

**TURNAROUND STRATEGIES USED AT THE NATIONAL OIL
CORPORATION OF KENYA TO IMPROVE PERFORMANCE**

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DECLARATION

I Inyange Moses Lewis hereby declare that this research project is my original work and has never been submitted to any other University for assessment or award of a degree.

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Dedication

I dedicate this research project to my family, friends and colleagues

Acknowledgement

This research project would not have been possible without the help of God. The cooperation and support from a number of people, whose contributions facilitated the completion of this project will always be appreciated.

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To all I remain forever grateful

Abstract

Turnarounds are organizational recoveries from declines. In its most severe form, this decline usually culminates in substantial losses that threaten the financial viability of the enterprise. In its mildest form, declining performance may not threaten the financial viability of a firm, but it has some serious negative impacts on market competitiveness, customer confidence, and employee morale. Managers of firms experiencing such downturns can turn to specific strategies which are tailored to improve performances and competitive positions of the organizations. The causes of these distresses can be either internal or external hence the need to formulate appropriate plans to deal with all elements existing within and outside the firm. Due to management inefficiency, most of the corporate fail to identify the problems with strategies formulated at the various levels and therefore delay in taking precautionary measures affecting the owners, employees, customers, suppliers and the economy. To restore the organization on its normal course, a corporate turnaround is essential. Turnaround management is the systematic and rapid implementation of a range of measures (turnaround strategies) to correct a seriously unprofitable situation. Organizational performance is one of the most important variables in the management research and arguably the most important indicator of the organizational performance. The performance of an organization is the analysis of its productivity measured against internal metrics such as its goals and objectives. No business scenario can guarantee economic stability, and the ability to control organizational performance during a financial crisis becomes more difficult. National Oil is easily one of Africa's fastest growing oil companies. The launch of the 2008-2013 strategic plan coincided with the improvement in the company's fortunes, followed up by the three year strategic plan of 2013. This study will seek to fill the void existing due to lack of sufficient studies on the turnaround strategy adopted at National Oil Corporation of Kenya, how it was implemented and the challenges faced in the implementation process.

Key Words: National Oil Corporation of Kenya, Turnaround strategy, Performance.

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Abbreviations and acronyms

ASAL – Arid and Semi-Arid Land

ATM – Automated Teller Machine

BPR – Business Process Reengineering

CDS – Capability Driven Strategies

CEO – Chief Executive Officer

CSR – Corporate Social Responsibility

ERP – Enterprise Resource Planning

FAC – Fuel Adjustment Charge

GDP – Gross Domestic Product

JOGMEC – Japan Oil, Gas and Metal National Corporation

KRA – Kenya Revenue Authority

LPG – Liquefied Petroleum Gas

NOCK – National Oil Corporation of Kenya

O&G – Oil and Gas

PSCs – Production Sharing Contracts

ROI – Return On Investment

SBM – Strategic Buoy Mooring

SPR – Strategic Petroleum Reserves

VAT – Value Added Tax

CHAPTER ONE: INTRODUCTION

1.1 Background of the study

Survival and prosperity of organizations rests primarily on their ability to achieve legitimacy and competitive advantage (Maishanu, 2012). Costly decisions by management and unexpected eventualities in a highly competitive market corrode the performance of many firms at various points of their existence. Confirmed incidences of corporate decline have been increasing globally causing organizational failure and in light of this, turnaround management has grown to be one of the most important topics addressed by business education and research in recent years. The interest it has generated has resulted in numerous studies conducted into the phenomenon with the aim of assisting corporate managers handle periods of distress in their respective organizations.

Turnarounds are organizational recoveries from declines. In its most severe form, this decline usually culminates in substantial losses that threaten the financial viability of the enterprise. In its mildest form, declining performance may not threaten the financial viability of a firm, but it has some serious negative impacts on market competitiveness, customer confidence, and employee morale (McKinley, 1998). Managers of firms experiencing such downturns can turn to specific strategies which are tailored to improve performances and competitive positions of the organizations. The causes of these distresses can be either internal or external hence the need to formulate appropriate plans to deal with all elements existing within and outside the firm.

1.1.1 Concept of turnaround strategy

A strategy is a high level plan to efficiently utilize available resources to achieve one or more goals under conditions of uncertainty. Hence strategy is about where the business is planning to get in the long run, the markets in which the business should

compete and the activities involved in such markets in the long term. Strategy within an organization exists at three levels: Corporate, Business and Functional. Corporate strategy provides the overall goals of the organization, vision, philosophy and culture, business unit strategy encompasses the mission, business goals and competencies while functional strategy gives direction to the various departments existing within the entity.

Due to management inefficiency, most of the corporate fail to identify the problems with strategies formulated at the various levels and therefore delay in taking precautionary measures affecting the owners, employees, customers, suppliers and the economy. To restore the organization on its normal course, a corporate turnaround is essential. Turnaround management is the systematic and rapid implementation of a range of measures (turnaround strategies) to correct a seriously unprofitable situation. When firms are doing so badly that failure seems imminent then turnaround management can restore performance and profitability. With increasing competition, rapid advances in technology and rising complexity of the business conditions accompanied by blend of customers and employees, the challenges for any corporate have been rising.

Only a timely response to this situation can save organizations (Smith and Graves, 2005). The corporate level strategies choices are classified as growth, stability or retrenchment. Over the years, organizations have been conducting retrenchment when facing impossibilities, mistaking it for Business Process Re-engineering (BPR) and using it as a turnaround strategy. Global competition, technological turbulence, high costs of capital, and other factors will cause more and more businesses to face occasional hard times. Kamunde (2010) observes that growth as a turnaround strategy has largely been ignored. Not every growth strategy is good for every business. It

should be noted that it takes broad business knowledge, penetrating analysis, experience, and a creative mind to generate a good turnaround plan. It takes these skills to know what a viable and realistic plan is, and to know what priorities to follow, in order to achieve a turnaround.

Diversification is a high risk growth strategy that is a reasonable choice if the high risk is compensated by the chance of the high return. It allows the organization to expand its reach in the market through introduction of new products or services. Capability driven strategies (CDS) which align the firm's value propositions to its differentiation capabilities are necessary to create a platform for establishing value-adding competitive advantage for the entity. Fit for growth strategies become expendable as the firm implements change management initiatives in its turnaround efforts.

1.1.2 Organizational performance

Organizational performance is one of the most important variables in the management research and arguably the most important indicator of the organizational performance (Gavrea and Illies, 2011). The performance of an organization is the analysis of its productivity measured against internal metrics such as its goals and objectives. No business scenario can guarantee economic stability, and the ability to control organizational performance during a financial crisis becomes more difficult. An organization in difficulty must be able to identify those measures that enable it to respond effectively to new problems to adapt as quickly as possible to changes in the business environment.

Richard (2010) confirms that within the corporate sphere, organizational performance is measured through analysis of three outcomes: financial performance, market

performance and shareholder value performance Organizations are constantly trying to adapt, survive, perform and influence. However, they are not always successful. The performance of public organizations has been the subject of much attention following recent demands for a more efficient and effective system of governance. Hence, National Oil Corporation of Kenya's performance as a government entity in the O&G industry has always been under close scrutiny ever since its inception.

1.1.3 Oil and gas industry in Kenya

Oil exploration in Kenya began in 1950 and resulting in 16 being drilled in the period between 1960-1984 in the Lamu and Anza Basins. National Oil Corporation was incorporated by the Government of Kenya (GoK) in 1981 followed by the enactment of the Petroleum (Exploration and Production) Act in 1984. The Act was revised in 1986, where the initially issued royalties were replaced by Production Sharing Contracts (PSCs). A further 14 wells were drilled in the period between 1986-1992, in a time gap that was followed by the completion on the Lamu Basin study in 1995 and the Tertiary Rift study in 2001. Award of offshore PSCs and reinvigoration of exploration characterized the 2001-2006 period, culminating in the drilling of the deepest offshore well by Woodside in 2006 and the deepest onshore well drilled by CNOOC in 2009. The Petroleum Act regulates the O&G sector in Kenya. It states that all petroleum is vested in the government. This is consistent with the 2010 Constitution, which states that all minerals and mineral oils shall vest in the national government in trust for the people of Kenya.

Kenya's capitalist economy relies on petroleum as its main source of commercial energy, of which 80% is imported from the Arab countries. The country had a Gross Domestic Product (GDP) of US \$ 44.10 billion in 2013, which dropped by 4.1 % in

the first quarter of 2014. Kenya's search for oil and gas had been unsuccessful even though some of the 34 wells drilled since 1954 within its four sedimentary basins showed traces of oil and gas which was not commercially viable (Karembu, 2008).

Tullow Oil's announcement on 26 March 2012 that it and its partners Africa Oil and Centric Energy had discovered oil in Kenya in the Tertiary Rift Basin changed Kenya's stance in the O&G global map. There are four principal exploration basins in Kenya: the Lamu Basin, the Anza Basin, the Mandera Basin and the Tertiary Rift Basin. In addition to the five Production Sharing Contracts (PSCs) that the Kenyan government has entered into with Tullow and its partners for exploration in the Tertiary Rift Basin, the government has also entered into PSCs under which exploration is taking place in the Lamu and Anza Basins (Kaplan and Stratton, 2013). The key institutions currently charged with regulation of the O&G sector in Kenya are the Ministry of Petroleum and the National Oil Corporation of Kenya.

1.1.4 National Oil Corporation of Kenya

National Oil Corporation of Kenya is a fully fledged state corporation founded by an Act of Parliament in 1981. It is 100% owned by the GoK and is involved in all aspects of the petroleum supply chain covering the upstream and gas exploration, midstream petroleum infrastructure development and downstream marketing of petroleum products. Its vision is to be a fully integrated world class O&G company, its purpose is to ensure security of supply of petroleum in the country, exploring, producing and developing O&G resources for the benefit of the Kenyan people and its strategic intent is to be a premier O&G company, excelling in downstream, enhancing midstream and developing a vibrant upstream sector.

In the upstream, National Oil facilitates and directly participates in oil and gas exploration activities in Kenya. As a facilitator, National Oil is tasked with the marketing of Kenya's exploration acreage, management of gas and exploration data and the running of the National Petroleum Laboratory among other attendant responsibilities. In the midstream development of petroleum infrastructure, National Oil identified and is working on three key projects including the development of an offshore floating jetty technically known as a Single Buoy Mooring (SBM), the establishment of Strategic Petroleum Reserves (SPR) and the crafting of a Petroleum Development Master Plan for Kenya.

National Oil facilitates and directly participates in oil and gas exploration activities in Kenya. As a facilitator, National Oil is tasked with the marketing of Kenya's exploration acreage, management of gas and exploration data and the running of the National Petroleum Laboratory among other attendant responsibilities. It operates its own exploration acreage in Block 14T which is located within the Tertiary Rift Basin and runs from the shores of Lake Bogoria down to Lake Magadi Basin on the border of Kenya and Tanzania.

National Oil has an active downstream business segment with a growing retail network of over 109 service stations spread throughout the country. The Corporation also serves a cross-section of resellers, industrial and government businesses from its modern Nairobi National Terminal. In addition to its fuels business, National Oil has developed and deployed a number of innovative products and services including its SupaGas brand of Liquefied Petroleum Gas (LPG), the Supa range of motor and industrial lubricants, an advanced electronic fuel management system named SupaCard and a vibrant alternative business unit that deals with non-fuel businesses.

Its main offices are located in Nairobi and it operates 110 service stations across Kenya.

1.2 Research Problem

Collard (2011) describes turnaround strategy as a plan to convert and transform a loss-making entity into a profitable enterprise. Akrani (2012) adds that it is a plan consisting of a set of actions for corporate renewal and restructuring, typically during periods of severe corporate financial distress brought about by poor performance. The main reason for its implementation is to turn the organization from a negative to a positive point. Arresting the decline and spurring back growth requires careful analysis of the situational severity, taking into account the importance of recognizing the relationship between cause and response being imperative for the success of the process (McKinley, 1998).

National Oil Corporation of Kenya was formed to cover all the aspects of O&G explored, drilled and distributed in the government's interest. Since its onset in 1981, it had been a laggard in the O&G sector due to its inability to effectively compete with the multinationals that had set up shop in Kenya. Matundura (2008) notes that mismanagement and political interference in the administration of the state corporations impedes effective strategy formulation and implementation. Jepkoech (2010) magnified the issue splendidly in her study on the strategic issues plaguing the rolling out of policies within the organization. She noted that the ERP and fuel FACS allow for control loading operation and hence shortcomings arose from the mediocre implementation. This had quite a negative impact due to the high competition in the sector.

Karembu (2008) notes that lack of a clear corporate strategy and long-term oriented goals leads to a firm underperforming, losing credible market share in the any sector of the O&G market in Kenya. The technology adopted in the organization, mainly ERP, proves expensive to implement and integration was slow. Poor road infrastructure, inadequate pipeline infrastructure led to product rationing especially in Western Kenya depots, constraining expansion into new markets and market share slump. The end result was stock-outs, which dissatisfied the customers.

Makgeta (2010) observed that the inability to source competitively and access new markets and later poor competitive pricing occasioned by multinational competitors accorded the luxury of good retail networks from their parent companies can push an O&G company to the throes of shutting down. Insufficient retail outlets in the Nairobi region, existence of one depot each in the capital city as well as Mombasa, lack of filling plant and blending plant therefore frustrating alignment of cross function relations lent credence to a failed corporate strategy by the National Oil Corporation of Kenya.

Kamunde (2010) concludes that existing policies including guidelines, methods, procedures, rules, norms and administrative processes are a hindrance to strategy implementation in state corporations. National Oil Corporation's management was restructured and went back to the drawing board. From a paltry 6 petrol stations in 2007 to the current count of 102 stations, National Oil is easily one of Africa's fastest growing oil companies. The launch of the 2008-2013 strategic plan coincided with the improvement in the company's fortunes, followed up by the three year strategic plan of 2013. This study sought to fill the void existing due to lack of sufficient studies on the turnaround strategy adopted at National Oil Corporation of Kenya, how it was implemented and the challenges faced in the implementation process.

The researcher tried to answer the following critical question; what turnaround strategies were used by National Oil Corporation of Kenya to improve its performance?

1.3 Research Objective

The objective of this study was to establish the turnaround strategies used by the National Oil Corporation of Kenya to improve its performance.

1.4 Value of the study

National Oil Corporation of Kenya is a state corporation where government improvises as a tool economic growth and development by stabilizing the O&G industry as part of its long term strategy for Wealth and Employment Creation in the Vision 2030. The performance of National Oil Corporation of Kenya is vital to the Government and citizens at large in creating wealth in the O&G sector. Therefore this research offers data that can be used as a point of reference to the revival of other public sector organizations. It provides an important empirical data to the current and future scholars who are interested in studying turnaround strategies.

The study contributes to the body of knowledge. The study brings out differences arising from different environmental and organizational factors unique to each organization. At the height of increased competition, unfair competitive practices and poor strategy implementation, some organizations might experience declining performance. The research findings are useful to such players who might embark on adopting turnaround strategies.

This study facilitates the making of sound decisions regarding turnaround processes in the government agencies, especially for the state corporations competing with private

sector entities. The conclusions made by the researcher avails a platform for corporate managers to rethink their turnaround strategies with regard to the unique challenges faced by their organizations as they work to bring the entities they manage back to profitability. Hence, the results attained by National Oil Corporation of Kenya will ensue in it being used as a benchmark among its peers in the oil and gas industry.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter presents literature related to the turnaround theories, process, causes of decline, components of turnaround strategies, turnaround strategy framework and factors determining successful turnaround.

2.2 Theoretical foundation of the study

Strategic management has always invested vast amounts of resources into controlling events. This is the reason why researchers in the organizational sciences field have always ventured into studies on how organizations experiencing downward spirals could strategically reverse their performance. Chaos and complexity theory is a strategic theory that bases its relationship with turnaround management on its nature of concentrating on instability. Thompson (2013) affirms that the science explores how organizations regain stability by focusing on emergent properties. The theory recognizes that factors necessitating the need for any turnaround are completely unpredictable in line with the accepted strategic assumptions.

Theory of strategic orientation by Schendel et al (1970) classified recovery strategy into two distinct approaches: efficiency oriented and entrepreneurial oriented strategies. Distress occasioned by inefficiency required adoption of efficiency oriented strategy the form of cost cutting or asset reduction. Entrepreneurial oriented strategies came in the form of fresh ideas for the firm to venture into uncharted territory in a bid to spread revenue sources. If the firm's initial strategy is no longer relevant in a new, competitive environment then entrepreneurial oriented strategies

should be deployed. Based on this model, the causes of a firm's decline can either be inefficiency in operations or strategic areas.

Theory of corporate flexibility suggested that decline could be a result of "pathology in organizational decision making and adaptation processes (Barker and Duihame, 1997). According to them, an organization's declining performances can originate from the evolving environment, which leads to a crisis in the form of organizational performance stagnation. Hence, organizational metamorphosis is essential in stagnation-turnaround plans so that the firm can fit into the changing environment and maintain profitability. Turnaround strategies can be seen to have two phases: decline stemming and recovery strategies. In the first stage of the turnaround process, stabilizing the firm's financial position is the first priority, and the objective of the declining stemming strategies. Despite the observation of varying perspectives and emphasis on different elements by theorists, they all agree that when a firm is in distress, strategic changes are essential to turn the performance. Emphasis on the consideration of some of the theories when formulating strategies is a common practice in the academic sphere.

2.3 Turnaround strategies

Turnaround strategies are a set of systematic efforts following a specific laid out plans to oversee a firm's survival under threat from internal and external elements which threaten its profitability and long term survival. Akrani (2012) states that a turnaround strategy is an analytical approach to solve the root cause of failure of a loss making organization to decide the most crucial reasons behind its failing. A long term strategic plan and restructuring plans are designed and implemented to solve the issues of an ailing company. Good management practices, favorable shifts in external

environmental variables, and changes in organizational inertia all contribute to turnaround success besides organizational performance which can be influenced strongly by both organizational choices and external constraints. It is therefore important to study and differentiate the seeds of business decline of the declining firms viz., internal as well as external.

Despite most of the external signals of business failures not being fully controlled by the firm, internal events are believed to be extremely important because the management has a direct control over them (Stuart, Slater and Lovett, 1999). Collard (2011) describes five stages in the turnaround process: Management Change, Situation Analysis, Emergency Action, Business Restructuring, and Return to Normality. The process is designed to first stabilize the situation, which is done by addressing management issues, assessing the situation, and implementing emergency actions. The restructuring process begins with preparations during the emergency action phase. The positioning for growth starts with restructuring and grows when normalcy stage is reached.

Management change phase involves selecting a CEO who can successfully lead the turnaround. This individual must have a proven track record and the ability to assemble a management team that can implement the strategies to turn the company around. This individual most often comes from outside the company and brings a special set of skills to deal with crisis and change. Their job will be to stabilize the situation, implement plans to transform the company, and then hire their replacement. Situation analysis stage entails determining the severity of the situation and if it can be turned around. Answers are available to questions like is the business viable? Can it survive? Should it be saved? Are there sufficient cash resources to fuel the turnaround? This analysis should culminate in formulating a preliminary action plan

stating what is wrong, how to fix them, key strategies to turn the entity in a positive direction, and a cash flow forecast (at least 13 weeks) to understand cash usage. Emergency action stage's objective is to gain control of the situation, particularly the cash, and establish breakeven. Centralization of the cash management function to ensure control is prioritized. If the cash bleed stops, the entity is able to survive. Time is an enemy. Protection of assets of value is done by demonstrating that the business is viable and in transition. Business restructuring stage's objective is to create profitability through remaining operations. Emphasis is on product line pricing and profitability.

Restructuring the business for increased profitability and return on assets and investments is important. At this stage, focus should change from cash flow crisis to profitability. Fixing the capital structure and renegotiating the long and short term debt is done at this stage. Finally, return to normal phase's objective is to institutionalize the changes in corporate culture to emphasize profitability, Return on Investment (ROI), and return on assets employed. In the O&G sector, turnaround efforts could be observed from three angles, based on source: internal when induced by management of the troubled company; external when restructuring and reorganization of an organization is done by the regulatory or other structures set-up to address the issue.

2.3.1 Components of turnaround strategy

The key enabling components of turnaround strategy are: Stabilizing the business, funding and capitalization and fixing the distressed business. Managing the turnaround is in terms of leadership, stakeholder management and the turnaround project management. Turnaround management demands competent leadership to pave

the way on the implementation of the policies, motivate the subordinates and communicate the importance of the process. Collard (2011) emphasizes that it is always safer to change the leadership whenever an organization is conducting turnaround management. Experience at the top management is crucial since the existent leadership has a clear understanding of the culture of the organization. Despite that, retaining the existent leadership who are not ready to admit failure on their part in provision of competent guidance in implementation of the organization's corporate strategy is risky.

Kamunde (2010) affirms that in the event an organization is experiencing distress, investors in the company are anxious concerning the safety of their investment due to the exposure to risk. Any attempts to salvage the organization through turnaround management will prove futile unless the leadership trusted with the task receives its mandate from the stakeholders. Stakeholders should be insulated from being caught off guard and surprise. Reviewing of the employment terms of the organization will help to rid it of the staff complacent in their 'comfort zones'. Matundura (2008) in his study of the turnaround strategy implementation at the Kenya Revenue Authority (KRA) highlighted the positive impact that the accordance of 3 year performance contracts to mid and top level managers in the organization had resulted in improved service delivery.

2.3.2 Implementation and oversight

Competent leadership monitoring the implementation of the strategy under guidance of an advisory board set up to maintain focus on the process fosters a good oversight mix for the success in turning around the fortunes of an organization. The management may be relived on multitasking responsibilities with the bringing on

board of a Chief Restructuring Officer whose main responsibility will be implementing the turnaround strategy. This way the management can focus on their core duties, providing much more input into the day to day running of the organization where their skills can have wider implications on the performance of the organization. Over diversification of top management responsibilities can be a major obstacle to turnarounds.

Business and customer analysis is crucial in this stage as it is important to know which customers are channeling more financial resources into the business through their purchasing power. Kamunde (2010) affirms that the turnaround process begins by creating a budget and then strictly enforcing financial accountability. Standard costing estimates are replaced by actual costs, and the use of contribution margins reveals the products that contribute most to the fixed costs of the business. Analyzing the business customers is another essential part of the turnaround process. To determine which customers are profitable, the turnaround manager consults the customer classification and aging accounts receivable. These two sources will reveal the less productive accounts.

2.4 Firm performance

Evaluation of the performance of an organization focuses on its efficiency and effectiveness. The assessment is conducted systematically, focusing on the entity as a primary unit of analysis, resulting in obtaining of valid information regarding the alignment of the process outcomes to the firm's mission and vision. The organization should be able to maintain profitability while at the same time adhering to its values. This satisfies the goals of the shareholders and keeps the management if focus to

ensure productivity is the mantra of the machinations comprising the whole structure of the organization.

Laidlaw and Rojas (2010) observe that organizations are constantly trying to adapt, survive, perform and influence. However, they are not always successful. To better understand what they can or should change to improve their ability to perform, they can conduct overall assessments. This involves diagnostic tools which enable top management of the organizations identify important factors that aide or impede achievement of desired results and situate themselves with respect to competitors. At the conclusive end, the unnecessary obstructers are rooted out and replaced by more efficient elements which are at par with the overall organizational strategy.

2.5 Turnaround strategies and performance

While literature has largely established that performance incentives do not always contribute positively to organizational performance in general, little attention has been given to how turnaround efforts affect underperforming organizations. Existing research on the effectiveness of turnaround consists largely of small case studies for which mixed findings are incapable of leading to broader generalizations (Rutherford, 2011). Existing research on public organization performance often grapples with the question “Why do government organizations seem to constantly underperform?”

Unlike private organizations, where performance and survival are generally tied to measureable profits, public organizations may be evaluated on multiple dimensions. Public organizations are often expected to pursue a number of goals for different stakeholder groups, and each goal may be met with a different degree of success. With the spreading popularity of accountability mechanisms, public organizations have faced greater penalties for persistently underperforming. Strategic turnarounds

emphasize changing the business the firm is engaged in and include actions such as developing new markets, divestment, or vertical integration. Operating turnarounds reassess the way the organization conducts business and include short-run tactics such as revenue generation and cost cutting. These scholars generally agree that declines caused by the external environment should be addressed with strategic turnaround strategies while internal threats should be addressed with operating turnaround mechanisms (Chowdhury, 2002).

Gavrea and Illies (2011) further observe that performance initiatives - often identified as performance management, pay-for-performance, performance planning, managing for results, total quality management, or contracting out - have challenged public organizations to account for organizational outputs and outcomes through a variety of reporting standards. In some cases, these efforts have produced improvements in performance of organizations, but in others, these incentives fail to result in positive performance gains.

2.6 Turnaround process

Corporate turnaround, retrenchment, and portfolio restructuring strategies come into play when senior management undertakes to restore an ailing corporate business portfolio to good health. The first task here is always diagnosis of the underlying reasons for poor corporate performance. Crafting turnaround strategies then follows (Ngati,2009).According to Turnaround Management Association Headquarters website (2014), www.turnaround.org, there are two phases to a successful approach to a turnaround: The assessment phase and the implementation phase. The assessment phase is a thorough and in-depth process where the turnaround strategies are developed. It involves definition of business objectives, analysis of lines of business,

identification of business risks, conducting industry overview, analyzing capitalization and reviewing cash flow.

Reviewing of business decision making process where vital emphasis is made on overhead cost structure, performance results, reengineering and financial projections is essential. Johnson et al (2005) views that too often turnarounds are seen as no more than cost-cutting exercises when, in fact, a wider alignment between causes of decline and solutions are important considerations. For example, in a situation where the decline is principally a result of changes in the external environment it may be folly to expect that cost-cutting alone can lead to renewed growth. Other elements of turnaround strategies are important. However, Thompson & Strickland (1989) submit that how to attempt a turnaround necessarily depends on the roots of profitability and the urgency of the crisis.

Depending on the causes, there are six action approaches that can be used singly or in combination to pull off a turnaround in a diversified enterprise, First is to concentrate on restoring profitability in the money-losing units, secondly is to implement harvest strategies in the poorly performing units and divert cash flows to opportunities in better-performing units, Thirdly is to institute across-the-board economies in all business units, then revamp the composition of the business portfolio by selling off weak businesses and replacing them with new acquisitions in more attractive industries, followed by replacing key management personnel at the corporate or business levels, or both, and finally launch sales and profit improvement programs in all business units.

2.7 Determinants of a successful turnaround process

Turnaround may not be feasible under some circumstances. In other settings, the organization might lack the capabilities or resources to implement appropriate turnaround strategy correctly. Even if implemented correctly, in a feasible setting, organizational outcome of a turnaround strategy still depend on emergent factors (such as competitor actions), which can prevent or delay any turnaround. They vary based on the sector and the severity of the distress being experienced by the organization. Situational variables and manageable pre-decline resources are key when determining the likelihood of the success of an intended strategy. Factors that influence the choice of strategy include severity of the distressed state, firm size and free resources available (Kamunde, 2010).

Different management regimes have their own style of management. Stakeholders and investors, both internal and external, are under the notion that any situation the organization finds itself in is the doing of the top management. Hence, this justifies the common demands by stakeholders for executive management overhaul whenever turnover is taking place in an organization. Finkin (1985) and Slatter (1984) suggested that changes of senior management are an important step towards enacting a successful recovery. Ngati (2009) points out that they further argued that change to the senior management team is seen as means of restoring stakeholders' confidence in the future viability of the organization thereby ensuring their continued support. Also, new senior managers are able to offer first insight into the cause of decline and skills and motivations necessary to bring about organizational change.

Efficiency-oriented strategies are essential for a company to realize turnaround through reinventing its processes so that they can run efficiently. This will in turn

reduce costs that may eat up the profits. Pearce and Robinson (2008) argue that efficiency-oriented moves not entrepreneurial initiatives were associated with successful turnaround. They emphasized that adopting efficiency-oriented recovery strategies is essential for any successful turnaround, contrary to the strong association with retrenchments. It is believed that a company size plays a vital role in its performance. Small companies with few employees can be efficient since bureaucracy is reduced.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents research design and methodology that was used in the study. The chapter has been organized into research design, data collection procedures and data analysis techniques that were deployed.

3.2 Research Design

The study was conducted through a case study. Zucker (2009) defines a case study as an in-depth investigation of a single individual, group or event to explore causation in order to find underlying principles. It is an intensive analysis of an individual unit (as a person or community) stressing developmental factors in relation to environment. It can also be described as a documented study of a specific real-life situation or imagined scenario, used as a training tool in business schools and firms. Kamunde (2010) states that researchers are required to analyze the prescribed cases and present their interpretations or solutions, supported by the line of reasoning employed and assumptions made.

A case study analysis provided an in-depth understanding of the National Oil Corporation of Kenya's turnaround strategy instituted in 2008. This strategy's implementation resulted in the turnaround of the performance of the organization in the O&G sector after years of mediocre results in terms of market growth and financial stability. Hence, the study used this incident in the state corporation's history to analyze how a firm in distress in the O&G sector in Kenya can return back to profitability using effective turnaround strategies.

3.3 Data Collection

An interview guide was used to collect data from the respondents. It is a form containing a set of questions, especially one addressed to a statistically significant number of subjects as a way of gathering information for a survey. Zins (2007) terms it as a series of structured questions which are designed to collect the relevant data from the respondent while evading duplication or irrelevant information. It is a set of questions for obtaining statistically useful or personal information from individuals. It promotes and enhances confidentiality from the respondent in a manner they feel comfortable relaying information to the researcher by satisfactorily answering the questions.

The researcher utilized both primary and secondary data. Primary data was collected by way of a personal interview guided by a prepared interview guide consisting of open ended questions. The respondents were drawn from the top level management since turnaround is a corporate level strategy. They include the Chief Executive Officer, Sales and Marketing Manager, Head of Human Resource and Head of Strategic Planning as they are the key individuals involved in the formulation and implementation of the National Oil Corporation's five year strategic plan of 2008-2013. Secondary data was sourced from brochures and financial reports to supplement the primary data.

3.4 Data Analysis

Data was analyzed using content analysis because the study sought to solicit data that is qualitative in nature given that this was a case study. According to Smith (2007), content analysis is a process of inspecting, cleaning, transforming and modelling data with the goal of highlighting useful information, suggesting conclusions and

supporting decision. It entails extracting data systematically from qualitative material to create evidence about the content to build and support the argument in the study that would persuade the users. The validity of the data is enhanced and credibility is maintained throughout the study.

Analyzing qualitative data typically involves immersing oneself in the data to become familiar with it, then looking for patterns and themes, searching for various relationships between data that will help the researcher to understand what they have, then visually displaying what they have and writing it up. Techniques that were used at the different stages of the analysis include identity of data patterns, organizing data in different ways, breaking down text transcripts into theme and subthemes, shifting focus from individual cases to groups, making conceptual and theoretical coherence and evaluation against a standard or participant interpretation.

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSIONS

4.1 Introduction

This chapter presents the research findings and discussions on turnaround strategies used by the National Oil Corporation of Kenya, respondent's profile, causes of business decline and the role of the top management in the turnaround process.

4.2 Respondents profile

Turnaround strategies are corporate level strategies. The respondents were chosen from the top level management and comprised the Chief Executive Officer, Sales and Marketing Manager, Head of Human Resource and Head of Strategic Planning. They are all based at the head office and have over five years of experience at the corporation.

4.3 Causes of business decline

The decline in business performance at National Oil Corporation of Kenya can be attributed to both internal and external factors. The corporation's lack of a clear corporate strategy and long-term oriented goals was a major cause of decline. Inability to source competitively and access new markets and later poor competitive pricing occasioned by multinational competitors aggravated the situation. ERPs and fuel FACS allow for control loading operation and hence shortcomings arose from the mediocre implementation. This had quite a negative impact due to the high competition in the sector. Insufficient retail outlets in the Nairobi region, existence of one depot each in the capital city as well as Mombasa, lack of filling plant and blending plant therefore frustrating alignment of cross function relations.

The same year 1987, the corporation leased off expensive oil deposit sites due to lack of expertise and funding to finance exploration efforts. The profits before taxation decreased from Ksh. 103.8 million in 1999 to Ksh. 80.7 million in year 2000. The decrease was mainly due to decreased sales and investment in substandard equipment, which saw recurrent expenditure increase from Ksh. 85.6 million in 1999 to Ksh. 176.2 million in 2000 (NOCK audited account year 2000). In 2008, NOCK launched a five year strategic plan that was to provide direction which the corporation was to take in the 2008-2013 period. This turned the fortunes of the corporation, which recorded profits for the first time after decades of mismanagement, political interference and poor strategic choices and lackluster strategy implementation. The follow up 3 year corporate plan of 2013 was meant to extend the positive gains.

4.4 Turnaround Strategies

Bibeault (1982), Pearce and Robbins (1993) view turnaround process as consisting two stages; decline stemming and recovery strategies. The declining performance at National Oil Corporation of Kenya was as a result of both internal and external causes. As a result, the corporation adopted various sets of strategies to curb the declining performance and enhance its profitability. The research findings indicate that the corporation embarked on cost reduction measures (operational restructuring) to improve efficiency and margin by reducing direct costs and slimming overheads in line with volume.

Realignment with the market standards as far as competition from foreign multinationals was a core priority. Relationship with the community was incorporated into the operations of the organization while alignment with the existent taxation laws was enhanced through training of staff. The corporation also delved into alternative

ventures in a bid to boost revenue streams and supplement those from the heavily competitive fuel and gas market. The top management also resolved to expand its retailing outlets and cover as much areas as possible and in the process keep up with competitors mainly comprising of foreign subsidiaries of multinationals.

4.4.1 Corporate Social Responsibility (CSR) and Sponsorships

In 2011/12, NOCK was involved in the lives of its host communities through various social responsibility and sponsorship events. In January 2011, it renegotiated its sponsorship of rally driver Ian Duncan for 3 more years. National Oil had been the corporate sponsor of Ian since 2008. National Oil's biggest social responsibility engagement in 2011/12 was the multimillion shillings greenhouses for schools project. The project was fully funded by its exploration partner, Anardarko. In the project, they acquired and installed 33 large-size greenhouse kits in schools across the Coast province as part of its contribution towards addressing the perennial problem of food insecurity in ASAL parts of the country.

4.4.2 National Oil staff trained on tax

A team of over 30 staff drawn from various departments were in May 2012 trained on various aspects on taxation including value added tax (VAT), withholding tax, and customs and excise tax. The three-day training held was held between 9th to 11th May and was conducted by KPMG. KPMG are the corporation's tax consultants and according to the NOCK 2013 newsletter, the training was done so as to empower staff on tax and enhance compliance.

The team of finance and non-finance staff was mostly drawn from head office and plans were underway to include staff from the branches in subsequent trainings. The

trainers tackled, among other areas, registration for VAT, tax point for VAT, VAT exempt supplies, zero rated supplies, exportation of good and taxable supplies. They also trained on output VAT, VAT on imported services (reverse VAT), input VAT, and withholding VAT which was done away with by the 2011 budget. While discussing VAT, the KPMG trainers discussed penalties for defaulting VAT payments and the regulatory requirement on electronic tax registers. Further, the KPMG team made reference to National Oil accounting processes in discussing issues often noted during VAT audits including in-tank sales, hospitality billing and exchange pool transactions. The most interesting part of the VAT training may have been the discussion of the draft VAT law which seeks to enhance the capacity of the Kenya Revenue Authority (KRA) to raise substantial revenue at low administrative and compliance costs, sort out the current constraints in VAT administration and address the increasing huge backlog of refund claims.

4.4.3 Investment in more alternative businesses

NOCK invested in alternative business segments as an emergency revenue stream in line with decline in revenue streams from fuel business. This is due to shrinking profit margins occasioned by increased competition. Alternative business segments that the oil corporation invested in include non fuel services offered at its service stations through leasing of space to service providers such as restaurants, ATMs, pharmacies, mobile money transfer services and agency banking services.

Until then, NOCK had largely depended on its fuel, lubricants and LPG sales to meet its obligations. The introduction of price controls on fuels and increased competition in the LPG and fuel market pushed the corporation to shift focus to higher margin alternative business segments. This came at a time when the corporation was fast

expanding its retail network around the country, planning to increase its service station tally from 83 to 100 by the end of the 2011-2012 fiscal year.

4.4.4 Entrance into lucrative alliances

In May 2012, NOCK entered into a joint geophysical survey agreement with Japan Oil, Gas and Metals National Corporation (JOGMEC) which is the national oil corporation of Japan. The agreement was for the evaluation of hydrocarbon potential of onshore Kenya by undertaking geophysical surveys. NOCK gained through foreign expertise and access to use of latest technological capabilities at the disposal of a fellow national oil corporation from an advanced country.

The geophysical survey included Full Tensor Gravity Gradiometry (FTG), 2D seismic, Magneto Telluric and Time Domain Electromagnetic Studies. The signing of the joint venture came at an important time when NOCK was actively exploring for O&G in block 14T. So far, it has completed gravity studies by attaining 2,507 points which was above target in the southern parts of the block. The corporation has completed the Gas Seepage Geochemistry (Gore Sober) field work on a grid of 2km and over 400 samples recovered. Analysis of the samples was completed in early 2014 at the Gore laboratories in Maryland, USA.

4.4.5 Retail network expansions

National Oil enhanced its retail network expansion efforts in the course of 2011 by establishing a network development unit within the marketing department. The four-member team famously known as Kanga was led by Millicent Munene and was made up of staff drawn from marketing and operations departments. Other members on the team included marketers Jack Muthomi and Kenn Chore as well as Solomon Nderitu,

a civil engineer. The network development team was a rapid response unit with express responsibility to scout for property including land for service station development and existing petrol stations for acquisition.

In their every day work, the team identified property for lease or purchase, conducted due diligence as well as a business viability analysis before engaging property owners in price negotiations and subsequent acquisitions. The process of acquiring such properties was elaborate and in line with established public procurement rules and procedures. Before a deal was sealed on any of the properties identified, legal department was involved in ensuring that the property in question meets all legal requirements as set out in the procurement law as well as in National Oil internal procedures.

4.5 Discussion of results

The researcher set out to establish the turnaround strategies adopted at the National Oil Corporation of Kenya. The research findings as discussed above support various arguments in the turnaround literature on the causes of business decline. The causes of business decline at the National Oil Corporation of Kenya were both internal and external. Some of the internal factors identified were the corporation's lack of clear corporate strategy. Some of the external factors identified included increased competition, economic recession which led to reduction in channeled funds from treasury and increase in non- performing investments. This concurs with Matundura (2008) and Karembu (2010) who identified the same internal and external factors to have contributed to business decline.

From the literature, long before a business commences its decline, warning signals start flashing, but managers often do not notice the red lights, or they ignore them.

When they finally do acknowledge something is amiss, some managers will treat the problem as temporary phenomenon putting out the fire but not remedying the hazard. From the research findings, the business decline signals for National Oil Corporation of Kenya were felt long before the actual decline. This is manifest in the early 2000s when the corporation could not meet its obligations such as staff remunerations, profit targets as well as identify viable projects to finance.

The corporation actually returned most of the funds allocated for the projects to the treasury due to internal wrangles on how it should be spent. The revenue from LPG and fuel sales continued to reduce due to attrition and the fact that there were no new investments in exploration equipment. This in effect led to shrinking profit margin. A strong management team should be aware of any potential difficulties or signs of trouble and should deal with them accordingly. Neglecting these warning signals can cause irreparable damage to the business and rob it of its profit potential (Ngati, 2009).

The research findings indicate that the main element of turnaround at National Oil Corporation of Kenya was change of top management. Top management change is widely quoted as a precondition for successful turnarounds. It is difficult for the incumbent top management to change their habits and institute radical reforms. Often the stakeholders will continue to give their support if they are confident that the management team can manage the crisis at hand. A change in top management is tangible evidence that something positive is being done to improve the firm's performance even though the cause of the poor performance may have been beyond management's control (Kamunde, 2010).

The strategic management literature provides empirical support for overlapping two-stage approach to corporate turnarounds: the efficiency/operating turnaround strategy

stage and entrepreneurial/strategic stage (Ngati, 2009). The efficiency/operating turnaround stage aims to stabilize operations and restore profitability by pursuing strict cost and operating- asset reduction. The entrepreneurial/ strategic stage aims to achieve profitable long-term growth through restructuring the firm's asset portfolio or product/market refocusing. This literature supports the strategies that were adopted at NOCK. The laying off of employees led to reduction in salary and other administration expenses. The reorganization of the offices and the initial sitting arrangements led to generation of extra revenue as the offices were leased out to external clients. Stakeholder management is key to a successful turnaround.

The cooperation of each of them- customers, vendors, employees, board of directors and others is essential. The stakeholders have vested interest in the survival of the business. If not involved in the process, they could frustrate any efforts to have a successful turnaround. Employee participation is essential to turning a business around. When employees are included in the restructuring plan, they tend to accept painful concessions as necessary to the company's survival. When restructuring is complete, the business is certainly indebted to these people and should compensate them for their contributions (Ngati, 2009). The research findings at National Oil Corporation of Kenya are in consonance with these observations.

The strategy used and the timing of the strategy determine the success of the turnaround. Strategies can be combined and used in various sequences (e.g. an initial strategy may require cost-cutting, and then be superseded by the revenue generating strategy but using the inappropriate strategy can be a terminal error. The unique requirements of your business and the turnaround situation will determine the strategies to be used. The adoption of a turnaround strategy itself is no guarantee of recovery. For a strategy to be effective, it may have to be carried out swiftly,

intensively and competently. Poor implementation of turnaround strategies may exacerbate decline. Kamunde (2010) suggests that the difference between successful and failed turnarounds lies more in the strategy implementation process than the content.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS.

5.1 Introduction

This chapter presents the summary of the study, conclusion reached by the researcher, recommendations proposed upon analysis of the findings limitations of the study, and suggestions for further study.

5.2 Summary of the Findings

National Oil Corporation of Kenya faced immense internal and external factors that led to declining performance from the early 1990s to 2000. Some of the internal factors included the corporation's lack of clear corporate strategy, non-performing staff, lack of profitable projects to finance, abrupt change in the oil market and the economic recession experienced in the country at the time. To save the corporation from collapsing, the management embarked on adopting various turnaround strategies that would see it recover from the decline and assume normal and profitable operations into the foreseeable future. The strategies adopted were effective and led to improved performance starting from the year 2008.

Strategies such as expansion of retail outlets to areas which were previously not covered by the operations of the corporation boosted the fuel and gas revenues. Increased knowledge of taxation regulations by the employees meant that the compliance of the corporation was up to date, making engagements with loan facilitators easier due to confidence boost. The devolvement of specific duties within the organization resulting in hiring of more qualified personnel as well as offloading of surplus to requirement staff through retrenchment improved efficiency and

effectiveness of operations. Even though turnaround strategies are not replicable across organizations in the corporate world, most of the organizations are dealing with the same issues hence the similarities in the turnaround strategies deployed despite varied results.

5.3 Conclusion of the Study

The objective of this research was to identify the turnaround strategies that were adopted at the oil corporation to counter the declining performance. From the research findings and in consonance with the existing theory, no single strategy is able to confront decline. Firms should adopt various combined strategies concurrently for a successful turnaround. The strategies adopted by National Oil Corporation of Kenya were effective as they resulted in improved performance. The organization was able to meet the objectives set in its initial strategy in 2008 due to varying factors.

Cooperation from employees to the turnaround strategies proposed by the top management came about mainly due to the rethinking of the change communication structures within the organization. The willingness of the government to support the corporation to get back on its feet was also exemplary through increased funding. This made it possible for the firm to open up more retail outlets and expand its outreach to consumers. Organizations, especially government owned entities, must pay heed to the signs of distress that are always glaring before they become completely irreversible, requiring revamping of management at times or complete realignment of the operations of the organization through BPR which can be costly.

5.4 Limitations of the Study

The study was a case study, the research findings cannot be generalized to other firms in the industry. Management is sensitive to environment and organizational factors. The study was time limiting as it was conducted within a short period of time. Some of the intended respondents like the CEO was not available for the interview. In addition those interviewed did not have sufficient time to explain all the issues in greater detail due to time factor. As such some of the information was derived from the published accounts and other publications.

Sources such as newsletters and corporate plans made available to the public came in handy as they contained valuable information such as roles played by each member of the top management in the turnaround, albeit second hand in nature. The accessibility to some of the O&G wells that the corporation operates proved to be a challenge due to distance and costs involved hence the researcher had to solely rely on the word of respondents as certain. The short time allocated to the researcher by the respondents could only avail the opportunity to collect enough information to produce such a concrete study.

5.5 Recommendations from the Findings

The research findings indicate that the corporation adopted the series of integrated strategies within two key phases- the decline stemming and the recovery phase. The severity of the financial distress, the skills of the employees available and the company size influence the performance of an organization. The management was able to identify the key obstacles to desired performance albeit after the distress signs had been ignored over a prolonged period of time without responsive action due to poor decision making and assumption based management.

Appropriate strategies comprising of measures intended to counter distress signals emanating from an organization should be deployed early. Ignoring such signs will lead to unplanned expenditure when the management attempts to deal with declining performance of an organization. NOCK, as a government owned corporation, was subjected to years of political interference in management with complete disregard to its stature and importance to the citizens as taxpayers. The implications of this study to parastatal managers is immense in that strategies should be formulated and decisions made with focus on prevalent market conditions and not to suit specific short term agendas.

5.6 Areas Suggested for Further Study

Further research can be carried out on the challenges that were encountered in the implementation process and how they were overcome. Government owned institutions are perceived to have lengthy and unnecessary bureaucratic processes which at times hamper the timely implementation of key strategies. As such the researcher should aim to find out whether this perception was true in case of NOCK, a government is owned institution.

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APPENDIX 1: Letter of Introduction



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DATE 17/08/14

TO WHOM IT MAY CONCERN

The bearer of this letter INYANGE MOSES LEWIS

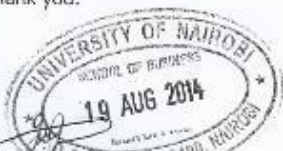
Registration No. D61/64493/2013

is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate your assistance to enable him/her collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.



PATRICK NYABUTO
MBA ADMINISTRATOR
SCHOOL OF BUSINESS

APPENDIX 2: Interview Guide

SECTION 1

Position held in the corporation

Department

No. of years of experience at the corporation.....

SECTION 2

1. What were the principal causes of business decline prior to the year 2008?

a) Internal Causes b) External causes

2. a) Has the corporation embarked on any cost reduction measures since year 2008?

b) If yes mention at least three such measures.

3. Has the corporation closed/ sold any of its business units after the year 2008?

4. Has the corporation reorganized any of its products/ business units after year 2008?

5. a) Has the corporation diversified or incurred any major Capital Expenditure since year 2008?

6. Has the corporation embarked on new marketing initiatives since year 2008 to date?

7. Has there been any top level management change since year 2008?

10. Has the corporation undertaken any major employee layoffs since year 2008?

11. What has been the stakeholder's reaction to the changes?

12. What mechanism was put in place to ensure their continued support?

13. How was the information on the changes communicated to the employees?

14. How were other employees in the organization involved in the turnaround?

15. In your view were the strategies employed to curb the declining performance effective?

16. Any other comment?

Thank you.

Appendix 3: Extract of National Oil Corporation of Kenya's financial performance over the last three years

Period	ROCE	Gross profit ratio
Q1 2011	0.04	0.05
Q2 2011	0.05	0.06
Q3 2011	0.05	0.05
Q4 2011	0.07	0.03
Q1 2012	0.04	0.05
Q2 2012	0.03	0.06
Q3 2012	0.04	0.07
Q4 2012	0.03	0.07
Q1 2013	0.03	0.06
Q2 2013	0.05	0.07
Q3 2013	0.04	0.07
Q5 2013	0.06	0.08

Appendix 4: Components of the Kenya Petroleum Industry

Upstream Sector

- No proven reserves of hydrocarbons yet
- Four (4) sedimentary basins
- Thirty six (36) blocks (21 Licensed)
- Thirty one (32) exploration wells and >80000 KM Seismic
- Contract is Production Sharing Contract
- Previous and Existing contractors include CNOOC, TOTAL, SHELL, AMOCO, BP, LUNDIN, ANARDAKO e.t.c.

Midstream Sector

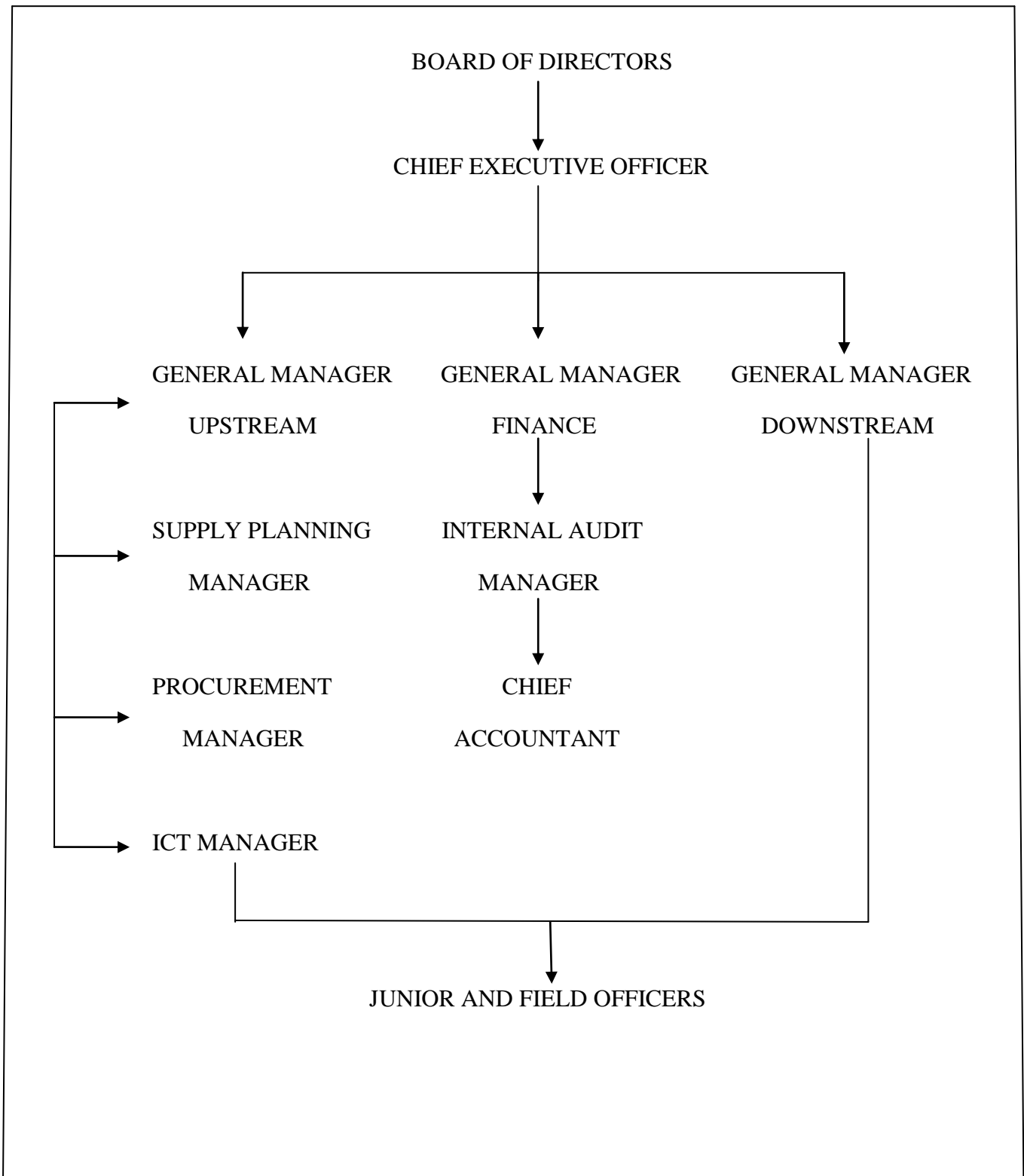
- Pipeline network of approx. 900km operated by Kenya Pipeline Corporation for refined products
- Refining capacity of four (4) million metric tonnes per annum (mmtpa) operated run by Kenya Petroleum Refinery Limited. (Due for upgrade)
- Over 1,000,000M3 Storage

Downstream Sector

- Countrywide retail network of 1052 stations operated by Multi-nationals (Total, Shell, Oil Libya etc) & smaller Kenyan OMCs
- Ownership of Retail network - Multinational (73%) National Oil (8%) Independents (19%)

Source: Ministry of Energy, Kenya. (2011)

Appendix 5: Organizational structure of the National Oil Corporation of Kenya



Source: National Oil Corporation of Kenya website, www.nationaloil.co.ke