IMPLEMENTATION OF TURNAROUND STRATEGIES AND ORGANIZATIONAL STAKEHOLDERS' IMPACT.

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Abstract: Management of turnaround is the systematic and rapid implementation of a series of measures to correct a severely unprofitable situation. Achieving turnaround calls for a completely different set of skills to examine the causes of decline and devise effective strategies for turning the business into a fresh life. As such, the objectives of the study were to examine the influence of Stakeholders Management on turnaround strategies of SMEs and to determine the influence of Change in Leadership and Organizational Change on turnaround processes of SMEs? For the purpose of this study, the survey method was employed with the aid of questionnaire to get data from respondents. 240 copies of a questionnaire were administered to employees of thirty (30) Enterprises in Ogun State, Nigeria. A pilot study was employed and reliability test of the instrument was conducted by using the test re-test reliability approach which yielded a reliability coefficient of $r = 0.81$. Internal consistency was proven by Cronbach Alpha being 0.854. The study found out that there is a significant relationship between stakeholders Management and turnaround strategies of SMEs and that positive relationship exist between change in leadership/organizational change of SMEs and turnaround processes. The findings in this study show that stakeholder management primary purpose is to shield the company from the negative impacts of stakeholder actions. During the turnaround process, organizations have to make a number of choices, good choice of action leads to performance improvements in terms of productivity and capital. On the other hand, unsuccessful response options will make the situation worse, thus contributing to the company's breakup. The study recommends that stakeholders should continue to play their role in SMEs to be able to profer solutions to problems hindering the progress of enterprise.

Keywords: Change in leadership, Organizational Change, Stakeholder Management, Turnaround Process, Turnaround Strategies, SMEs

Introduction

Global competition, technological instability, high capital costs and other nettlesome factors may cause increasing numbers of companies to face often tough times. Businesses and industries face particularly difficult turnaround conditions, such as low demand, relatively strong consumer loyalties and, in general, zero-sum rivalry (Mamatzakis, Pegkas & Staikouras, 2022). Stakeholder's involvement plays an important role and have a lot of impact on company's behavior. Good companies' behavior and turnaround performance will be as a result of the process and strategies adopted by stakeholder's involvement while clamoring for change. The main problem and obstacle in the performance and turnaround process of the business is the lack of participation and ability of the stakeholders to contribute their quota to ensuring the conduct of a reputable company or where their involvement in investment is inadequate [Gotteiner et al., 2019].

For small and medium-sized enterprises, employees in the enterprise are the major stakeholders, they are the providers of change and their influence helps to ease company's behavior and turnaround performance. Whether or not stakeholders opt to help a distressed company, its support mechanisms and its ability to do so depend on its evaluation of the company's behavior during turnaround [Abebe, 2018]. Managerial discretion and the challenges will vary in different sizes of companies depending on their said stakeholder's perspective and the willingness of those stakeholders to provide the drive for turnaround in the enterprise [Ghazzawi, 2018].

Despite their ability to control access to the necessary resources and exacerbate a situation of decline that threatens existence, evidence on the role of stakeholder's perspective in management, such as owners, employees, suppliers, creditors, customers, and governments, are still very limited. Stakeholder Management could therefore be viewed as useful tools in addressing stakeholder concerns to achieve turnaround strategies. In making important turnaround strategies, it is necessary to know the impacts of strategies and turnaround implementation [Newroom, 2012]. Addressing this void, the principle of stakeholders should be used and this examines how the relationships between SMEs and their stakeholders affect the results of turnaround processes. When a business has undergone significant performance growth through the introduction of reformation initiatives over two or three years and successfully rebuilds its market position and motivates the employees to complete the transformation process, a good turnaround is achieved. To bring about this transformation, a whole new set of expertise is required to explore the causes of worsening and apply suitable methods to transform the business in a new lease of life. [Amankwah et al, 2018; Abebe, 2010]. Gotteiner et al, [2019] posit that when businesses do so poorly that failure seems inevitable then turnaround management will improve both efficiency and profitability. Increasing competition, rapid technological developments and increasing complexity of business conditions followed by mixing of customers and employees, the challenges for any company have risen. Only a timely response to that may save organizations. But most businesses fail to identify the problems due to management inefficiency and therefore avoid taking precautionary measures affecting owners, workers, clients, suppliers and the economy.

A organizational transformation is critical for restoring the normal course of the company. Not only good governance practices, but also organizational changes affect the organizational turnaround. The impact of such changes on organizational performance, particularly in organizations in the public sector, has neutral or negative effects on efficiency, but both the degree of organizational strategy and climate affect turnaround success. Hence, this study aims to examine the effect of stakeholders on turnaround success for small and medium-sized enterprises.

Statement of the Problem

Turnaround is the revocation of the downturn of a company [Ghazzawi, 2018], the actions taken during the turnaround process are influenced by different groups of stakeholders [Aruwa, 2006]. Prior research does, however barely elucidate the viewpoints of stakeholders on turnaround. This research therefore take a stakeholder viewpoint to look at the factors that drive turnaround strategies and was posited that the managers must take account of the needs of different groups, such as employees customers and essential resource suppliers. Both groups influence the decisions of the organization and are affected by them. It improves survival for companies to engage in certain operations or act in a way considered important and appropriate by powerful stakeholders. Stakeholders can decline their support without these activities and behaviours. Divergent views and priorities have to be reconciled and accepted [Kotsiou et al, 2018; Richa & Ashok, 2022; Omorede, 2021]. Frequent and transparent contact between a distressed company's managers and its stakeholders and symbolic management behavior will increase the likelihood of stakeholder support and a productive turnaround [Rico, Pandit & Puig, 2021; Pan & Chen, 2014; Marvis, Sklias & Maravegias, 2021]. Distressed businesses require external stakeholder help to provide the financial resources to reverse the decline. If the management and financial resources providers are unable to match their goals on strategic measures and financial returns, the probability of a successful recovery will decline. This research seeks to answer the following research questions (1) what is the influence of Stakeholders Management on turnaround strategies of SMEs? (2) To what extent does Change in Leadership and Organizational change affect turnaround processes of SMEs?

Literature Review

The Concept Turnaround

A turnaround can refer either to a business facing a financial disaster, or to actions taken to prevent that financial disaster from happening. The real nature of the turnaround is a company whose recent past or future financial performance is unacceptable to the owners [Ifanti et al, 2013]. Collier & Bowman [2013] Identifies a business downturn as a condition of failure and a recovery as equal to at least a loss-related breakdown. Osiyevskyy et al, [2021] On the other hand argued that a business whose real pre-tax profit (PBT) increased in four out of six years (since the downturn period) could be viewed as a good turnaround company. Nyagiloh and Newsroom [2012] claimed that a good corporate turnaround is achieved if the Net Income (NI) of a business exceeds the industry average in two out of three years following the decrease in performance duration. Good management strategies, constructive improvements in external environmental variables, and shifts in organizational dynamics also lead to transformation progress in addition to internal efficiency that can be strongly influenced by both behavioral decisions and external constraints. Therefore, it is evident that the roots of the weakening firms viz., internal as well as external, should be examined and distinguished. While most of the external signs of business failure can not be fully controlled by the companies on the other hand the internal events are considered to be extremely important because they are directly controlled by the management [Makheti & Nyakweba, 2016; Kraus, Moog, Schlepphorst & Raich, 2013].

The Turnaround Process

During the turnaround process, organizations have to make a number of choices [Abebe, Anfriawan & Liu, 2011]. Good choice of action leads to performance improvements in terms of productivity and capital. On the other hand, unsuccessful response options will make the situation worse, thus contributing to the company's breakup. Also, with the aid of external assistance such as advisors, the top management arrives at decisions regarding certain options for practice. Efforts to generalize option of action also led to the development of a turnaround cycle typology. The series of organizations turnaround actions may be grouped under the following categories. (1) change in the leadership, (2) forming the team at the top, (3) change in strategy, (4) retrenchment of assets and people, (5) upgrading of technology, (6) financial restructuring, (7) organizational change and (8) support of the parent company.

(1)Change in Leadership

The best transformational personalities have a paradoxical mix of personal modesty and technical commitment. We are scared, timid, cautious and invincible. They are rare and impossible to stop [Abebe, 2010]. Incompetent leadership is one of the prime reasons for corporate failure and a significant step in the recovery process is the restoration of credibility. Therefore, the process usually starts at the leadership position with shifts in staff. This has been consistently indicated as a prerequisite for implementing turnaround actions. Changing leadership and restoring confidence among various stakeholders is the primary aspect of the turnaround process. Yet there are several other causes, it is vitally important to change the leader in turnaround. While leadership change is an effective turnaround option, in all cases it may not be an effective strategy, particularly when the causes of decline are external, change in leadership will have no impact on the turnaround process [Bhattacharyya & Malik, 2020; Schmitt & Raisch, 2013].

(2) Forming the Team at the Top

The first task of a newly appointed CEO is to build an adept team of managers to deal with the complexity of the turnaround process. The typical problem of the turnaround leader is to take up the right human force and put them in the right place. It is therefore necessary to recruit highly competent managers who were willing to seek the turnaround challenge and also to recognize senior and middle-level executives for important roles in declining organizations [Panicker & Manimala, 2015]. The newly formed team at the top formulates a strategic planning for the execution of turnaround plan to determine all potential turnaround options. The CEO's decisiveness in implementing decisions is crucial in turnaround efforts.

(3) Change in Strategy

Diagnosing the issue with top management help, defining the root causes, formulating a contingency-based strategy, selecting the implementation approach are key elements in turn around cycle. These strategies, however, generally take years to deliver results. Subsequently, diversification-based recovery strategies are taken for granted in turnaround processes which are also less cost-effective [Amaeshi, 2009]. Diversification strategies require capital commitment not often retained by declining organizations. Niche strategies are known to be the most effective consumer category strategies [Akinbola et al, 2021].

(4) Retrenchment of Assets and People

Retrenchment was found to be a universal stage in the process, whereby companies successfully reverse decline in performance. Retrenchment is a necessary response for turnaround to be effective, regardless of what kinds of problems triggered the turnaround requires. Retrenchment is a crucial stage in the restructuring cycle recuperation phase. Retrenchment could be helpful for the impetus for positive change. The three possible retrenchment advantages are: (1) restoring efficiency (2) generating slack, and (3) momentum creation. During downsizing, practices such as allowing employees to leave with dignity, helping them to find jobs and preventing the appearance of inequalities in the layoff process will inspire the remaining employees to stay and work productively. Retention of valuable and unique skilled employees is essential for successful turnaround while downsizing the organization. Managing employee morale in the post-downsizing process helps to effectively turn companies around [Pazaroutoupis, Drogalas & Koutoupis, 2018].

(5) Upgrading Technology

Once outdated systems and procedures have triggered the deterioration of the companies, the restructuring process is technology upgrade. Nonetheless, this requires major technology costs, as it can be very useful as a cost cutting tool in the long term. The declining companies often upgrade their technologies to offer competitive products in the established niche only. Technology improvements may range from improving the current operation to investing in new processes. Some of the major issues in the process are the selection of suitable equipment, the costs involved and the appropriate implementation [Schweizer & Nienhaus, 2017].

(6) Financial Restructuring

The interest strain was one of the major causes of decrease in many of the cases. With the aid of banks, financial institutions and the parent company, it would not have been possible for any of those deteriorating businesses to rebound without appropriate financial restructuring. Such improvements reduced the company's costs substantially. At the same time, it is necessary to improve the financial role within the organization [Amaeshi, 2009]. Cash flows require closely tracking and carefully assessing the financial implications of all important decisions.

(7) Organizational Change

The reorganization of individuals and structural changes are key ingredients of turnaround and introduce strategic changes. Creating new teams for a series of change initiatives, relocating staff and stopping some of the non-value-added activities, restructuring departments to meet market requirements and skilled people's availability are some of the structural strategic changes to be adopted [Ozturk & Sozdemir, 2015]. Improvements are also necessary to smooth the information flow within the organization.

(8) Explicit Support of the Parent Company

Long periods of illness lead to low morale, indiscipline, and obsolescence in infrastructure, processes and procedures of internal management. Turnaround efforts aim to reverse these trends and allow the company to operate effectively [Tangpong, Abebe & Li, 2015]. The parent company's specific assistance dilutes those issues. Having reliable support from the parent companies is important for organizations. It softens other stakeholders, animosity viz. companies, financial institutions, manufacturers and staff. Organizations are found to be over-staffed in the controlled economies. Rationalization of personnel in these organizations, is an essential but difficult task [Alturki, Duffau & Bendaya, 2019]. A parent company that is supportive dilutes employee concerns about job security, thereby raising profitability favorably. The parent company is also helping organizations resolve the current funding crisis.

Implementation of the Turnaround Process

The strategic point for initiating the turnaround process is always a thorough analysis to assess the company's true position and to determine if a turnaround is a viable option, as opposed to insolvency, immediate sale or liquidation [Charalabidis, 2011]. Once the stakeholders have taken the decision to continue with a turnaround, seven different implementation processes viz a viz ' work streams ' must be followed to ensure the seven key ingredients are in place. The seven key work streams have been identified as:

- crisis management,
- selection of the turnaround team,
- stakeholder management,
- development of the business plan,
- implementation of the business plan,
- preparation and negotiation of the business plan,
- project management.

The integration and coordination of the above work streams is the overall management of the turnaround process.

The leader must understand all seven work streams in most turnarounds but financial restructuring may be required if the troubled company is a subsidiary of a healthy parent. These workflows are key to the implementation of the turnaround process [Shahri & Sarvestani, 2020].

Phases of Work Streams

A large overlap in planning and execution stages marks the turnaround process. In the implementation cycle there are four distinct but overlapping phases: (1) the analysis phase, (2) the emergency phase, (3) the strategic change phase, and (4) growth and renewal (beyond turnaround).

(1) Analysis Phase

This phase includes not only the diagnostic examination. Diagnostic review itself is the basis for the business plan's development. The phase begins with the introduction of traditional approaches such as cash management, the change of CEO, strict financial control etc. [Anugwom, 2007.

(2) Emergency Phase

This process includes the behavior needed to secure survival and thus tends to focus on common methods which can be applied more effectively in the short-term. The main generic strategies used in this recovery phase are cash production, cost reduction, and increased sales effort. The emergency phase is often characterized by operational procedures, i.e. divesting subsidiaries, closing of plants, redundancy of employees, firing of competent managers, reducing excess inventories and selling outdated inventories etc., all are primarily intended to enhance cash outflow and prevent losses. The company can request additional financing during the emergency phase to carry out its strategy for recovery and thus overlap the workflow for financial restructuring. The emergency period usually lasts between six months and one year but may be longer if effective recovery measures are not followed or implemented well [Schweizer & Nienhaus, 2017].

(3) Strategic Change Phase

Although operational considerations appear to be stressed in the emergency process, the strategic shift stresses the focus of goods and the market. Nonetheless, the shift in the product and demand takes typically time and may entail some investment, which may not be feasible during the early recovery period. It is in this process of structural change that management and/or shareholders will understand that the company's long-term survival appears uncertain or that the expenditure of money and time needed to achieve sustainable recovery is not worth the risks associated with low return on capital employed (ROCE), operational inefficiency and organizational knocking down. [Collet, Pandit & Saarikko, 2014].

(4) Growth Phase

This is the final turnaround process phase, and is also called corporate renewal. Before this can begin, it is necessary to strengthen the balance sheet of the business.The firm will start growing once it has, either organically through new product development and business growth, or through acquisitions, or both. Nonetheless, a quick return to growth may be a requirement for a successful recovery in some cases, high technology [Abebe, 2010].

Stages in the Turnaround Cycle

Neil Harvey [2000] elucidates the stages of turnaround as (1) recognizing the need for a turnaround, (2) rapid appraisal of the situation, (3) crisis management and emergency actions, (4) the stabilization phase, (5)rehabilitation or return to normal processes.

Stage -1: Recognizing the Need for Turnaround

This recognition as the moment of truth for the organization. It has gone from utter failure to optimistic transformation, at the point where an organization enters its moment of truth and decides to make fundamental changes. People and managers frequently stop solving issues of crisis. Therefore, a crisis is often the trigger in acknowledging the need for a turnaround. Recognition may also result from dissatisfaction with below average performance, or from far-sighted management anticipating problems before they arise.

Stage -2: Rapid Appraisal of the Situation

It is important to determine the seriousness of the situation and the organization's future viability as soon as possible [Neil Harvey, 1999]. Reliable information availability will often decide the pace is another essential part of the rapid assessment plan that meets the needs of key stakeholders, especially consumers, suppliers and key employees. At this point, the key to success in most turnarounds is examination of both product line and consumer profitability.

Stage -3: Crisis Management and Emergency Action

Organizational actions will largely depend on a quick assessment of the situation. Key factors will be the severity of the problem, as well as the time and money needed to fix it. Conditions could be unpredictable and chaotic. Evaluating the appreciation and replacement of managers and people where appropriate is significant outcome in turnaround performance.

Kotsiou et al [2018] state that while there is a wide range of leadership styles, i.e. (a) rapidly develop simple, short-term goals and objectives, (b) show visible authority, (c) set targets and enforce standards, (d) quickly execute concrete decisions, (e) constantly interact with all stakeholders; (f) create trust and confidence by being transpiring and truthful and (g) adopt an autocratic style of leadership during crisis stabilisation. The five main leadersip tasks listed for crisis management are: (i) taking control levers (establishing guidelines, setting goals, tracking performance, continuous monitoring); (ii) make tough decisions; (iii) retain clear leadership; (iv) deliver quick wins; and (v) counter dissent. The emphasis should be on recognizing important actions that will make the most of the difference. This often means that by taking control of cash disbursements and approving all purchase orders, the CEO must curb the worsening cash flow situation. Working capital management, with speedier debt collection activities and subsequent payment of creditors, is key. Profitability evaluates of the product line and customer, value analysis in the rapid situation assess cost effectiveness, and crisis management can include agreements with stakeholders such as shareholders, banks, creditors, management, employees unions and customers.

Stage -4: Stabilization Phase

Stabilization as the critical factor in any successful recovery scenario, thus the turnaround leader secures the organization's short-term future and thus provides the time space within which it can develop and execute strategies and plans for survival. In the stabilisation stage, the importance of predictability and contact with stakeholders as a key feature of crises shakes the faith of external stakeholders. It is vital to rebuild the confidence of stakeholders and that can be done through the stabilisation phase of the crisis [Neil Harvey, 2000]. Turnaround initiatives must provide appropriate turnaround mechanisms and cost reductions. Extreme conservative clauses not only provide a buffer against unexpected issues but will also allow a sum to be written back against future profits. There is a need for an appropriate strategy to make conservative provisions but not to the extent of losing credibility. As such, provisions concerning contingency should be clearly identified.

Stage -5: Detailed Analysis and Development of a Recovery Plan

It is a distinct stage although it is included by certain recovery specialists either in the crisis management process or in the stabilisation phase. It often happens in both stages, in action. The sick companies have serious problems that can only be solved by comprehensive, fundamental strategies. They have almost never experienced too dramatic a turnaround strategy. To provide a detailed analysis leading to the recovery plan, it is important to have a structure and checklist for collecting the required information.

The concept of stakeholders

A stakeholder is described commonly as “any group or individual who can affect or is affected by the achievement of the organization’s objectives” [Kowo & Akinbola, 2018] Stakeholders include employees, shareholders, government, customers, investors, owners and financiers.The symmetrical term "may affect or be affected by" opens the idea that individuals or groups outside of an organization can consider themselves to be stakeholders without the organization considering them to be stakeholders [Okane & Cunningham, 2012]. Stakeholder’s impacts are critical to turnaround performance. However, this can only be possible in a situation where by stakeholders play a key role in process of turnaround. There are times when stakeholders rely on their own interests. This is growing to external stakeholders but not exclusive [Clarke, Huliaras & Sotiropoulos, 2016; Butar, Sadalia & Irawati, 2019] . Sometimes external stakeholders are community groups or political appointees who may not act in the best interests of a company if the company does not deliver anything that benefits its constituents. Even an internal stakeholder, such as an inexperienced investor, could vote against a growth proposal in fear of losing cash. He focuses on his own financial needs and not on business needs [Mamatzakis, Pegkas & Staikouras, 2022; Kowo, Sabitu & Adegbite, 2018]. Blocking change is also frequently found when outside stakeholders believe that the actions of a company will harm their interests. A school might not want a medical marijuana facility located close to the campus. The school is the primary stakeholder, and may be able to petition for the company to withhold business permits. Business owners should expect these problems and prepare to appease external stakeholders who have business concerns. Before an issue begins, smart business owners approach possible antagonistic stakeholders and then build a relationship to take a disadvantage and make it an advantage [Gotteiner et al, 2019; Afonso, Zartaloudis & Papadopoulos, 2015].

Stakeholder’s Management

The philosophy of stakeholder management depends on the processes by which organizations recognize their stakeholders and respond to their needs and demands. As stakeholder management's primary purpose is to shield the company from the negative impacts of stakeholder actions, organizations should use such strategies such as: problem analysis, mediation, strategic communication and structured contracts or agreements. Most of the organizations ' efforts are aimed at establishing the trust of key stakeholders in today's complex business environment. Stakeholders have considerable influence on organizations and strong relationships exist between organizations and stakeholders [Kotsiou et al, 2018]. This socially irresponsible approach generally results in damages not only to shareholders but also irreversible damage to relationships. Two critical evaluation variables are proposed for stakeholder decision of the organization: their potential to threaten the organization, and their potential to cooperate with it. Similarly, two relationship variables are suggested, such as the potential for cooperation and the competitive threat. Cooperative ability and competitive threat represent the capacity of stakeholders to cooperate and challenge the organization in a particular issue. Companies typically will adopt four potential stakeholder management positions: reactive, aggressive, accommodative and constructive [Rico, Pandit & Puig, 2021]. Based on the potential for danger and cooperation of stakeholders, businesses evaluate their roles and strategies for stakeholder management such as leadership, partnership, engagement, security, education and monitoring [Omorede, 2021].

Theoretical Framework

Stakeholders’ Theory

The theory of stakeholders promotes a realistic, efficient, and ethical way of managing organizations in a highly complex and turbulent world [Kotsiou et al, 2018]. It's a realistic idea, because all businesses have to control stakeholders. Another question is whether they are good at managing them. It is successful because well-treated stakeholders continue to reciprocate with positive attitudes and behaviors towards the organization, such as exchanging valuable information (all stakeholders), buying more products or services (customers), offer tax breaks or other benefits (communities), have better financial terms (financers), buy more stock (shareholders), or work hard and remain loyal to the company, even in difficult times (employees). Scholars have used a wide variety of theoretical viewpoints to support stakeholder theory, including the concept of fairness [Tangpong, Abebe & Li, 2015], and pragmatism [Newsroom, 2012]. The theory of stakeholders indicates that "managing stakeholders" means, at a minimum, serving the interests and well-being of these stakeholders [Pan & Chen, 2014]. Other stakeholder groups, such as governments, special interest or environmental groups, the media or even society as a whole are often included. Stakeholder theory suggests that good treatment of all stakeholders creates a kind of synergy [Rico, Pandit & Puig, 2021; Collier & Bowman, 2013]. This last impression, that following precepts from stakeholders is correlated with both good management and better financial performance, is almost irrefutable at this stage. This hypothesis has been tested and validated by various researchers across a number of industries, in both domestic and international companies and in a variety of contexts [i.e, Schmitt & Raish, 2013; Osiyevskyy, et al, 2021; Omorede, 2021; Gotteiner et al, 2019].

Empirical Review

The willingness of researchers to study turnaround has steadily increased over the last decades. This argument is demonstrated by two extensive literature reviews, which were conducted at a period of 20 years. Pearce and Robbins [2008] Reviewed nine studies, and developed a two-stage model. Trahms et al. [2013] analyzed forty studies. Referring to the context of decline that needs turnaround actions, both literature reviews agree on different factors, such as stakeholder perspective, stakeholder participation, and systemic and ongoing support influence turnaround performance. Stakeholder insight research shows that their impact on turnaround performance is positive, but the influence it has on the actions of the organization remains a topic of debate. This question raises the question of whether it can rely on contingency factors surrounding the turnaround process, such as the perspective of outstanding stakeholders on the attempts by the companies to reverse their decline [Trahms et al., 2013]. Other studies focus on, stakeholder's involvement on managerial discretion [Ghazzawi, 2018], the scope of the performance measures implies the question of which actions and stakeholder's involvement affects managerial discretion is declining and its success depends on the selected measure. Recent evidences by Peltoniemi and Vieru [2013] illustrates structural and continuing support on turnaround strategies and how SME affects the turnaround strategies. Structural and continuing support may be helpful in explaining turnaround strategies. An SME perceives structural and continuing support are actions as signaling that there would be change in turnaround stretegies [Bosse et al. 2009].

Methodology

This study adopts a survey method with the aid of questionnaire to get data from respondents who are basically the employees of thirty Enterprises in Ogun State, Nigeria. The purpose of the survey was to get primary data. The motive to use a questionnaire is the ability to reach a large target group in a practical and efficient way [Hair et al, 2006, Cooper & Schinder, 2006]. A pilot study was employed to test the quality, clarity, time scale and bias of the questionnaire as recommended by Cooper [2006]. Due to difficulties in studying the whole population, the researcher choose a simple random sampling technique in which each individual of the population has the equal chance or probability of selection of the individuals for constituting a sample as to get first hand information from the respondents; to this end a total of two hundred and fourty (240) questionnaires were distributed to represent the entirety population. The distribution is given below in Table 1. A reliability test of the instrument was conducted by using the test re-test reliability approach which yielded a reliability coefficient of r = 0.81. Internal consistency was proven by Cronbach Alpha being 0.854.

Table 1. Distribution of respondents and response rate

Respondents Occupation	Questionnaire administered (sampled)	Percentage of total response (%)
Partner	16	7.5
Senior Manager	24	11.2
Accountant	14	6.5
Manager	73	34.1
Supervisors	87	40.7
Total	214	100.0
Gender/Category	Questionnaire administered (sampled)	Percentage of total response (%)
Male	121	56.5
Female	93	43.5
No of Returned	214	89
No of Not Returned	26	11
Total no of Questionnaires	240	100

Source: Field Survey 2022

Data analysis and Hypothesis Testing

Table 2. The Descriptive Statistics of Turnaround Strategies and Stakeholder Impact.

Responses	Total (N)	Mean
Stakeholder's Management and Turnaround Strategies		
Stakeholder's impact are critical to turnaround performance.	214	4.46
The real nature of the turnaround is a company whose recent past or future financial performance is unacceptable to the owners.	214	3.84
The philosophy of stakeholder management depends on the turnaround processes by which organizations recognize their stakeholders and respond to their needs and demands.	214	3.57
Management of turnaround is the systematic and rapid implementation of a series of measures to correct a severely unprofitable situation	214	3.89
Stakeholders have considerable influence on organizations and strong relationships exist between organizations and stakeholders	214	3.86
Leadership/Organizational Change and Turnaround Processes		
The reorganization of individuals and structural changes are key ingredients of turnaround and introduce strategic changes	Total (N)	Mean
Creating new teams for a series of change initiatives, relocating staff and restructuring departments to meet market requirements and skilled people's availability are some of the structural strategic changes to be adopted.	214	3.78
Changing leadership and restoring confidence among various stakeholders is the primary aspect of the turnaround processes.	214	3.47
It is vitally important to change the leader in turnaround.	214	3.58
Efforts to generalize option of action also led to the development of a turnaround cycle typology	214	3.73
A company needs the ability to fully exploit the capacity and resources of its important, unique, and inimitable stakeholders to achieve a sustained turnaround result.	214	3.55

Source: Field Survey 2022

Hypothesis One

Ho_1 There is no significant Influence of stakeholders Management on turnaround strategies of Small and medium Enterprises

Table 3. Correlations

		STAKEHOLDERS MANAGEMENT	TURNAROUND STRATEGIES OF SMES
STAKEHOLDERS MANAGEMENT	Pearson Correlation	1	1.000(**)
	Sig. (2-tailed)		.000
	N	214	214
TURNAROUND STRATEGIES OF SMES	Pearson Correlation	1.000(**)	1
	Sig. (2-tailed)	.000	
	N	214	214

** Correlation is significant at the 0.01 level (2-tailed).
Source: Authors computation, 2022

Coefficient of Determination (C.O.D)
The coefficient of determination is obtained using the formula C.O.D = r^2 x 100%
Where r=Pearson Correlation
Thus;
C.O.D = $(1.000)^2$ x 100%
C.O.D = 1 x 100%
C.O.D = 100%
The result shows that there is a correlation of (1.000) between both variables at a 0.0001 level of significance. The Pearson correlation is r =1.000 which implies a 100% shared variance between stakeholders Management on turnaround strategies of Small and medium Enterprises Thus, as obtained from the table {r=1.000, p<0.0001, n=214}} we arrive at the following decision: Having found out that there is a significant relationship between stakeholders Management on turnaround strategies of Small and medium Enterprise. Reject the null hypothesis (H_0), and accept the alternative hypothesis (H_1).

Hypothesis Two

Ho_2 Change in leadership and Organizational change does not influence the implementation of turnaround processes of small and medium enterprises

Table 4. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.817(a)	.667	.666	.42301

(a) Predictors: (Constant),
Source: Authors computation, 2022

Table 4 above is the model summary. It shows how much of the variance in the dependent variable (turnaround processes) is explained by the model. In this case the R square value is .667. Expressed by a percentage, this means that our model explains 66.7% of the variance in the dependent variable of turnaround processes. The adjusted R square is .666, while the error of estimate indicates .42301 which signifies the error term that was not captured in the model.

Table 5. ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	76.152	1	76.152	425.580	.000(a)
	Residual	37.935	212	.179		
	Total	114.086	213			

Source: Authors computation, 2022

This table 5 shows the assessment of the statistical significance of the result. The ANOVA table tests the null hypothesis to determine if it is statistically significant. From the results, the model in this table is statistically significant (Sig =.0001) and hence the null hypothesis should be rejected.

Table 6. Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta	B	Std. Error
1	(Constant)	.559	.164		3.416	.001
	LEADERSHIP AND ORGANIZATIONAL CHANGE	.845	.041	.817	20.630	.000

Source: Authors computation, 2022

Table 6 also shows which of the variables included in the model contributed to the prediction of the dependent variable. As this study is interested in comparing the contribution of the independent variable: therefore beta values are used. In this table, the beta co-efficient of the independent variable is .845.

Discussion on the Findings

The result of hypothesis one which confirms that there is a significant relationship between stakeholders Management and turnaround strategies of Small and medium Enterprises is tangential to the findings of Nyagiloh and Kilika, [2020]; Gotteiner et al, [2021]; Abebe and Tangpong, [2018]; Makheti & Nyakweba, [2016] and Ghazzawi, [2018]. Stakeholders management has a positive relationship with turnaround strategies in the organization which portrays the fact that stakeholders management is affected by turnaround strategies. This research has proven that stakeholder management's primary purpose is to shield the company from the negative impacts of stakeholder actions. Organizations should use such strategies such as: problem analysis, mediation, strategic communication and structured contracts or agreements. Most of the organizations efforts are aimed at establishing the trust of key stakeholders in today's complex business environment. Stakeholders have considerable influence on organizations and strong relationships exist between organizations and their stakeholders. Based on the potential for danger and cooperation of stakeholders, businesses evaluate their roles and strategies for stakeholder management such as leadership, partnership, engagement, security, education and monitoring

The result and findings from hypothesis two of this research shows a positive relationship between change in leadership and organizational Change of small and medium enterprises and turnaround processes. The findings and result shows that leadership and organizational change affected turnaround processes of SMEs. The findings and result of this hypothesis is in consonance with the views of Schmitt and Raisch, [2013]; Pan and Chen, [2014]; Tangpong, Abebe and Li, [2015]; and Panicker and Manimala, [2015] which says that during the turnaround process, organizations have to make a number of choices, good choice of action leads to performance improvements in terms of productivity and capital. On the other hand, unsuccessful response options will make the situation worse, thus contributing to the company's breakup. Also, with the aid of external assistance such as advisors, the top management arrives at decisions regarding certain options for practice. Moreso, it was revealed that incompetent leadership is one of the prime reasons for corporate failure and a significant step in the recovery process is the restoration of credibility. Changing leadership and restoring confidence among various stakeholders is the primary aspect of the turnaround process.

Conclusion

The findings of this study and numerous researchers that has made findings on this study across domestic and international boundaries has concluded that stakeholders plays a major role in the business enterprise. Stakeholders serves as a resource that can serve as a source of turnaround in the organization. To achieve a sustained turnaround performance, an enterprise has to fully exploit one of the valuable resources it has which is the stakeholders. Stakeholder's managementt on turnaround strategies of small and medium enterprise has deep root into the activities of stakeholders in small and medium enterprise. Relevant concept, theories, policies and empirical background was established. This research will help policy maker and stakeholders of enterprise in decision making as regards turnaround implementation strategies. The result and findings of this study will also enhance further research on this topic and provide solutions to problems faced by SMEs as regards turnaround and the resultant effect of stakeholder's impact on leadership and change in organization.

Policy Recommendations

Stakeholders

The research recommends that stakeholders should continue to play their role in small and medium enterprise to be able to profer solutions to problems hindering the progress of small and medium enterprise. Stakeholders should see theirselves as the next line of action when it comes to turnaround of small and medium enterprise.

Small and Medium Enterprise

Major percentage of small and medium enterprise keep experiencing difficulty in turning around the fortune of the business enterprise. It is advised stakeholder's involvement should be continued in small and medium enterprise in other to improve customer performance, stakeholders perspective should also be upheld so as to manage leadership and organizational change and finally SMEs should continue to involve relevant stakeholders in the period where stakeholders impact is needed the most. SMEs should see stakeholders as pillars of business and solution providers in terms of distress.

Suggestions for Further Research

So many businesses apart from small and medium enterprise experience difficulty and might want to turnover a new live by turning around the performance of the enterprise. So many organizations does not know the impact stakeholders has on turnaround processes and strategies. It is therefore suggested that future researches should concentrate on: Stakeholders impact on organizational behaviour and turnaround performance of multinational organizations.

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