ASSESSING THE IMPLEMENTATION OF A TURNAROUND MANAGEMENT STRATEGY IN A WATER BOARD

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ABSTRACT

The research focused on assessing implementation of the turnaround management strategies in a water board. The location of the research was a water board located in the economic heart of South Africa, Rand Water. The research approach was quantitative methodology, which involved distribution of questionnaires as part of field work in the water board.

The area of focus in the water board was Strategic Asset Management Division which was selected because of its huge impact in the planning and execution of the capital projects. Infrastructure or capital projects form the core of the business sustainability; they ensure the future of the water as well as the region of the country. Various literatures were reviewed pertaining to the turnaround management strategies and certain inferences were made.

Models can be developed utilizing regression tools pertaining to the turnaround plans and adaptation of these models based on conditions or certain unique aspects is recommended to be done.

Keywords: Turnaround, Recovery, Water Board, Renewal.

INTRODUCTION

Market challenges pose danger to the sustainability and perpetuity of the business and results in pre-mature termination of business ventures. The water boards, water services authorities, water utilities, and municipality-linked water entities are not immune to the market forces even if the approach of the public sector is different from the private sector but the business imperatives are still valid for both. There are similarities in both sectors that includes appointment of the board that is accountable to the stakeholders, appointment of accounting officer, governance principles apply and due care practices also form the basis of delivering the services required. According to South African Government’s Comparative Information on Basic Services (2009:11), Water, sanitation and electricity have been legislated as basic services in South Africa, and therefore, requires special scrutiny from the Government
Departments in the way that they are distributed amongst the population and how backlogs need to be addressed pertaining to these services. Businesses in all sectors are faced with prospects of failures if they are unable to deliver on their mandates from their stakeholders. Water boards which have been established for the provision mainly of potable water and in certain cases, sanitation services are governed by myriad pieces of legislation and most notable ones are the Water Services Act No. 108 of 1997, Public Finance Management Act No. 1 of 1999, Public Finance Management Amendment Act No. 29 of 1999, and the National Water Act No. 36 of 1998.

There are many Acts in Parliament that have a direct impact on the water boards to carry out their mandates. Some of these Acts that are in prominence in the operation of water boards are Occupational Health and Safety Act No. 85 of 1993 (OHS Act), Construction Industry Development Act No. 38 of 2000 (CIDB Act), and the Amended New Environmental Management Act No. 14 of 2009 (NEMA), Public Finance Management Amendment Act No. 29 of 1999 (PFMA), Water Services Act No. 108 of 1997, National Water Act No. 36 of 1998. There are other legislations that are also applicable in the industry. The water boards are in terms of their operational structure report to the Minister of Water Affairs through the Board of Directors.

The research concentrated in the Strategic Asset Management Division of Rand Water. Rand Water is a water board that has been established in terms of the Water Services Act No. 108 of 1997 to serve mainly Gauteng, parts of Mpumalanga and other parts of the Northern Free State with potable water. The motivation for undertaking the research at Rand Water was necessitated by the need to address turnaround management strategies wherever they occur. Rand Water is the flagship of the water boards in South Africa in many parameters such as, volume rates of water purified, and distributed, length of pipeline network, the size of Gauteng population compared to other provinces, as well as the size of Capital Expenditure that is utilised on a yearly basis for the infrastructure development.

**PROBLEM INVESTIGATED**
Recovery plans and turnaround strategies are implemented in the corporate sector, state-owned entities, and in governments departments. Some of the turnaround strategies have been successful, whilst others have failed dismally. There must be a golden thread that is underlying successful turnarounds, and this need to be identified, and applied to other future interventions in different industries and sectors. This research concentrated on turnarounds applied for ailing or distressed capital projects in a water board.

The assessment conducted looked at the most effective ways of executing or implementing the turnaround management strategies, and recovery plans in the South African water sector, focusing on an identified water board. The purpose of the survey was to further understand the turnaround management strategies, and recovery plans as applied to the project environment of a water board. Information obtained from this research can be useful in extracting phenomenological description of themes, and patterns. At this stage in the research, the turnaround management strategies, and recovery plans will be defined generally as the actions taken to bring about a recovery in performance in a failing project, company or even in an organization.

**RESEARCH OBJECTIVES**

**Primary Objective**

The primary objective of the research was to evaluate the turnaround strategies and recovery plans that have been executed and implemented in the project environment within the water sector in South Africa.

**Secondary Objective**

The other objective of the research was to understand how the turnarounds are undertaken on capital projects in a water board. The focus on the capital projects is of significance due to the impact of infrastructure development in the water board, and also the service delivery. The effects of service delivery model selected and deployed on communities serves as a link to how people view success or failure of implementers of government policies.
LITERATURE REVIEW

Turnaround management strategies or the turnaround plans have been implemented in the public sectors as well as in the private sectors. Some of the case studies that are prominent for the private sector entity include Tata Motors Way Case Study. According to the Tata Motors Turnaround Case Study shown in the Tata Motors Limited Annual Report 2004-2005 (2005: 205) showed the following points below:

Tata Motors Turnaround

According to Tata Motors Limited Annual Report 2004-2005 (2005:205), Tata Motors embarked on a turnaround plan due to a loss of 6 % of turnover incurred in 2001. This occurred as a shock to the executives of Tata Motors, and it necessitated to re-look at their strategy at that time and assisted in shaping their future strategies including the turnaround journey. The other performance indicators that showed that the turnaround plan was required included a decline in earnings per share (EPS), and no dividends for financial years 2000/2001, 2001/2002. Some of the questions that needed to be responded to were:

• What is happening to the industry globally?

• Which segment would drive the future growth for the company?

• What would be the main drivers of the business in the new scenario?

The initiatives of Tata Business Excellence Model, and Balance Score Card were utilized as the platforms for the turnaround plan which was implemented.

There were 3 distinct phases of the turnaround strategy:

• Phase 1: 2001 to 2003 Cost Reduction Initiatives

Cost reduction measures included a massive cost cutting, improvement in working capital management, fund raising, and deployment within the company.

• Phase 2: 2003 to 2006 Domestic and International Growth through NewProducts, Sales and Services
- **Phase 3: 2006 and beyond** Long-term growth from increased business in LCVs, new products, and new geographies

Some elements of the Tata Motors Turnaround Strategy:

- **Balanced Scorecard Framework:**
  - Finance
  - Customers
  - Business Processes
  - Learning and Growth

The Tata Motors Turnaround Case Study can illustrate that many factors were considered when embarking on a turnaround strategy. Some of the indicators could also be consistently poor in results over a number of financial years for a certain company. Pressure to act or turn around could come from different sources all at once or individually. Stakeholders form a crucial element input due to their role of expecting increasing results, and dividends each and every year for the company.

**Turnaround Management Strategies in the South African Context**

In the local, South African setting there have been a number of turnarounds that have been undertaken. Some notable ones being South African Airways went through a major turnaround, Transnet has developed a Four-Point Turnaround Plan, Masilonyana Local Municipality has gone through a turnaround plan, and McCarthy Group went through a turnaround plan as well under the guidance of Brand Pretorius. The list of turnarounds undertaken, whether successfully or unsuccessfully, are too many to be counted. There must be some event or series of events that leads to a turnaround to be embarked on. The turnaround plans have not been limited only to a particular sector of our society, but it cuts across all walks of life. In the case of the South African Airways, and South African
Broadcasting Corporation, it seems as if they have been operated under the turnaround plans for a number of years.

There is not a lot of literature in the form of academic books that have been written on the turnaround management strategies, and recovery plans in South Africa. There are documents that companies and organisations intended for their own use in guiding the turnarounds that are publicly available.

The problems listed above are wide ranging including people management, financial management, strategic management, and risk management. The required response needed to also be wide-ranging in order to be able to address these challenges adequately. It could be assumed that the turnaround plan or a series of the turnaround strategies since 2004/2005 has finally yielded results as Transnet has been performing well in recent years. Transnet went through tumultuous years, and has finally settled or stabilised and is currently going through the implementation of Market Demand Strategy with a roll-out of massive capital investment over a number of years.

In the previous financial year 2012-2013, Transnet has shown improvement since the conception of the turnaround plan was devised. It has gone through a number of changes over the years of different boards and Chief Executive Officers. Some elements of the turnarounds are also linked up to the top management team that you have in an organisation or company.

**Determinants of Turnaround Management Strategies**

According to Merriam-Webster Online Dictionary (accessed 12 September 2013), defines determinant as an influencing or determining element or factor. Various researchers have been conducting research in the field of turnaround management strategies with their focus on different outputs. Some of the research carried out in the past showed what factors or influencing factors are applicable to the turnaround strategies or recovery plans.
Some of determinants of the turnaround strategies as per Makgeta (2010:42) are:

- Cost Reductions
- Efficiency Initiatives
- Changes in Management
- Performance Measures
- Financial Structure
- Firm Size

**RESEARCH METHODOLOGY**

A quantitative research methodology was undertaken to uncover some of the variables that contribute to the turnaround management strategies. The quantitative method undertaken involved the distribution of questionnaires to managers and other employees in the project environment of the water board in order to assess their views on the turnaround management strategies, and also to determine if there were any interventions done in the past and currently. The questionnaires also focused at the outcome of the intervention whether positive or negative. The questionnaires to employees and managers in the water board also addressed issues of lessons learnt.

**Population**

The population of the research consisted of the project environment of the Strategic Asset Management Division of Rand Water. The water sector in South Africa is characterised by National Department of Water Affairs, Water Boards, and Municipality-linked water entities, Catchment Management Authorities, Municipalities, and Implementing Agents e.g. Mvula Trust, TCTA and others stakeholders. These entities deal with water, sanitation, and water related services. The focus in the research was based on the potable water side of the business, which is the primary mandate of water boards. Sanitation and other activities were considered as secondary for the purpose of this research.
Sample and Sampling Method

A convenience sampling method was used. The sample for the research project was made up statistically for applicable employees within the project environment of the Rand Water. The estimate used to calculate quantity required pointed out that approximately 82 questionnaires that were distributed to employees who formed part of estimated 313 possible participants head count within the Strategic Asset Management Division. It must also be taken into consideration that only about 30 % of 273 employees were sampled due to approximately 15 % vacancies amounting to 47 employees. The Strategic Asset Management Division is headed by a General Manager who reports to the Chief Operating Office. The direct reports of the General Manager: Strategic Asset Management are: a) Senior Manager: Project Controls, (b) Senior Manager: Assets, c) Senior Manager: Special Projects, and d) Senior Manager: Capital Projects. The sample undertaken represented a 30 % response rate which is a statistically acceptable percentage for the purpose of the project.

The research aimed to obtain a response rate of 80 % which was 82 questionnaires out of a total of 103 questionnaires distributed to the participants. Gatekeepers or Managers of different areas (Division, Departments, and Sections) were contacted to gain permission to their employees or subordinates in order to collect information. Permission to conduct the research was sought from the Senior Manager: Capital Projects by the Researcher.

The Research Instrument

The research instrument used was an open-ended questionnaires targeted to employees in the project environment of Rand Water. Various instruments that were used in the past to gather research information on this topic was adapted to meet the requirements of the research and utilised for the purpose of the objectives. The turnaround strategy was not assessed (See Annexure 1 – Questionnaire).

RESULTS
Regression was utilized for the purpose of making predictions for the purpose of the research. These methods were explored further and the most appropriate ones were applied. Some methods were employed further to reveal any other factors or attributes that have been missed initially. Some included conducting Post Hoc Tests and Exploratory Statistics.

Reliability and Validity

Reliability was calculated for all questionnaire items: Statements 1 to 15 with a Cronbach’s Coefficient Alpha of 0.632. Reliability for all questionnaire items excluding item 15 in the questionnaire but including statement 1 to 14 and excluding statement 15, were calculated. A Cronbach’s Coefficient Alpha of 0.670 was measured.

One-Way Anova

One-way ANOVA was used to determine factor scores for two cases from the questionnaire and compare it against B3 (Occupation Levels) in the questionnaire. The effect sizes were then determined.

Table 1: Anova and effect sizes

<table>
<thead>
<tr>
<th>TABLE 1: One-Way ANOVA Factor Scores and Effect Sizes based on Occupation Level</th>
<th>N</th>
<th>Mean</th>
<th>Std Deviation</th>
<th>Std Error</th>
<th>95% Confidence Interval</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Effect Sizes</th>
<th>2 &amp; 3 &amp; 5 &amp;</th>
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</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Lower Bound</td>
<td>Upper Bound</td>
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<td></td>
<td></td>
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<tr>
<td>1.00</td>
<td>10</td>
<td>2.7143</td>
<td>0.50843</td>
<td>0.16076</td>
<td>2.3506</td>
<td>3.078</td>
<td>1.86</td>
<td>3.43</td>
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<tr>
<td>2.00</td>
<td>41</td>
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<td>0.38697</td>
<td>0.60430</td>
<td>2.6277</td>
<td>2.872</td>
<td>2.00</td>
<td>3.64</td>
<td>0.07</td>
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<tr>
<td>3.00</td>
<td>9</td>
<td>2.6557</td>
<td>0.56799</td>
<td>0.18933</td>
<td>2.2191</td>
<td>3.0923</td>
<td>1.57</td>
<td>3.57</td>
<td>0.1 0.17</td>
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<tr>
<td>5.00</td>
<td>15</td>
<td>2.6413</td>
<td>0.42946</td>
<td>0.11089</td>
<td>2.4034</td>
<td>2.8791</td>
<td>1.64</td>
<td>3.29</td>
<td>0.14 0.25 0.03</td>
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<tr>
<td>6.00</td>
<td>7</td>
<td>2.5581</td>
<td>0.66639</td>
<td>0.25187</td>
<td>1.9418</td>
<td>3.1744</td>
<td>1.69</td>
<td>3.50</td>
<td>0.23 0.29 0.15 0.12</td>
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<tr>
<td>Factor Score</td>
<td>82</td>
<td>2.6990</td>
<td>0.45076</td>
<td>0.04978</td>
<td>2.5999</td>
<td>2.798</td>
<td>1.57</td>
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<td></td>
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<tr>
<td>1.00</td>
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<td>2.5442</td>
<td>0.42600</td>
<td>0.13471</td>
<td>2.2395</td>
<td>2.849</td>
<td>1.84</td>
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<tr>
<td>2.00</td>
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<td>0.32786</td>
<td>0.05120</td>
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<td>2.6505</td>
<td>1.79</td>
<td>3.35</td>
<td>0.01</td>
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<td>3.00</td>
<td>9</td>
<td>2.4857</td>
<td>0.46123</td>
<td>0.15374</td>
<td>2.1311</td>
<td>2.8402</td>
<td>1.65</td>
<td>3.25</td>
<td>0.13 0.13</td>
</tr>
<tr>
<td>5.00</td>
<td>15</td>
<td>2.5160</td>
<td>0.39395</td>
<td>0.10172</td>
<td>2.2978</td>
<td>2.7342</td>
<td>1.67</td>
<td>3.00</td>
<td>0.07 0.08 0.07</td>
</tr>
<tr>
<td>6.00</td>
<td>7</td>
<td>2.3370</td>
<td>0.49910</td>
<td>0.18864</td>
<td>1.8754</td>
<td>2.7986</td>
<td>1.68</td>
<td>2.75</td>
<td>0.42 0.42 0.3 0.36</td>
</tr>
<tr>
<td>Factor Score 2</td>
<td>82</td>
<td>2.5163</td>
<td>0.37814</td>
<td>0.04176</td>
<td>2.4332</td>
<td>2.5994</td>
<td>1.65</td>
<td>3.35</td>
<td></td>
</tr>
</tbody>
</table>
Factor Scores:

Effect Sizes for Supervisory level of 0.07, 0.10, 0.14, and 0.23 were obtained in comparison to the factor scores of Middle Management, Senior Management, Specialist and other occupation level respectively. In this case, the effect size is small and it denotes no practical significant differences between those factor scores and effect sizes above.

Comparison of other level factor scores against the specialist effect size yielded effect size of 0.12 and therefore denotes a small effect, which is of no practical significant difference between other occupational level and specialist level.

Factor Scores 2:

For effect sizes of 0.01, 0.13, 0.07 and 0.42 of Middle Management, Senior Management, Specialist and other occupation levels as compared to Supervisory level effect size. The results are showing a small effect that is of no practical significant difference.

The effect sizes of 0.13, 0.08 and 0.42 were obtained for the Middle Management effect size as compared to the Senior Management factor score, Specialist factor score, and other occupation level factor score respectively. These are still in the range of around 0.2, and below 0.5, which means a small effect and no practical significant difference was detected.

Factor scores of 2 are for Statements from C1 to C14 in Section C of the research instrument excluding Statement 15 which comprises of Statements C15.1 to C15.6. The comparisons of other level factor scores against specialist level effect size yields 0.36. This is also below 0.5, which means small effect which has no practical significant differences between other and Specialist. This is higher, but still comparable to the results obtained for all the statements in the questionnaire. (Please see Annexure A)

Table 2: Anova analysis
<table>
<thead>
<tr>
<th>Fact_score</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Groups</td>
<td>0.314</td>
<td>4</td>
<td>0.079</td>
<td>0.375</td>
<td>0.826</td>
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<tr>
<td>Within Groups</td>
<td>16.144</td>
<td>77</td>
<td>0.21</td>
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<td></td>
</tr>
<tr>
<td>Total</td>
<td>16.458</td>
<td>81</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fact_score2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Between Groups</td>
<td>0.280</td>
<td>4</td>
<td>0.07</td>
<td>0.477</td>
<td>0.753</td>
</tr>
<tr>
<td>Within Groups</td>
<td>11.302</td>
<td>77</td>
<td>0.147</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>11.582</td>
<td>81</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Post Hoc Tests were done as part of an exploratory data analysis, but they did not yield significant results to be discussed here.

**T-Tests**

The T-tests were conducted based on Gender, and compared to the different statements that are in the questionnaire Section C.

Statements are all falling in the range of effect size and are equal to 0.2. They all have a small effect compared to Gender. This therefore, has no practical significant difference.

The following statements are in the effect size range of around 0.5. They have medium effect that has a practical visible difference.

**Table 3: Gender against Statements (Medium Effect)**

<table>
<thead>
<tr>
<th>Statement Code</th>
<th>Statement</th>
<th>Effect Size</th>
</tr>
</thead>
</table>
The causes of declines in companies can be identified

There is a general sequence of successful recovery actions

A water sector institutional re-alignment project is well known

Determinants of successful turnarounds are well known

<table>
<thead>
<tr>
<th>Statement Code</th>
<th>Statement</th>
<th>Effect Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>C3</td>
<td>The causes of declines in companies can be identified</td>
<td>0.62</td>
</tr>
<tr>
<td>C5</td>
<td>There is a general sequence of successful recovery actions</td>
<td>0.65</td>
</tr>
<tr>
<td>C6</td>
<td>A water sector institutional re-alignment project is well known</td>
<td>0.63</td>
</tr>
<tr>
<td>C11</td>
<td>Determinants of successful turnarounds are well known</td>
<td>0.45</td>
</tr>
</tbody>
</table>

Statement C9 has an effect size of 0.76 which is close to 0.8, and therefore has a large effect. Statement C9 has a practically significant difference on the gender variable.

Table 4: Gender against Statements (Large Effect)

<table>
<thead>
<tr>
<th>Statement Code</th>
<th>Statement</th>
<th>Effect Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>C9</td>
<td>Consolidation and dis-establishment of water boards was necessitated by business decline</td>
<td>0.76</td>
</tr>
</tbody>
</table>

MANAGERIAL APPLICATIONS

In the case of Senior Management factor score, Specialist factor score and other factor score, the following effect sizes were obtained for comparing with Middle Management respectively, 0.17, 0.25 and 0.29. In all these three cases, effect size is around 0.2 which denotes a small effect and therefore, no practical significant difference between combined Senior Management, Specialist, other levels as compared to the Middle Management taking into consideration the factor scores for all statements in the questionnaire.

Comparison between Specialist Level factor score and Senior Management effect size yielded 0.03, and between other Occupation Level factor score and the Senior Management effect size which yielded 0.15. In both cases, effect size is smaller than 0.2, denoting a small
effect. This means that there is no practical significant difference between Specialist Level and Senior Management Level, and it also applies between other Occupation level and Senior Management level.

For a specialist factor score and other occupation level factor score as compared to the Senior Management effect size, 0.07 and 0.30 are obtained respectively. These are also in the category of 0.2 denoting a small effect which has no practical significant difference between them. These are also in line with what was obtained for all statements made in the questionnaire.

It can be deduced from the above that there seems to be a certain pattern that can be detected in the implementation of the turnaround plans. Certain factors or determinants demonstrate a better behaviour than others when tested in a turnaround management environment. Models can be developed pertaining to the turnaround plans. Models development need to be adapted in certain cases as it cannot be applied universally.

It can also be noted that the turnaround plans can be applied in the case of distressed and ailing projects. It does not require the entire organisation to be subjected to a turnaround plan, but when a problem has been detected in a certain division, branch or department. There will be interfaces between the affected area with the rest of the organisation or company. It can also be shown through results obtained that there is some understanding of South African Water Sector Institutional Re-alignment Project. The study also indicated that various institutions, organisations, and companies embark on turnaround plans. Turnaround plans are not concentrated in certain industries as demonstrated by the case studies

CONCLUSIONS

It can be deduced from the research that there seems to be a certain pattern that can be detected in the implementation of the turnaround plans. Certain factors or determinants demonstrate a better behaviour than others when tested in a turnaround management
environment. Models can be developed pertaining to the turnaround plans. Models development need to be adapted in certain cases as it cannot be applied universally.

It can also be concluded that the turnaround plans can be applied in the case of distressed and ailing projects. It does not require the entire organisation to be subjected to a turnaround plan, but when a problem has been detected in a certain division, branch or department. There will be interfaces between the affected area with the rest of the organisation or company. It can also be shown through results obtained that there is some understanding of South African Water Sector Institutional Re-alignment Project. The research also indicated that various institutions, organisations, and companies embark on turnaround plans. Turnaround plans are not concentrated in certain industries as demonstrated by the case studies.

The research undertaken by the researcher is meant to contribute to the field of the turnaround management strategies or recovery plans. The turnaround management strategies, and turnaround plans are applied in all fields and in all sectors of businesses. The research in this field is normally shrouded in mystery or secrecy due to the conditions that managers find themselves in or their businesses in when they decide or are brought in to embark on a turnaround exercise.

There has been a lot of turnaround plans undertaken, but the details of the results or outcomes are not normally released to the public or made into publicly available documentation. Contributions will be made in terms of an application in a certain sector, what sort of determinants can be considered, and also the value that can be derived from doing such research.

The real world requires an application of tested theory to obtain the desired results. Decisions to appoint a turnaround practitioner is not taken lightly, but is prompted mostly by the shareholders in the business undertaking. The stakeholders also have a role to play as well as company executives and top management. The turnarounds can also be undertaken in small strides in sections, departments, divisions, and branches. The normal trends seen are to bring an outsider into a troubled company in order to bring to normality the operations. This is influenced by the lateral thinking, and lack of baggage or even empathy.

REFERENCE

Rand Water Annual Report 2010-2011


ANNEXURE A: QUESTIONNAIRE

A. INTRODUCTION

This questionnaire is forming part of mini-dissertation titled “Assessing turnaround management strategies in a water board” The Researcher is compiling Mini-dissertation as a partial fulfilment towards Masters in Business Administration (MBA) at the North-West University Potchefstroom Business School. The researcher is conducting this study for academic purposes under the supervision of Professor Christoff Botha (018 299 1672). Identities of respondents will not be revealed. The research is conducted following the Ethical Guidelines of the North-West University.

For further enquiries, the Researcher, Mr Mpheteng Mokubung can be contacted on 071 759 9792 or mpmokubung@gmail.com.

You are requested to complete the questionnaire and the information will be used for academic purposes. It will take approximately 15 to 20 minutes to complete the questionnaire. Thanking you in advance.

B. DEMOGRAPHIC INFORMATION

<table>
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<tr>
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<th>41 to 50</th>
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<td>3</td>
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<thead>
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<th>2. OCCUPATION</th>
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<tbody>
<tr>
<td>3. OCCUPATION LEVEL</td>
</tr>
<tr>
<td>3.1 Supervisory</td>
</tr>
<tr>
<td>3.2 Middle Management</td>
</tr>
<tr>
<td>3.3 Senior Management</td>
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### 4. EDUCATION LEVEL

<table>
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<tr>
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</tr>
<tr>
<td>Three-Year Degree</td>
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</tr>
<tr>
<td>Four-Year Degree</td>
<td>5</td>
</tr>
<tr>
<td>Post Graduate Qualifications (Specify)</td>
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<tr>
<td>Other (Specify)</td>
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### 5. GENDER

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<tr>
<td>Female</td>
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**C. QUESTIONS**

*Instructions: Please tick on answering*

Five (5) Point Likert Scale is used

To what extent do you agree or disagree with the statements below?

<table>
<thead>
<tr>
<th>SCALE</th>
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<th>3</th>
<th>2</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Totally agree</td>
<td>Agree</td>
<td>Neither agree nor disagree</td>
<td>Disagree</td>
<td>Totally Disagree</td>
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<tr>
<td>1.</td>
<td>The strategy of your company embraces uncertainty.</td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>2.</td>
<td>Turnaround companies differ in their structural characteristic from non-turnaround companies.</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>3.</td>
<td>The causes of declines in companies can be identified.</td>
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<td></td>
<td></td>
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<tr>
<td>4.</td>
<td>Characteristics of successful turnaround managers are known.</td>
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<tr>
<td>5.</td>
<td>There is a general sequence of successful recovery actions.</td>
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<td></td>
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<tr>
<td>6.</td>
<td>A water sector Institutional Re-alignment Project is well known.</td>
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</tbody>
</table>
7. Reduction or suspension of capital expenditure is a sign of turnaround strategy.

8. Turnaround management strategies are common in water boards.

9. Consolidation and dis-establishment of water boards is necessitated by business decline.

10. Skills sets required for turnaround plans are different from normal management.

11. Determinants of successful turnarounds are well known.

12. Factors contributing to distressed projects are well communicated to stakeholders.

13. There are well documented turnaround lessons learnt in the company.

14. Causes of demise of other water boards are well understood in the industry (e.g. Botshelo Water, Bushbuckridge Water, Namakwa Water, etc)

15. Determinants of turnaround management strategies are:

   15.1 Cost reductions

   15.2 Efficiency initiatives
<p>| | | | | | |</p>
<table>
<thead>
<tr>
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<tbody>
<tr>
<td>15.3</td>
<td>Changes in management</td>
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<tr>
<td>15.4</td>
<td>Performance measures</td>
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<tr>
<td>15.5</td>
<td>Financial structure</td>
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<td>15.6</td>
<td>Company or Organisation size</td>
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</tbody>
</table>

16 Additional comments:

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..........................................................

THANK YOU VERY MUCH FOR COMPLETING THIS QUESTIONNAIRE.