite correlation studies revealing a moderately positive relationship between all independent variables under study. The study concluded that reorganization and realignments were the most appropriate turnaround strategies for poor-performing state-owned sugar companies in Kenya. The focus of the study was on the sugar industry, while the present study will focus on the energy sector in Kenya.

Mbako Mbo conducted a study in 2017 focusing on the performance factors within state-owned enterprises, with a particular emphasis on the Botswana Power Corporation (BPC). The study examined BPC's performance trends over a fifteen-year period leading up to 2014. It took a comprehensive approach to analyze and elucidate how various factors interact and impact performance, with a primary focus on governance, resource availability, and political and stakeholder interactions. This analysis was conducted within the framework of organizational theories, which, when applied to state-owned enterprises, often reveal tensions among different theories. The study's findings indicated that principles aligned with agency theory, stewardship theory, and resource-based theory played a significant role in driving positive organizational performance. However, the indiscriminate pursuit of stakeholder theory had a detrimental effect on the sustainable performance of BPC. The study used organizational theories as independent variables to determine the performance of an SOE; the present study will use turnaround strategies as independent variables to influence the performance of the organization under study.

Furthermore, in his 1997 study titled "Turnaround Strategies: Key Factors for Corporate Recovery in the Electricity Industry of New Zealand and the Philippines," Gerardo R.

Joson found that firms' inability to enhance critical success factors and address frame-breaking factors posed significant challenges for achieving long-term recovery in the electricity sector. Since not all turnaround candidates succeed in their endeavors, Slatter and Lovett (1999) Slatter and Lovett (1999) divide businesses into four groups based on the fact that not all turnaround candidates are successful in their pursuits. 1) Non-recoverable: In the near future, these enterprises would not be able to prosper. 2) Short-term survival: Businesses in this category might have been successful in implementing restructuring process plans, which usually aim to lower costs and increase revenues in the near run. 3) Sustained survival: This category consists of businesses that have effectively turned around, but they are unable to grow due to outside factors like a declining market and a lack of funding. 4) Sustained recovery: Companies in this category have successfully and realistically recovered.

Finally, according to Beeri (2014), under a number of reforms, underperforming public organizations face constant pressure to use turnaround management techniques—private sector techniques that are thought to work well in public sector settings. Beeri contends, drawing on insights from institutional theory, that turnaround management strategies almost invariably tend to fail in the public setting, in addition to having been either poorly implemented or ill-matched to the reasons for failure in the government sector.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter delineates the systematic procedures to be employed for data collection and analysis, with the overarching goal of investigating the impact of turnaround strategies on the performance of Kenya Power and Lighting Company. The following sections will be addressed: data collection methods, sample size determination, research design, study population, data analysis methodology, as well as ethical considerations.

3.2 Research Design

The research employed a case study research design. A case study involves researching a specific phenomenon, an individual, or an established institution. The choice of this design is grounded in the fact that the study focused on a single institution, KPLC. Furthermore, case studies are particularly well-suited for examining the processes through which events unfold and for exploring causal relationships, offering a comprehensive understanding of the subject matter.

In a case study, there is a pronounced focus on conducting a thorough contextual analysis of a limited number of events or conditions and their interconnections. This emphasis on detail yields valuable insights that can be applied to problem-solving, evaluation, and strategic considerations.

3.3 Data Collection

According to Cooper and Schindler (2014), data collection is the methodical process of acquiring pertinent information about certain variables of interest in order to address test hypotheses and research questions. Face-to-face interviews were used to gather primary data while following an interview guide. The effectiveness of interviews in gathering information from willing respondents, which in turn improves the researcher's comprehension of the findings, serves as a driving force behind their selection. For secondary data, information was obtained from archived official company documents, including annual reports, financial statements, five-year corporate strategic plans, the Kenya Energy White Paper, and company journals.

Before commencing data collection, the researcher sought authorization from the University of Nairobi. The interviews were conducted in a face-to-face manner to facilitate open communication and ensure the privacy and ethical considerations of participants were upheld. The primary data collection tool was an interview guide, designed to elicit information about current trends and insights that may not be easily attainable through other data collection methods. The interview guide consisted of several sections, with the initial part focusing on demographic information about senior managers, followed by sections addressing the research objectives and goals.

The study purposively targeted six senior managers of Kenya’s power and lighting company who play significant roles in the strategic planning and management of the company. Since good corporate performance is the result of coordinated efforts in all departments, the researcher engaged six departmental managers in charge of Business

Strategy, Finance, Commercial Services and Sales, Network Management, and Infrastructure Development. The respondents were chosen as key informants because they were directly responsible for the formulation and implementation of corporate policies and plans and also because they were the ones spearheading the focus areas of KPLC's turnaround strategy.

3.4 Data Analysis

The data gathered through the interview guide underwent qualitative analysis to establish connections and insights from the responses. Qualitative analysis was chosen for its capacity to interpret, describe, and critically assess the subject matter, a task that may be challenging to achieve through quantitative analysis. Content analysis was the chosen qualitative research method for this study. Its purpose was to facilitate the evaluation of respondents' answers, enabling the researcher to draw meaningful conclusions and derive recommendations based on the gathered information. The process of content analysis involved several key steps, including familiarizing oneself with the collected responses, interpreting the data, scrutinizing patterns within the data emanating from various interviews, and ultimately deducing pertinent conclusions from the research's findings. The qualitative data was transcribed, coded, and analyzed thematically.

CHAPTER FOUR: DATA ANALYSIS, RESULTS, AND DISCUSION

4.1 Introduction

This chapter presents the research findings and discussions on the relationship between turnaround strategy and organizational performance at Kenya Power and Lighting Company Plc. The results and conclusions derived from field replies and data are presented in two sections: the first portion covers the respondents' background information, and the remaining sections provide the analytical results based on the study's objectives.

4.2 Demographics

In order to determine the interviewees' trustworthiness in responding to the interview questions, the study aimed to determine the interviewees' attributes.

4.2.1 Length of Service

In order to determine the dependability of the respondents' answers to the questions in the interview guide, the researcher sought to find out how long they had been employed by KPLC. According to the findings, 67% of the interviewees had been with the company for more than 15 years, and 33% had been there for more than 5 years. That meant that the strategy was launched and implemented when they were all in the company and had first-hand knowledge and experience of how the strategy affected the performance of the company.

4.2.2 Profile of Respondents

The respondents of the study were six departmental managers based at KPLC headquarters in Nairobi, representing the departments of: Business Strategy, Finance, Commercial Services and Sales, Network Management, and Infrastructure Development. This diverse representation ensured a well-rounded perspective on the research topic. The respondents were chosen as key informants because they were directly responsible for the formulation and implementation of corporate strategies and plans and also because they are the ones spearheading the focus areas of KPLC's turnaround strategy. The research employed face-to-face interviews that allowed for more in-depth responses. The qualitative data was transcribed, coded, and analyzed thematically.

4.3 Effect of turnaround strategy on the performance of Kenya Power and Lighting Company Plc

The study sought to identify turnaround strategy adopted by KPLC to reverse the declining performance and place the company firmly on the path towards sustainable profitability and growth. The respondents explained that the company conducted a midterm review and responded to the environment by coming up with a "Strategy Refresh" for the 2021-23 period. The plan highlighted the strategic imperatives and detailed a list of objectives, KPIs, and initiatives that are required to achieve the plan and targets. The proposed focus was to change from just the traditional initiative implementation to driving the strategy by means of corporate objectives and ensuring achievement of the 2023 financial and business targets. The mechanism would be the monthly review of KPIs and initiative monitoring and a quarterly assessment of the overall strategy to ensure achievement of the desired strategic direction. As part of the mid-term refreshed strategy, objectives were reviewed and revised. There were thirteen objectives, with eight Driver objectives covering processes and capabilities and five Result objectives covering financial and stakeholder perspectives. The achievement of these objectives was measured by the thirty three KPIs defined and the twenty one initiatives that, upon completion, would support and enhance the achievement of the goals. Objective owners (from identified divisions and departments) and their teams, using their skills and the support of other staff, assessed the overall status and provided a practical, orderly, and productive approach to making the best use of the resources in delivering the enhancements sought. This data acted as the benchmark to assess their correlation with the observed changes in performance indicators over a five-year period to assess the success or failure of the turnaround strategy.

Table 1: Annual Targets distribution of KPIs

#	KPI	Current	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
1	**Price Earnings Ratio (PER)**	**2.6**	No intermediate value				8% ~ 10%
2	**Return on equity (ROE)**	**5.8%**	8.8%	9.1%	6.5%	8.5%	12%
3	**Profit Before Tax (PBT)**	-	9.7	10.4	9.4	12.7	20.3
4	**Earnings per Share (EPS)**	**2.1 KES**	3.31	3.64	2.78	4.01	6.42
5	**Power sold increase YoY for existing customers**	**2.3%**	3%	4%	5%	5%	6%
6	**Total revenues increase YoY**	**2.5%**	14.7%	26.4%	18.7%	13.5%	9.6%
7	**Yield per customer**	**17,732**	18,936	22,688	25,606	27,688	28,974
8	**% of non-core revenues vs. total revenues**	**< 1% Fiber, consulting and education**	0.7%	0.7%	0.7%	0.7%	0.7%
9	**Receivables**	**~ 98 days**	85	65	52.5	52.5	52.5
10	**Collection rate**	**94%**	95%	96%	97%	98%	99%
11	**Debt to Equity**	**1.74**	TBD	TBD	TBD	TBD	~ 1.2
12	**T&D costs / revenues**	**12.1 %**	TBD	TBD	TBD	TBD	~ 9.2%
13	**Average cost of purchased power**	**7.5 KES**	7.76	9.94	11.43	12.50	12.58

14	**Revenue/employee**	**~ 10.6M KES /employee/year**	12.2M	15.4 M	18,3 M	20,8 M	22,8 M
15	**Customer satisfaction index**	**65%**	65%	70%	75%	80%	85%
16	**Customers complaint rate**	**N/A**	5%	6%	7%	6%	5%
17	**Corporate reputation Index**	**TBD**	65%	70%	75%	80%	85%
18	**Number of projects supported by communities**	**TBD**	5	10	15	15	15
19	**# of proposals accepted by regulators**	**TBD**	1	2	3	4	5
20	**CAIDI**	**5.65 hours**	5	4.5	4	3.5	2.8 hours
21	**SAIFI**	**31.64**	30	28.5	27	25	22.5
22	**Technical losses**	**11% ~ 12%**	11.20%	10.65%	10.20%	9.75%	9.40%
23	**Internal communication index**	**65%**	65%	70%	75%	80%	85%
24	**Index of a select # of KPIs linked to Key processes**	**N/A**	The targets for this KPI will depend on the processes that will be reworked and improved. Because the list is not final, we cannot set annual targets at this stage				TBD
25	**Commercial losses**	**8.5%**	8.3%	8.1%	7.8%	7.5%	7.1%
26	**Billing rate (postpaid)**	**94%**	95%	96%	97%	98%	100%
27	**Thermal energy ratio**	**21%**	21%	18%	16%	16%	16%
28	**CSR Rating**	**N/A**	CSR rating will depend on the rating system that will be used. Targets for this KPI cannot be set for this stage and will be defined later				TBD
29	**DSM Savings**	**N/A**	0.3%	0.5%	0.8%	1.5%	2% a year
30	**Smart-grid coverage**	**TBD**	TBD	TBD	TBD	TBD	TBD
31	**Innovation / technology index**	**N/A**	65%	70%	75%	80%	85%
32	**Productivity index - as perceived**	**75%**	65%	70%	75%	80%	85%
33	**Values and culture buy-in index**	**N/A**	65%	70%	75%	80%	85%

SOURCE: Research Data

The respondents stated that the turnaround approach implemented by KPLC was evident through the strategic Key Performance Indicators (KPIs) mentioned earlier, and as a result, the strategic themes were generated from these KPIs.

4.3.1 Cost-Reduction Strategy

The interviewees noted that KPLC concentrated on cost control across the board to increase operational effectiveness. These consisted of capital expenses, power purchases, financing, and expenditures associated with transmission and distribution. In order to prudently manage capital spending, KPLC limited the scope of projects it implemented during the 5-year period under review to solely essential maintenance programs. KPLC also outsourced non-essential operations and maintenance tasks in the transmission and distribution network in order to reduce the cost of transmission and distribution. These steps were implemented in addition to managing staff costs, office expenses, overtime, training, and other recurring expenditures. In order to prevent overruns, the business also kept a careful eye on how each budget item was being implemented. The business started taking steps to refinance its term loans to pay off its short-term debt. The goal of this was to lessen the strain on cash flow and the amount of interest owed.

4.3.2 Revenue-Generating Strategy

The interviewees explained that KPLC launched a number of programs designed to increase revenue collection and lower the amount of unpaid electricity bills. To increase revenues from low-end customers, KPLC negotiated and engaged stakeholders for a cost-reflective tariff, reduction of the lifeline slab, and removal of fixed charges (to lower the barriers to recharge for prepaid customers). To grow, retain, and get back large power customers, KPLC strengthened connection lines, improved the quality of power supply, and reinforced SLAs and commitments for large power customers. Other sources from which KPLC aimed to increase its revenues included increasing its customer base by connecting customers, driven mainly by the company’s electrification programs, complemented by contributions from the Last Mile Connectivity Project (LMCP), Government-funded schemes, as well as connectivity programmes implemented by the Rural Electrification and Renewable Energy Corporation (REREC). Incentivizing new customers and low-consuming customers to use more power (Yield), diversifying and developing new businesses such as e-mobility, electronic cooking, and leasing fiber networks

4.3.3 Reorganization Strategy

The respondents highlighted that KPLC adopted a new structure that aimed to support growth, staff productivity, and optimal resource allocation and use. The structure has several characteristics:

- It's leaner at the top and appropriate to the business's size and complexity
- It promotes accountability by creating larger business functions with more responsibility
- It's more adaptable to the changing business environment
- It comes with organizational culture change that drives productivity up

In order to make the county-level operations more autonomous and enable them to function as profit centers, KPLC reevaluated its organizational structure and moved services closer to its clientele. In the past, regional offices handled resource allocation and decision-making, which hindered employee answerability and operational effectiveness. KPLC reviewed and re-engineered some of its key processes. This included a complete business process restructuring initiative to improve, overhaul, and standardize the practices currently in operation. The company engaged heavily in employee capacity development and culture change, providing better personal and professional development, an improved performance management system, productivity tools, better communication, a shared culture, and systematic teamwork.

4.3.4 Distribution Efficiency Improvement

The respondents gave details that as part of KPLC’s plan to improve business and system efficiency, the company started enabling programs to lower system losses. These programs, which relied on precise loss assessment to enable resource minimization, consist of:

Project Name: Border Metering: This project measured the power supply to the various counties and business regions of KPLC. The completion of the county and regional boundary meters allowed KPLC to focus on the areas of the system that were losing more money and take the appropriate action.

Feeder Metering Project: To determine how much electricity each feeder dispatched, KPLC measured every feeder in the country and computed the energy balance against the energy billed to clients linked to the feeder using this information.

Distribution Transformer Metering: To enable it to focus on areas surrounding distribution transformers where losses occur, KPLC metered a selection of the transformers.

KPLC intended to shorten LV lines—where losses are greatest—by extending the MV network in order to lower technical losses in the power system. To shorten LV lines, increase the quantity of distribution transformers. Increase the number of capacitors at the 11 kV level to increase power factor. You can also raise voltage levels by rebalancing and de-loading the medium voltage network.

To cut down on commercial losses, KPLC planned to replace faulty meters, perform routine comprehensive sweeps and inspections of meter installations, implement smart metering for residential and small commercial customers consuming more than 300 kWh per month, and implement outdoor metering for major power users. If more metered sales are generated from a one percentage point decrease in commercial losses, the yearly income gain would be about Ksh 1.3 billion.

4.3.5 Customer Focus Strategy

The interviewees observed that KPLC implemented the Net Promoter Score (NPS) to foster a customer-centric culture by gauging consumers' propensity to promote the company's goods or services. NPS measures a company's consumers' loyalty to the brand as well as their general level of satisfaction with its goods and services. In an effort to enhance the customer experience, the company put in place a number of initiatives targeted at addressing customer complaints.

Enhancing KPLC's interactions with customers: The National Contact Center of KPLC serves as the central hub for receiving and forwarding customer inquiries and feedback to operational teams for prompt resolution. Understanding how crucial the National Contact Center is to improving the customer experience, KPLC made significant changes to this vital center of customer-company contact. These changes included improving customer service, retraining client-facing employees for business continuity, and growing and resourcing the current infrastructure.

Self-Service Modules: In order to facilitate customer communication, KPLC introduced a new phone number, 97771. Additionally, the business introduced two self-service modules—Quick Code *977# and my Power App—to give clients a quicker and more comfortable way to communicate with the business. Customers can now independently complete a range of transactions using the platforms, such as purchasing electricity tokens, paying post-paid bills, and reporting incidents, among other things. Customers can also lodge bill concerns, inquire about bill balances, submit meter readings, and register for E-Bill service through the self-service modules. This method assisted in lowering customer complaints regarding billing and bill estimation. Additionally, consumers can use a newly developed online application gateway to apply for a new electrical connection.

Improving Customer Service Systems' Reliability: A new system called Network Operations Control (NOC) was built by the corporation to provide round-the-clock monitoring of the ICT infrastructure. The NOC has significantly improved its response times to faults and incidents since installation, which has increased system availability for crucial business systems and raised customer satisfaction.

4.3.6 Effect of turnaround strategy on the financial performance of KPLC

The researcher asked the respondents to highlight how the turnaround strategy affected the overall performance of the company. This was done to achieve the sole objective of the study. Several questions were posed to the interviewees and the responses are presented below:

Table 2: Summary of Financial Performance Metrics

No	KPI	Baseline (Yr 0) 2017/18	Target Year 5 2022/2023	*Actual Year 4 2021/2022*	*2022/2023 (half year)**
1	Return on equity (ROE)	-0.016	**3**	0.050	(0.59)
2	Profit Before Tax (PBT)	0.33	**9.40**	*5.12*	(1.589)
3	Earnings per Share (EPS)	0.13	**6.42**	*1.8*	(0.59)
4	Power sold increase YoY for existing customers	3.4%	**6.00%**	*6.9%*	4.4%
5	Total revenues increase YoY	4.5%	**9.60%**	*8.7%*	3.7%
7	% of non-core revenues vs. total revenues	0.42%	**0.7%**	*0.51%*	*0.64%*
8	Receivables days	~ 98 days	**52.5**	*51.1*	*67.9*
9	Collection rate	94%	**99%**	*100%*	*100%*
10	Debt to Equity	2.16	**~ 1.2**	*1.73*	*1.82*
11	T&D costs / revenues	12.10%	**~ 9.2%**	*33.7%*	*30.92%*
12	Average cost of purchased power	7.5 KES	**12.58**	*9.53*	*10.30*
13	Revenue/employee	~ 10.6M KES	**22.8 M**	*15.1 M*	*6.6 M*

SOURCE: Research Data

The respondents underscored that financial performance was the primary measure of the success of the turnaround strategy. They explained that the investments KPLC made in focus areas of improving customers' experience, enhancing system efficiency, and improving sales and revenue collections began to bear fruit, and as a consequence, KPLC's profit before tax for FY 2020/21 grew to Kshs. 8.2 billion from a loss of Kshs. 7.04 billion for FY 2019/2020. They noted that the second year after implementing the turnaround strategy, the growth curve remained steady, with KPLC reporting a profit before tax for the FY 2021/2022 of Kshs. 5.1 billion . However, on the 3rd year, the growth curve declined after KPLC announced a loss after tax for FY 2022/2023 of Kshs. 3.2 billion which the respondents attributed to depreciation of the Kenya Shilling against major foreign currencies.

KPLC registered a mixed bag of fortunes in the last five years from a financial performance perspective. It recorded profits in 2018, 2021, and 2022, while reporting losses in 2019, 2020, and 2023, according to the respondents' conclusion.

4.3.7 Effect of turnaround strategy on key Performance Indicators

The researchers asked the respondents to state the performance metrics, or key performance indicators (KPIs), used to measure the effectiveness of the turnaround strategies and their impact on the other key performance indicators of KPLC. The researchers also asked the respondents to share any data or insights on the evolution of these metrics over time. Below were the responses:

Table 3: Summary of performance of key performance indicators

		Baseline (Yr 0)	2019/2020	2020/2021	2021/2022	2022/2023	
No	KPI	2017/18					
1	Net Profit/Loss(B)	4.968	-7.042	8.197	5.123	-3.2	
2	Working Capital (B)	-56	-74.8	-66.4	-52.40	-44.6	
3	Sales Growth (GWh)	8459	8773	9203	9163	9567	
4	Revenue Growth (B)	137.70	143.30	154.40	157.35	190.98	
5	System Efficieny (%)	80.50%	76.30%	76.05%	76.20%	77.57%	
7	Operating Expenses(B)	41.04	47.83	39.87	36.99	34.91	
8	Customer satisfaction index (%)	65%	60%	55%	60%	70%	
9	Employee satisfaction index (%(	70%	45%	51%	50%	60%	

Source: Research Data

i. Net Profit/Loss

The respondents indicated that KPLC reported seesaw financial performance during the five-year period: a profit of Kshs. 4.9 billion for FY ending June 2018, a loss of Kshs. 7.1 billion for FY ending June 2020, a profit of Kshs. 8.2 billion for FY ending June 2021, a profit of Kshs. 5.1 billion for FY ending June 2022, and lastly, a loss of Kshs. 3.2 for FY ending June 2023. The extraordinarily high finance expenses, which jumped by 89% from Kshs. 12.76 billion in FY 2021/2022 to Kshs. 24.15 billion in FY 2022/2023, largely due to the depreciation of the Kenya shilling versus major international currencies, undermined the above-mentioned excellent performance. The Kenya Shilling lost 19% of its value over that time, going from Kshs. 118 per USD in June 2022 to Kshs. 140 per USD in June 2023. The increase of the CBK benchmark rate from Kshs. 118 as of June 2022 to Kshs. 140 as of June 30, 2023, resulted in a significant foreign exchange loss on the translation of the debt portfolio and outstanding power purchase obligations. 84% of KPLC's debt portfolio is denominated in foreign currency. The impact of the currency fluctuation on finance costs and the cost of power purchases resulted in a net loss of Kshs 3.2 billion against a profit before tax target of Kshs. 20.3 billion which KPLC had aimed to achieve at the end of the fifth year after implementing the turnaround strategy.

ii. Working Capital

The interviewees explained that KPLC's working capital remained negative, with current liabilities outweighing the current assets. This state of affairs had persisted over the past seven years. As of June 30, 2023, the working capital was negative Kshs. 44.64 billion, which, according to the auditor general, cast significant doubt on KPLC's ability to continue as a going concern.

iii. Sales Growth

The respondents pointed out that by June 2023, KPLC had connected an additional 1.2 million consumers, bringing the total to 9.2 million customers. As of June 30, 2023, sales of electricity had increased from 8,459 GWh five years prior to 9,567 GWh, largely due to the rise in the client base.

iv. Revenue growth

The respondents indicated that the turnaround strategy influenced the revenue of KPLC from electricity sales to grow from Kshs. 137.7 billion five years ago to Kshs. 190.98 billion as of June 30, 2023, largely due to growth in consumption among large commercial and industrial customers, especially cement manufacturers and mining companies like Base Titanium.

v. System Efficiency

The interviewees explained that, in order to solve technical and economic losses, KPLC conducted a number of strategic initiatives. These included inspecting metering installations, replacing malfunctioning meters, and de-loading and rebalancing the medium-voltage network to raise voltage levels. System efficiency, however, declined from 80.5% five years ago to 77.0% as of June 30, 2023. An increase in power thefts and restrictions on grid capacity mostly caused this decline. Lower efficiency was also a result of meter shortages brought on by lawsuits pertaining to procurement. KPLC reported commercial losses of 11.99%, 11.38%, 10.47%, and 10.45% from 2020 to 2023, respectively. Converting an additional percentage point saved in reducing commercial losses into metered sales would result in over Ksh 1.3 billion in extra yearly revenue. Therefore, the respondents stressed that KPLC lost approximately Kshs. 15 billion annually, translating to Kshs. 75 billion for five years due to pilferage and consumption of electricity with faulty meters unable to record customers' true consumption.

vi. *Operating Expenses*

The respondents highlighted that the operating costs of KPLC went down from Kshs. 41 billion to Kshs. 34.91 billion five years ago as a result of enhanced company efficiency and prudent cost management employed during the implementation of the turnaround strategy.

vii. Customer satisfaction index:

The interviewees explained that the customers noted and acknowledged improvements in the reliability and customer service aspects of the business. They explained that in 2020, KPLC introduced the Net Promoter Score that they conducted on a quarterly basis in order to have a more dynamic measure instead of waiting for the external survey. The NPS trend was improving until March 23, when KPLC had the tariff reviewed and the NPS dropped significantly. Customers took note of the drop in frequency of outages due to the improved infrastructure initiatives and better response by O&M, which implemented 'Live Line'. The grid interconnection and the Advanced Distribution Management System helped to automatically manage to isolate the affected feeder and put the other feeders on alternative supply, thereby reducing customer inconvenience. Despite the score still being low, the same showed improvement over the five-year period, just that it's at a snail's pace. Caution, however, remained amongst the customer base regarding KPLC service levels, especially in light of the rising costs of electricity, which remained a significant pain point. The 'one meter per plot' directive from KPLC caused a lot of dissatisfaction among property owners.

viii. Employee satisfaction index

The respondents said that employee morale at KPLC remained low due to the implemented internal cost containment measures of the turnaround strategy, which withdrew some financial benefits and allowances. Additionally, external and regulatory influences such as the Taskforce recommendations, mass suspension of Supply Chain officers across the country, arbitrary arrest and prosecution of KPLC engineers accused of negligence after miscreants vandalized transmission towers seriously dented employee morale.

4.4 Discussion of Findings

The researcher set out to establish the effect of the turnaround strategy on the performance of Kenya Power and Lighting Company Plc. The study found that while the turnaround efforts of KPLC improved their short-term financial performance, external factors such as the delay in approving a cost-reflective tariff, a subsequent 15% tariff reduction, the impact of COVID-19 on the economy and business, and the decline in the value of the Kenya Shilling hindered sustainable or long-term recovery. This adversely impacted the desired performance, with a negative variance of 80% of the performance targets set. The findings are in agreement with the findings of Johnson (1997), who noted in his study titled "Turnaround Strategies: Key Factors for Corporate Recovery in the Electricity Industry of

New Zealand and the Philippines", that turnaround efforts of New Zealand and Philippines power utilities were successful to the extent that they were able to improve their short-term financial, management, and operating systems. However, sustainable or long-term recovery in the electricity business was made difficult by the inability of firms to improve on other key success and frame-breaking factors. The inability to enhance critical success factors and address frame-breaking factors posed significant challenges for achieving long-term recovery in the electricity sector. The findings are also in agreement with the Stage Theory of successful turnaround upon which this study was anchored. The theory argues that corporate turnaround is not a static or singular event; rather, it encompasses a series of processes aimed at assessing improvements in firm performance over a specific period. Stage theory holds significance in this study because turnaround involves reversing organizational performance, making it crucial for comprehending the trajectory of research on organizational decline. It allows for the elucidation of the sequences of events in turnaround that ultimately determine whether a declining firm survives or fails. Stage theory highlights the evaluation of how various stages of implementing turnaround strategies impact the desired firm's performance.

The beneficial effects of the turnaround strategy on various aspects of KPLC's performance, like growth in sales, where KPLC managed to connect additional customers, which increased the total number to 9.2 million as at the end of June 2023, that contributed to increase an in electricity sales from 8,459 GWh five years ago to 9,567 GWh as at 30th June 2023 and growth in revenue, which grew from Kshs. 137.7 Billion five years ago to KShs.190.98 billion as at 30th June 2023, is consistent with the findings of the study that Birir, Kombo, and Kipchumba conducted in 2014. The performance of public enterprises in Kenya was the subject of their study. Their results provided compelling evidence that turnaround techniques improve the performance of Kenya's public companies. According to the study, revenue-generating and cost-reduction strategies were complementary, even though cost-reduction strategies had a greater impact on performance.

From a financial performance perspective, the last five years saw KPLC register a mixed bag of fortunes, comprising profits in 2018, 2021, and 2022, whereas losses were reported in 2019, 2020, and 2023. Slatter and Lovett (1999) have categorized companies into four groups to facilitate an analysis of this performance. 1) Non-recoverable: In the near future, these enterprises would not be able to prosper. 2) Short-term survival: Businesses in this category might have been successful in implementing restructuring process plans, which usually aim to lower costs and increase revenues in the near run. 3) Sustained survival: This category consists of businesses that have effectively turned around, but they are unable to grow due to outside factors like a declining market and a lack of funding. 4) Sustained recovery: Companies in this category have successfully and realistically recovered. This places KPLC firmly in category 3: Sustained survivor. According to the aforementioned context, Slatter and Lovett (1999) contend that turning around a company that is in decline due to internal causes is much simpler than turning around a company whose decline is due to external factors.

The two-stage approach to business turnarounds—the entrepreneurial/strategic stage and the efficiency/operating turnaround strategy stage—is supported by research in strategic management (Ngati, 2009). Growth-oriented and efficiency-oriented turnaround plans are the two different categories. Growth-oriented plans typically entail redefining key activities, either by expanding into new products or markets or by consolidating dominance in already-existing ones. Strategies based on the entrepreneurial reconfiguration of business assets can be used to accomplish turnaround (Hammond and Schecter, 1983). Conversely, efficiency-oriented strategies stress cutting inefficient and unprofitable portions of the business in order to boost efficiency. They also concentrate on minimizing the scope or size of the organization. Efficiency-oriented tactics often involve a combination of asset- and cost-reduction initiatives with the primary goal of stabilizing a company's financial situation (Hofer, 1980). According to the findings, KPLC improved the performance of the company by using turnaround strategy that were both efficiency- and growth-oriented.

CHAPTER FIVE: SUMMARY, CONCLUSION, AND RECOMMENDATIONS

5.1 Introduction

This chapter includes an overview of the investigation, the researcher's conclusion, suggestions for additional research, limitations of the study, and recommendations based on the findings.

5.2 Summary of the findings

The study revealed that the expected delay in the approval of a cost-reflective tariff, the subsequent 15% tariff reduction, the direct and indirect effects of COVID-19 on the larger economy and business, and finally, the Kenya Shilling's decline in value relative to major international currencies, all had an impact on KPLC's performance. This adversely impacted the desired performance, with negative variance on 80% of the performance targets set.

Despite slightly better performance compared to the previous plan, both internal and external issues hindered the strategic plan's implementation. The main challenges included adverse policy and regulatory changes, such as the Energy Act of 2019. Lack of political goodwill, insufficient budgetary allocations, organizational instability, interdependence of sector entities, slow execution and implementation of corporate initiatives across the enterprise, and insufficient organizational structure to support strategy implementation. 84% of the company's debt portfolio is denominated in foreign currencies. The weakening of the local currency has resulted in an increase in outstanding obligations. The loan portfolio comprises 62% on-lend loans and 38% commercial loans. The on-lent-loans are currently under a government moratorium, and repayments are ongoing on the commercial loans. KPLC recorded commercial losses of 11.99%, 11.38%, 10.47%, and 10.45% from 2020 to 2023, respectively. According to the analysis, an extra percentage point saved in commercial loss reduction would yield over Ksh 1.3 billion in extra yearly revenue if it were converted into metered sales. Therefore, KPLC lost approximately Kshs. 15 billion annually due to pilferage. The working capital remained negative, with current liabilities outweighing the current assets. That state of affairs had persisted over the past seven years. The negative working capital as at 30th June 2023 was Kshs. 44.64 billion.

5.3 Conclusion of the Study

The objective of the study was to establish the effect of turnaround strategy on the performance of Kenya Power and Lighting Company Plc. The research findings indicate that external factors had a detrimental effect on the desired performance of Kenya Power, resulting in a negative deviation from 80% of the stated performance targets. This gives us a critical look at KPLC's turnaround strategy, showing that it did not fully address the many factors that were causing the company's performance to drop, especially the persistent problems of unacceptable technical and commercial losses and skewed power purchase agreements. As organizations navigate the challenges of revival after decline, it becomes imperative to consider a holistic approach that not only identifies but thoroughly tackles the underlying issues. This study emphasizes the importance of employing refined strategies tailored to the diverse challenges faced by companies, urging for a more comprehensive and adaptive approach in the pursuit of sustainable performance enhancement.

5.4 Recommendations

The research findings indicate that KPLC is heavily affected by forex fluctuations owing to its payment of power purchases and forex-dominated loans. 84% of KPLC's debt portfolio is denominated in foreign currency. The company currently bears the difference between the actual forex rate used for payments and the Central Bank of Kenya (CBK) mean rate used by the regulator as passthrough costs. There is no forex compensation mechanism to ensure that the market rate applied at the time of making payments is mitigated against the impact of the forex rate fluctuation. Therefore, the study recommended that KPLC should review its approach to power purchase contracting to mitigate against the significant foreign exchange exposure given that its entire revenue is in local currency. This should include engaging existing power generators for sustainable currency-related solutions that will resolve the accumulation of overdue obligations.

The study also recommended that KPLC develop a new, agile strategy that incorporates lessons learned, embraces innovation, and aligns with the evolving energy landscape. Additionally, prioritize operational efficiency and cost management to ensure financial sustainability.

5.5 Limitations of the study

The study relied on a relatively small number of respondents and a particular cadre within the company, which may limit the universality of the findings to a wider context. Moreover, some of the intended respondents, like the Manager, Supply Chain, or any senior representative from that department of Supply Chain, were not available for the interview to respond to procurement-related concerns raised by other respondents during the process of collecting data, which directly affected the performance of the company. Key among them is the lack of critical materials and equipment for use in company operations.

5.6 Suggestions for Further Research

As turnaround strategy focuses on reversing deteriorating levels of performance toward recovery changes gradually over time, the researcher recommends a longitudinal study on the impact of turnaround strategy on the performance of Kenya Power and Lighting Company Plc. The justification for using a longitudinal lens is twofold. Firstly, it allows managers to examine the evolution of performance over time, providing a deeper understanding of how the turnaround intervention is affecting change. Furthermore, embracing this longitudinal lens provides management with a chance to closely oversee the implementation of the turnaround and promptly take corrective action if necessary.

REFERENCES

Nyagiloh, K. A., & Kilika, J. M. (2020). Theoretical Review of Turnaround Strategy and Its Organizational Outcomes. *Available at SSRN 3514730*.

Abebe, M. A., & Tangpong, C. (2017). Founder -CEOs and Corporate turnaround among declining firms. *Corporate Governance: An International Review*, *26,*45-57. https://doi.org/10.1111/corg.12216

Bibeault , D. (2017). Turnaround Strategies Practical Insights From a 47 -Year Career.In J. Adriaanse, & J. P. Rest(Eds.), *Turnaround Management and Bankruptcy*.Routledge.https://doi.org/10.4324/9781315738116-8

Boyne, G. A. (2006). Strategies for public service turnaround: Lessons from the private sector?. *Administration & Society*, *38*(3), 365-388.Baliouskas, P., Llopis, J., Gasco, J., & Gonzalez, R. (2022). Implementing turnaround strategies as an entrepreneurial process. *International Entrepreneurship and Management Journal*, 1-27.

Arogyaswamy, K., Barker, V.L. & Yasai-Ardekani, M., 1995, 'Firm turnarounds: An integrated two-stage model', *Journal of Management Studies* 32(4), 493–525. https://doi.org/10.1111/j.1467-6486.1995.tb00786.x

Hofer, C.W., 1980, 'Turnaround strategies', *Journal of Business Strategy* 1(1), 19–31. https://doi.org/10.1108/eb038886

Mbogo, J., & Waweru, G. (2014). Corporate Turn Around Strategies By Financially Distressed Companies Quoted At The Nairobi Securities Exchange.

Rasheed, H. S. (2005). Turnaround strategies for declining small business: The effects of performance and resources. *Journal of Developmental Entrepreneurship*, *10*(03), 239-252.

Schweizer, L., & Nienhaus, A. (2017). Corporate distress and turnaround: integrating the literature and directing future research. *Business Research*, *10*(1), 3-47.

Wandera, J. O. (2019). *Turnaround Strategies and Performance of State Owned Sugar Companies in Kenya* (Doctoral dissertation, JKUAT-COHRED).

Komen, L. B. (2014). *Effect of turnaround strategies on performance of public corporations in Kenya* (Doctoral dissertation, Egerton University).

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.

Joson, G. R. (1997). *Turnaround strategies: key factors for corporate recovery in the electricity industry of New Zealand and the Philippines* (Doctoral dissertation, Curtin University).

Machuki, V. N., Aosa, E. O., Letting, D., & Nicholas, K. (2012). Firm-level institutions and performance of publicly quoted companies in Kenya. *International Journal of Humanities and Social Science*, *2*(21), 298-312.

Boyne, G. A. (2004). A '3Rs' strategy for public service turnaround: retrenchment, repositioning and reorganization. *Public Money & Management*, *24*(2), 97-103.

Jamasb, T., Newbery, D., & Pollitt, M. (2006). Core indicators for determinants and performance of electricity sector reform in developing countries. *International Journal of Regulation and Governance*, *6*(1), 43-78.

Jamasb, T. (2005). *Electricity sector reform in developing countries: a survey of empirical evidence on determinants and performance* (Vol. 3549). World Bank Publications.

Johnson, G., Whittington, R., Regnér, P., Angwin, D., & Scholes, K. (2020). *Exploring strategy*. Pearson UK.

Mbo, M. (2017). *Drivers of organisational performance: a state owned enterprise perspective* (Doctoral dissertation, Stellenbosch: Stellenbosch University).

Pretorius, M. (2008), "When Porter's generic strategies are not enough: complementary strategies for turnaround situations", *Journal of Business Strategy*, Vol. 29 No. 6, pp. 19-28. https://doi.org/10.1108/02756660810917200

Francis, J.D. & Desai, A.B. 2005. Situational and organizational determinants of turnaround. Management Decision. 9 1203–1224

Smith, M. & Graves, C. 2005. Corporate turnaround and financial distress. Managerial Auditing Journal. 20(3) 304–320.

Ciano, J. (2005). *Strategy-structure relationship in Kenya Power and Lighting company limited* (Doctoral dissertation, University of Nairobi).

APPENDICES

Appendix 1: KPLC Letter of Approval For Research

Kenya Power

The Kenya Power & Lighting Company Plc
Central Office – P.O. Box 30099 – 00100, Nairobi, Kenya.
Telephone – 254-02-3201000 – Telegrams 'ELECTRIC'
Fax No. 254-02-3514485
STIMA PLAZA, KOLOBOT ROAD

Our Ref: *KP1/5C.1/6/EWO/eo* 17th November 2023

TO WHOM IT MAY CONCERN

RE: APPROVAL FOR RESERACH – EVANS OTIENO OCHIENG (REG.No. D61/37174/2020)

The above named student is pursuing Masters of Business Administration at the University of Nairobi.

He has been allowed to collect data for his research project titled, "**The Effect of Turnaround Strategy on the Performance of Kenya Power and Lighting Company Plc**".

The data collection will be conducted between **17th November 2023** and **15th December 2023** within the Company.

This is with the understanding that the student exercise discretion in the use of company information and that this exercise will not disrupt normal working hours and Company's flow of work.

Yours faithfully,
For: **KENYA POWER & LIGHTING COMPANY PLC**

EDWARD W. ONONO
HUMAN RESOURCE OFFICER

THE KENYA POWER & LIGHTING COMPANY LIMITED
P. O. Box 30099 - 00100
NAIROBI

Appendix 2 : NACOSTI Research License

REPUBLIC OF KENYA

NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION

Ref No: 189971

Date of Issue: 09/November/2023

RESEARCH LICENSE

This is to Certify that Mr.. EVANS OTIENO OCHIENG' of University of Nairobi, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Nairobi on the topic: The effect of turnaround strategy on the performance of Kenya Power and Lighting Company Plc for the period ending : 09/November/2024.

License No: **NACOSTI/P/23/31268**

189971

Applicant Identification Number

Director General
NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION

Verification QR Code

NOTE: This is a computer generated License. To verify the authenticity of this document, Scan the QR Code using QR scanner application.

See overleaf for conditions

Appendix 3: Data Collection Letter of Introduction from UoN

UNIVERSITY OF NAIROBI
FACULTY OF BUSINESS AND MANAGEMENT SCIENCES
OFFICE OF THE DEAN

Telegrams: "Varsity",
Telephone: 020 491 0000
VOIP: 9007/9008
Mobile: 254-724-200311

P.O. Box 30197-00100, G.P.O.
Nairobi, Kenya
Email: fob-graduatestudents@uonbi.ac.ke
Website: business.uonbi.ac.ke

Our Ref: **D61/37174/2020**

November 2, 2023

National Commission for Science, Technology and Innovation
NACOSTI Headquarters
Upper Kabete, Off Waiyaki Way
P. O. Box 30623- 00100
NAIROBI

RE: INTRODUCTION LETTER: EVANS OTIENO OCHIENG'

The above named is a registered Masters of Business Administration candidate at the University of Nairobi, Faculty of Business and Management Sciences. He is conducting research on ***"The effect of turnaround strategy on the performance of Kenya Power and Lighting Company Plc."***

The purpose of this letter is to kindly request you to assist and facilitate the student with necessary data which forms an integral part of the Project.

The information and data required is needed for academic purposes only and will be treated in **Strict-Confidence**.

Your co-operation will be highly appreciated.

Dean's Office
University of Nairobi
Faculty of Business
and Management Science
P.O. Box 30197-00100, Nairobi

PROF. JAMES NJIHIA
DEAN, FACULTY OF BUSINESS AND MANAGEMENT SCIENCES

JN/jkm

Appendix 4 : Interview Guide

This interview guide has been meticulously crafted to gather data aimed at enhancing our comprehension of the impact of the turnaround strategy at KPLC. It is imperative to note that all information collected through this interview guide will be treated with the utmost confidentiality. The primary objectives of this interview are as follows:

a. Determine the turnaround strategies adopted by KPLC

b. Establish the effect of turnaround strategy on the performance of Kenya Power and Lighting Company (KPLC).

PART A: RESPONDENT PROFILE

Name:..

Position Held in the Company ………………………..

Length of service in the company ……………………

1. **Introduction and Background:**

a. Can you provide an overview of Kenya Power and Lighting Company's historical performance and the challenges it faced up to June 2018?

b. What specific turnaround strategies did the company implement from July 2018?

2. **Objectives and Scope:**

a. What were the primary objectives of the turnaround strategies adopted by Kenya Power and Lighting Company?

b. Can you outline the scope of the turnaround initiatives in terms of departments, processes, and areas of focus?

3. **Strategy Implementation:**

a. How were these turnaround strategies developed and formulated within the organization?

b. What were the key steps taken to implement these strategies, and were there any challenges encountered during implementation?

4. **Performance Metrics:**

a. What performance metrics or key performance (KPIs) were used to measure the effectiveness of the turnaround strategies?

b. Can you share any data or insights on how these metrics have evolved over time?

5. **Impact on Financial Performance:**

a. How have the turnaround strategies affected the financial performance of Kenya Power and Lighting Company?

b. Have there been notable changes in revenue, profitability, or cost management as a result of these strategies?

6. **Customer and Stakeholder Perspectives:**

a. What feedback or observations have customers and stakeholders provided regarding the company's performance during and after the implementation of these strategies?

b. Have there been any shifts in customer satisfaction levels or stakeholder trust?

7. **Employee Engagement and Culture:**

a. How have the turnaround strategies influenced the company's organizational culture and employee engagement?

b. Are there any changes in employee morale, productivity, or retention?

8. **Challenges and Lessons Learned:**

a. What were the main challenges encountered during the implementation of the turnaround strategies?

b. What lessons have been learned from these challenges that could inform future strategies?

9. **Sustainability and Long-term Outlook:**

a. Are there plans in place to sustain the positive effects of these strategies in the long term?

b. How does Kenya Power and Lighting Company envision its future performance and growth?

10. **Conclusion:**

a. Based on the insights gained, what conclusions can be drawn regarding the effectiveness of the turnaround strategies on the performance of KPLC?

b. Are there any recommendations for further improvements or areas of research that should be explored?