

Turnaround Strategy and Organizational Agility of Manufacturing Firms in Rivers State Nigeria

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Abstract: This work examined the relationship between turnaround strategy and agility. The work adopted a cross-sectional survey. Specifically, the study examined how cost efficiency relates with strategic sensitivity; assessed the relationship between cost efficiency and strategic response; checked how replacement strategy relates with strategic sensitivity; and assessed the relationship between replacement strategy and strategic response. The study utilized simple random sampling technique to select members of the sample frame, whereas copies of a structured questionnaire was distributed to the sample, made up of 102 managers and supervisors of 5 manufacturing firms in Rivers State, 96 copies were returned utilized in this research. The result revealed a significant relationship exists between cost efficiency and the measures of agility, and replacement strategy and the measures of agility. Therefore, the study rejects hypotheses all the null hypotheses. The study recommends amongst others that manufacturing firms should implement a turnaround strategy as a recovery protocol in order to achieve cost efficiency, this in turn will help the firm to be strategically sensitive to the changes in the business environment.

Keywords: Turnaround strategy, Agility, Cost efficiency, Replacement strategy, Strategic sensitivity, Strategic response.

INTRODUCTION

In the relentless realm of modern industry, manufacturing firms stand as both creators and responders to the winds of change. As markets oscillate, demands shift, and technological tides surge, these firms often find themselves at crossroads, navigating the juncture between adversity and opportunity. It is within this dynamic arena that the symbiotic forces of turnaround strategy and organizational agility emerge as the guiding constellations, illuminating the path to survival and prosperity. Just as a masterful conductor orchestrates harmonious melodies from discordant notes, manufacturing enterprises orchestrate their resurgence through strategic metamorphosis and the balletic prowess of agile adaptability. Maintaining a lasting competitive advantage requires agility. The concept of establishing an agile organisation to deal with uncertainty and an unpredictable environment is gaining traction (Sherchiy & Karwowski, 2014; Petermann & Zacher, 2020). The ability of a corporation to adjust quickly to changes in the market, client preferences, technological improvements, and other external factors is referred to as organisational agility. Organisational agility in the context of manufacturing enterprises refers to the ability to quickly and efficiently modify production processes, supply chains, and product offers. In today's corporate environment, agility helps organisations stay competitive and profitable (Braun, Hayes, DeMuth, & Taran, 2017).

By implementing agile procedures and cultivating an agile mindset among executives and employees, businesses expect to increase speed, adaptability, and creativity (Petermann & Zacher,

2020). In a chaotic world where markets diverge, collide, alter, and emerge, agility is a key component of a company's success (Weber & Tarba, 2014). Organisations pursuing flat and fluid structures built around high-performing cross-functional teams, instituting more frequent prioritisation and resource-allocation processes, and fostering psychological safety should create an effective, stable backbone by optimising the entire operating model across strategy, structures, processes, people, and technology. To improve efficiency, agility emphasises strategic prioritisation roles (Aghina, Handscomb, Salo, & Thaker, 2021). According to Hoda and Noble (2017), agility is a comprehensive and intricate network of ongoing multidimensional transformations that helps teams, managers, and organisations better navigate their own agile journeys. An agile organisation operates in a flexible way by creating manufacturing processes that can quickly adapt to changes in production volume, product mix, and customization requirements. It also builds a strong and flexible supply chain that can handle disruptions and changes in the sourcing of materials. However, these companies use cutting-edge technologies like IoT (Internet of Things), AI (Artificial Intelligence), and data analytics to optimise operations and make informed decisions. They also promote collaboration across organisational departments to speed up decision-making and problem-solving.

Agility promotes a culture of continuous learning and improvement, enabling workers to pick up new skills, stay current on market trends, and establish plans to recognise, evaluate, and reduce possible risks that can have an impact on the production process. Manufacturing companies may survive difficult times and position themselves to succeed in a constantly changing business environment by fusing a well-defined turnaround strategy with an emphasis on organisational agility. The turnaround strategies used should be adapted to the unique demands and conditions of each organisation.

For manufacturing organisations to remain competitive and react to changing market conditions, turnaround strategies and organisational agility are critical. A turnaround plan is a series of measures and efforts undertaken by a struggling or underperforming organisation to reverse its decline and restore its financial and operational health. When a manufacturing company faces issues such as diminishing sales, earnings, market share loss, or inefficient operations, this method is frequently used. Despite several research work on turnaround, and agility respectively (Petermann & Zacher, 2020; Hoda & Noble, 2017; Aghina et al., 2021; Braun et al., 2017), there is a dearth of empirical study on turnaround strategies and agility of the manufacturing firms in Rivers State. This study will bridge the observed gap in study. This study venture into the core of these transformative powers, dissecting their elements and tracing their resonance through the annals of manufacturing's evolution. The study unravels the symphony of resilience, where strategy is reborn, and agility reigns supreme, a testament to the vigor of those who engineer tomorrow on the anvil of today through turnaround strategy.

STATEMENT OF PROBLEMS

The ability of a corporation to quickly adapt and respond to changes in market demands, technological improvements, and other external events that effect their organisation is referred to as agility in turnover strategy (Hamel, 2008; Baumgartner 2008). While agility has numerous benefits, industrial businesses face challenges when implementing an agile turnover strategy. Supply chain disruptions, such as material shortages, transportation issues, or geopolitical instability, impede timely execution of agile strategies, and high investment costs of technology,

training, and process changes make firms struggle to allocate resources for these changes (Zhang, & Sharifi, 2007; Vanichchinchai, A. (2022).

Employees and management accustomed to traditional turnover tactics may sometimes reject the adjustments required for an agile approach in manufacturing organisations (Kotter, Kim, & Mauborgne, 2011; Kotter, 2008). Overcoming this opposition and cultivating an adaptable culture can be difficult. Agile techniques also involve complicated processes such as just-in-time manufacturing, flexible production lines, and rapid product development (Daft, 2020; Whitney et al. 1995), and effectively managing this complexity requires talented employees and sophisticated technology. It is difficult to strike the perfect balance between stability and adaptability, and a lack of proper data gathering, analysis, and sharing systems makes it difficult to make educated judgements rapidly. Skill shortages in technology, data analytics, and rapid prototyping, and rapid changes and quick adaptations may result in a decrease in product quality if sufficient quality control procedures are not in place (Daft, 2020).

Balancing current requirements with bigger organisational goals is particularly difficult, and agile strategies necessitate seamless communication and collaboration across departments, as breakdowns in communication can lead to misconceptions and stymie the agile process (Daft, 2014). Regulatory and compliance challenges arise as well, and balancing agility with compliance is a complex undertaking. Transitioning to an agile turnover strategy frequently necessitates a cultural transformation in the organisation, which is faced with reluctance (Christensen, Raynor, & McDonald, 2013; Davenport, 2000). While agility can provide numerous benefits to manufacturing companies, it is critical to thoroughly analyse and address these potential issues in order to successfully adopt an agile turnover strategy.

AIM AND OBJECTIVES OF THE STUDY

The study examines the turnaround strategy and agility of the manufacturing firms in Rivers State. Specifically, it examines the connection between:

1. Cost efficiency and strategic sensitivity of manufacturing firms in Rivers State.
2. Cost efficiency and strategic response of manufacturing firms in Rivers State.
3. Replacement strategy and strategic sensitivity of manufacturing firms in Rivers State.
4. Replacement strategy and strategic response of manufacturing firms in Rivers State.

RESEARCH QUESTIONS

1. What is the relationship between cost efficiency and strategic sensitivity of manufacturing firms in Rivers State?
2. What is the connection between cost efficiency and strategic response of manufacturing firms in Rivers State?
3. What is the association between replacement strategy and strategic sensitivity of manufacturing firms in Rivers State?

4. What is the bond between Replacement Strategy and strategic response of manufacturing firms in Rivers State?

RESEARCH HYPOTHESES

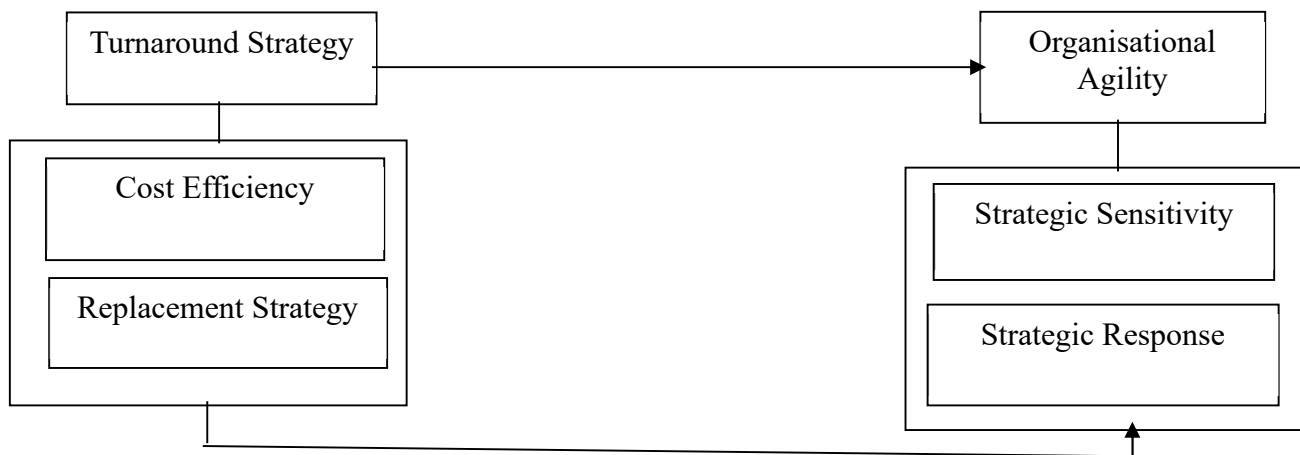
Ho₁: There is no significant relationship between cost efficiency and strategic sensitivity of manufacturing firms in Rivers State.

Ho₂: There is no significant relationship between the cost efficiency and strategic response of manufacturing firms in Rivers State.

Ho₃: There is no significant relationship between replacement strategy and strategic sensitivity of manufacturing firms in Rivers State.

Ho₄: There is no significant relationship between replacement strategy and strategic response of manufacturing firms in Rivers State.

Conceptual Framework



Source: Operationalized by the researcher.

Fig

1: Conceptual framework of Turnaround strategy and agility of manufacturing firms in Rivers State.

TURNAROUND STRATEGY

A turnaround strategy is a type of retrenchment plan used by a firm when it realises it has made bad judgements in the past and wants to undo part of its work before it affects the company's profitability and income (Shaw, 2023). Turnaround recovery strategies are a set of tactics used by businesses to recover from a period of poor performance (Corporate Finance Institute Team, 2023). When a company's performance, market circumstances, or a country's economy are in decline, it employs a variety of tactics to mitigate the damage. One of them is the turnaround plan. It is a

technique in which you retreat and reverse an earlier bad decision, transforming the company's position from loss to profit.

A manufacturing firm's turnaround strategy may comprise performing diagnosis, cost reduction efficiency, product innovation, market repositioning, financial restructuring, leadership, and culture (Austin, Marsden, & Cooney, 2021). Diagnosis is the process of determining the underlying causes of a company's problems, which might range from internal operational challenges to external market influences. Measures to minimise needless expenditures, optimise operations, and increase overall efficiency are implemented in cost reduction and efficiency improvement. Processes may be streamlined, supplier contracts renegotiated, and production workflows reorganised. Product innovation entails creating new or upgrading existing products to meet changing client wants and market trends. This could entail investing in research and development to discover novel solutions.

Through rebranding, marketing campaigns, and the exploration of new distribution channels, market repositioning reassesses the firm's target market and positioning to better line with client expectations. Financial Restructuring deals with financial concerns such as debt reduction, loan renegotiating, and finding external investment to help stabilise the company's financial condition. Leadership and culture assess the leadership team and the company culture to ensure they are supportive of the necessary changes. Strong leadership and an adaptable culture are essential for successful turnarounds.

Most businesses have not prioritised turnaround maintenance in their cost-cutting initiatives. The importance of turnaround maintenance to plant safety and uptime has shielded it from routine reengineering and budgetary initiatives to some extent. Cutting purchasing and shutdown time can result in significant savings, as can increasing the duration between required turnaround repair events. Companies use turnaround recovery strategies to address a decline in performance and mark an upturn period following a significant period of negativity, and some of the most common turnaround recovery strategies used by companies include a change in leadership, a focus on core business activities, and asset retrenchment (Corporate Finance Institute Team, 2022).

Turnaround management is devoted to corporate rejuvenation that employs analysis and planning to save struggling organisations and return them to solvency, as well as to identify and correct the causes of poor market performance (Wikipedia, 2023). Turnaround management entails conducting a management review, root cause analysis, and a SWOT analysis to understand why the organisation is failing. Following the completion of the analysis, a long-term strategy plan and restructuring plan are developed. These plans may or may not include declaring bankruptcy. Once approved, turnaround professionals begin implementing the plan, constantly assessing its progress and making changes as needed to ensure the company's viability.

Cost Efficiency Strategies

Most businesses adopt turnaround recovery tactics in order to save money. Cost efficiencies comprise a diverse set of measures designed to provide rapid wins for a corporation. Before implementing more complex tactics, the procedures may increase a company's cash flow or stabilise its finances. Cost-cutting measures are frequently employed as the initial step in any recovery strategy (Corporate Finance Institute Team, 2023). Companies like cost-cutting

turnaround recovery techniques because they are simple to adopt, require little cash, and have an almost immediate impact. Companies implement a turnaround strategy as a recovery protocol in order to achieve cost efficiency, and this necessitates a wide range of activities for a company to undertake in order to gain a quick win (Shaw, 2023), and the measures would improve the company's financial position and stabilise its cash flow before developing a complex strategy.

Cost-cutting techniques can also harm the resources required to retain a company's core focus, as cost-cutting strategies are subject to low morale and staff motivation, high turnover rates, deteriorating working conditions, and low job satisfaction (Shaw, 2023). Hence Cost-cutting measures may have a negative influence on a company's resources, which are critical to its growth and success.

Replacement Strategy

Top managers or the Chief Executive Officer (CEO) are replaced by new ones under a replacement strategy. As part of a turnaround recovery strategy, companies frequently replace existing CEOs (Corporate Finance Institute Team, 2022). This turnaround technique is adopted since it is theorised that new managers offer recovery and strategic change as a result of their diverse work experience and backgrounds (Barker III, & Duhaime, 1997). During a turnaround, most firms appoint new chief executives from outside the company to introduce new ideas into the top management. The rationale behind the CEO replacement plan is that CEOs carry responsibility for a company's unfavourable status, and their replacement serves as a signal of change. To minimise repeat, CEO succession should always be followed by a reorganisation of the senior management team. As a result, a new senior management team might allow a company to concentrate on fresh initiatives to lead the turnaround. It is also critical to be mindful that new CEOs might produce challenges that impede the achievement of a turnaround if they disrupt effective organised processes or add new administrative overheads and standards (Boyne & Meier, 2009).

AGILITY

Agility is an organization's ability to respond to changing conditions by rearranging its resources, procedures, and strategies in response to new opportunities and difficulties in the marketplace. An examination of the literature on strategic agility reveals that an agile organisation can prosper in a competitive market by utilising its responsiveness, competence, flexibility, and speed to obtain a competitive edge (Ganguly et al., 2009; Oyedijo, 2012). Overby et al. (2006) define agility as an organization's capacity to quickly and efficiently respond to changing market conditions, both favourable and unfavourable.

Organisational agility, according to Hitt et al. (2007), is a proactive approach to management that prioritises the preservation of an organization's resources and the rapid fulfilling of customers' demands and wishes. Strategic agility is an organization's ability to efficiently and effectively redeploy and redirect its resources to higher-yielding activities as internal and external environments change and new opportunities, threats, and risks emerge (Sampath, 2015; Teece et al., 2016).

Businesses that are strategic agile may adapt, endure, and even thrive (Doz & Kosonen, 2008). Strategic agility, in their opinion, is an organization's proclivity to make frequent course corrections in its core business in order to maximise value production. According to Tabe-Khoshnood and Nematizadeh (2017), strategic agility consists of two components: responsiveness

and knowledge management. Sensor agility, decision-making, and exercise and application of agility are the three components of strategy, according to Sambamurthy et al., (2003).

According to Oosterhout et al. (2006), an agile organisation is not only "flexible" enough to accept known changes, but also capable of responding to and adapting to unanticipated changes in a timely and effective manner. It is the level of performance that an organisation can accomplish via its own efforts and how well it handles changes. In this sense, strategic agility refers to a set of processes that enable an organisation to notice changes in its internal and external environments and respond to them in a timely and cost-effective manner.

Strategic Sensitivity

Sensing is defined by Seo and Paz (2008) as the ability to identify, collect, and examine commercial prospects. Sensing refers to the strategic monitoring of environmental events that may have an impact on organisational strategy, competitive work, and future performance, and it entails a variety of activities, such as gaining access to information about events that demonstrate environmental change on the one hand, and discarding irrelevant information on the other, in light of established norms and guidelines (El-Sawy, 1985).

Strategic sensitivity is the awareness, comprehension, and evaluation of numerous strategic aspects, both internal and external to an organisation, that can influence its decision-making process. It entails recognising and appreciating the potential consequences of various options, actions, and decisions in the context of the organization's goals, resources, and the larger business environment. Being strategically responsive entails monitoring and analysing progressive elements on a constant basis in order to uncover opportunities and dangers that may affect the organization's strategy and understanding the organization's strengths, weaknesses, resources, and core skills are critical for effective decisions. Assessing an organization's internal capacities to determine how well it can adapt to changes by using its strengths to rectify flaws is part of strategic sensitivity. A strategic-minded corporation must be adaptable since the business landscape is continuously changing, and organisations must be adaptable to remain competitive. Being strategically responsive is being open to new information and willing to adapt strategy as it becomes available. Understanding the ethical consequences of various actions and ensuring that the chosen strategies correspond with the organization's beliefs and ideals are all part of being strategically sensitive. In essence, strategic sensitivity necessitates a comprehensive approach to decision-making that takes into account the interaction of numerous factors and their possible impact on the success of the organisation. In a volatile and uncertain business climate, it enables organisations to become more proactive, responsive, and resilient. Sensing agility is the ability of an organisation to investigate and monitor events and changes in the external world in a timely manner in order to accommodate to variations in customer preferences, the actions of new rivals, and the introduction of new technologies (Park, 2011).

Strategic Response

The responsiveness of an organisation is defined by its ability to mobilise and convert resources in response to opportunities identified. It is critical to align these two skills in order to achieve strategic agility. Strategic response is linked to the process of making decisions and carrying them out by Daft and Weick (1984) and Dutton and Duncan (1987). Strategic response refers to the actions and efforts that an organisation does within its strategic plan to solve issues, capitalise on opportunities, and accomplish long-term goals. It is the actual use of strategic thought and sensitivity to successfully navigate changes in the business environment. A strategic reaction is a

purposeful and calculated approach that is consistent with the overall strategy of the organisation. Implementing a strategic response frequently necessitates the allocation of resources, such as cash, employees, and time (Paine, 2011). Proper resource allocation is required to ensure that the chosen approach is successfully implemented (Rockett, Besanko, & Braeutigam, 2005). A strategic response must be carried out effectively. This includes putting plans into action, tracking progress, and making adjustments as needed along the route. It is critical to continuously monitor the strategy reaction in order to assess its effectiveness. Regular feedback and performance monitoring aid in determining whether changes are required to keep on course. Because the corporate environment is fluid, the effectiveness of a strategy approach may shift over time. Organisations must stay adaptable and ready to respond when new information becomes available.

EMPERICAL REVIEW

Ngwenya, Sibanda, and Zana (2016) investigate the amount of effective turnaround strategy implementation in Harare's manufacturing sector from 2009 to 2014 against the backdrop of obstacles and problems encountered. The 14 subsectors of Zimbabwe's manufacturing sector were studied using a triangulation method design, and companies were chosen for the study from among them using a stratified random selection. Questionnaires that were distributed both physically and electronically to collect the data. Also done were in-depth interviews with managing directors and chief executive officers. According to the study's findings, businesses in the manufacturing sector adopted cost-cutting turnaround tactics, with retrenchments failing to provide any fruitful outcomes. Major internal and external hurdles affecting the implementation of turnaround plans include toxic organisational cultures, mismatched organisational structures, working capital restrictions, outdated and deteriorating equipment, liquidity crisis, and restrictive government laws.

Obulor, & Onuoha (2023). investigates the relationship between organisational agility and strategic orientation in manufacturing enterprises in Rivers state. Entrepreneurial orientation and market orientation are the dimensions of strategic orientation, and sensing ability and decision-making capacity were adopted as measurements for organisational agility. Within the Port Harcourt Metropolitan Area, four manufacturing companies from the Rivers State were chosen. Each of the companies' employees was randomly chosen from among forty (40). Spearman rank correlation was used to test the hypotheses. The findings show a substantial correlation between the organisational agility measurements and strategic orientation.

This study aims to empirically evaluate the relationship between turnaround strategy and business performance. Profit, return on investment, and return on equity were the three indicators of company performance, while turnaround, the predictor variable was operationalized with cost reduction, asset reduction, and revenue generation. A survey study was carried out. The instrument of the study is questionnaire and interview. The Pearson correlation coefficient was used to construct descriptive statistics using the SPSS window editor, and regression coefficients were obtained to test the hypotheses. The analysis's findings indicate a strong and favourable correlation between turnaround strategy and business performance.

METHODOLOGY

The current study used quantitative research approach to reach at the decisions by using numeric data. As this study is correlational in nature, deductive method of inferencing was applied. One-hundred and two (102) managers and supervisors of 5 manufacturing firms in Rivers State make up the sample size. The study utilized simple random sampling technique to select members of the sample frame, whereas copies of a structured questionnaire was distributed to the sample. Partial Least Square – Structural Equation Modelling (PLS-SEM), using SmartPLS software, was used for analysing the data. Path coefficients (β values) was used to determine the correlations, while p-values were used to determine the level of significance. Null hypothesis with p-values less than 0.05 level of significance were rejected, while those above 0.05 were accepted.

Table 1: Reliability Test

	Cronbach's alpha	Composite reliability
Replacement strategy	0.900	0.910
Cost efficiency	0.959	0.962
Strategic sensitivity	0.967	0.969
Strategic response	0.980	0.981

The Cronbach's Alpha reliability and Composite reliability values for each of the constructs were greater than 0.7. Therefore, our constructs are reliable.

Table 2: Validity Test

	AVE	COE	RES	STR	STS
COE	0.861	0.928			
RES	0.720	0.234	0.849		
STR	0.926	0.358	0.480	0.962	
STS	0.883	0.212	0.249	0.428	0.940

The average variance extracted (AVE) of all the constructs are greater than 0.5 which signifies the presence of convergent validity. The diagonal values (in bold) are greater than the AVEs, thus confirming that each construct is distinct from any other one. Hence, the model endorsed discriminant validity for all the constructs.

ANALYSIS AND DISCUSSION

One-hundred and two (102) copies of the questionnaire were distributed to the respondents, out of which, ninety-six (96) copies were returned, and hence, were utilized in this research. The hypotheses were tested using PLS-SEM to test the relationship between turnaround strategy and agility. There are 20 observed variables for which questionnaire has been framed. All these 20 observed variables are conceptually related to four Latent variables (Cost efficiency, Replacement strategy, and Strategic sensitivity and Strategic response). The indicators represent the different components of the Latent variables. The diagrammatic representation of the relationship between the variables is given in the Path Diagram of Figure 2.

Turnaround strategy (TUS), Cost efficiency (COE), Replacement strategy (RES), Agility (AGY), Strategic sensitivity (STS) and Strategic response (STR).

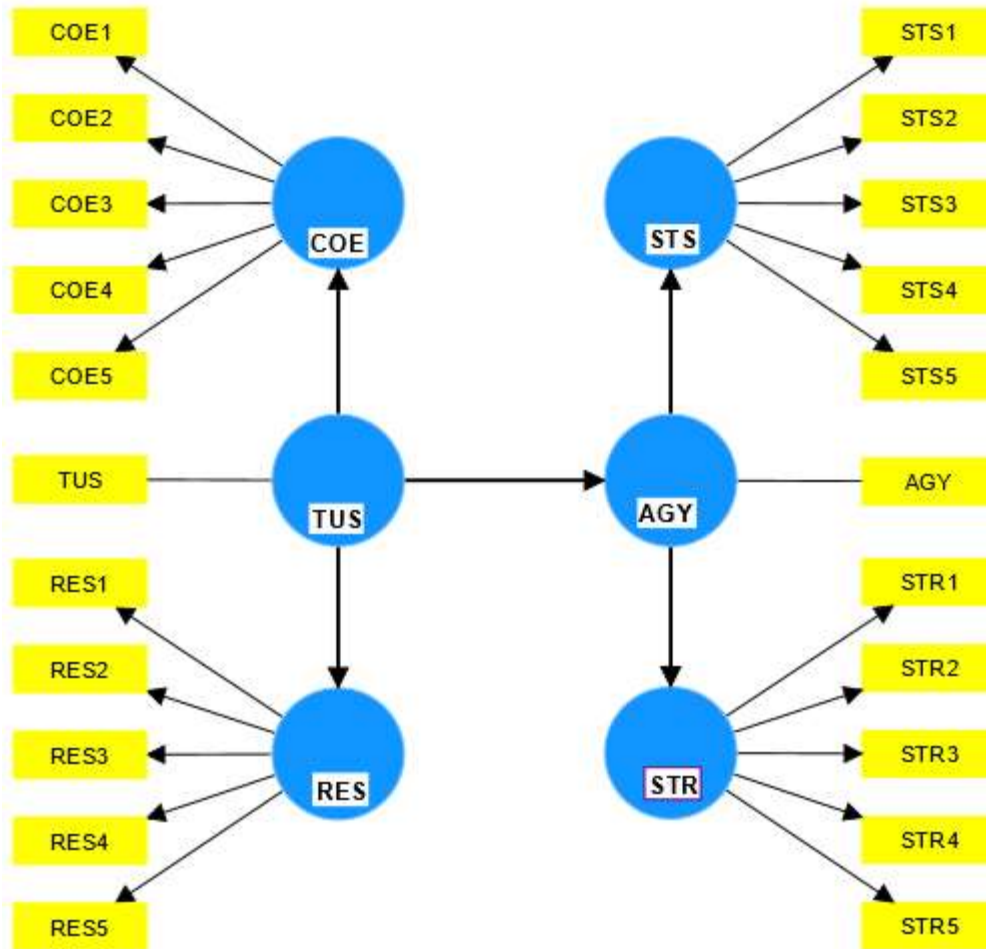


Figure 2: Research Model

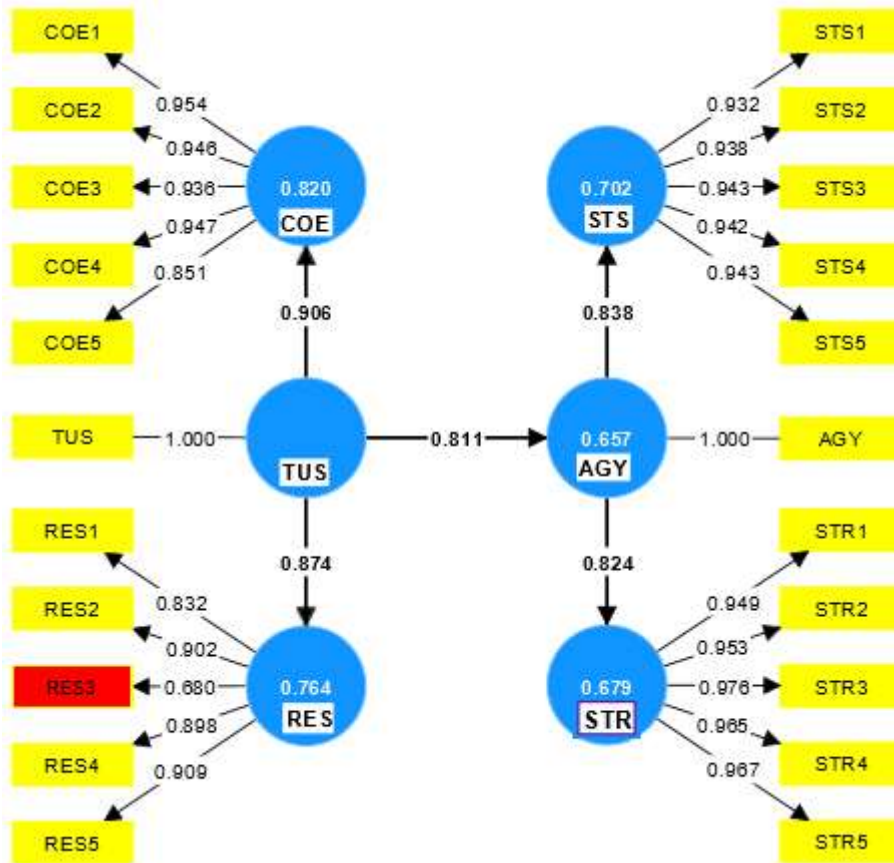


Figure 3: Output for Outer Loadings of Indicators

Figure 3 shows that all the response items for the constructs satisfied the threshold condition of 70%. However, RES3 had an outer loading of 0.680 which was less than 0.70, and it was thus not used in the analysis.

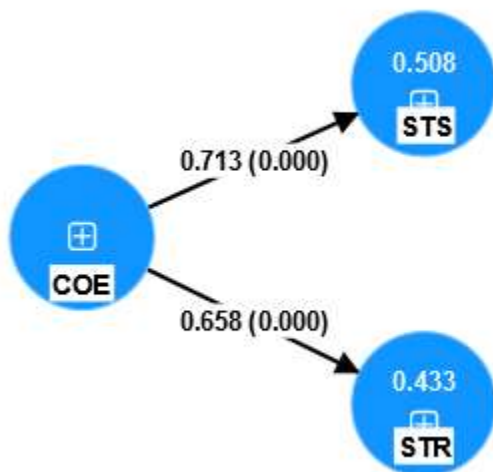


Figure 4: Hypotheses 1 and 2

The path relationship analysis presented in Figure 4 indicate that there are positive and significant paths between Cost efficiency and Strategic sensitivity (where, $\beta = 0.713$; $p = 0.000$; and $R^2 = 0.508$), and Cost efficiency and Strategic response (where, $\beta = 0.658$; $p = 0.000$; and $R^2 = 0.433$). Therefore, the null hypotheses 1 and 2 were rejected and the alternate hypotheses were accepted.

The result of the analysis for hypothesis one showed that there is a significant relationship between cost efficiency and strategic sensitivity of manufacturing firms in Rivers State. It was also observed that the relationship between the two variables is positive and strong. The null hypothesis is rejected. The coefficient of determination (R^2) was 0.508. Which implies that cost efficiency accounts for 50.8% change in strategic sensitivity. This confirms the work of Ngwenya, Sibanda, and Zana (2016) who pointed that businesses in the manufacturing sector adopted cost-cutting turnaround tactics, with retrenchments failing to provide any fruitful outcomes.

The result of the analysis for hypothesis two indicated that there is a significant relationship between cost efficiency and strategic response of manufacturing firms in Rivers State. The coefficient of determination (R^2) was 0.433. Which implies that cost efficiency accounts for 43.3% change in strategic response. The null hypothesis be rejected and the alternate hypothesis is accepted. This confirms the report of Paine (2011) that implementing a strategic response frequently necessitates the allocation of resources, such as cash, employees, and time.

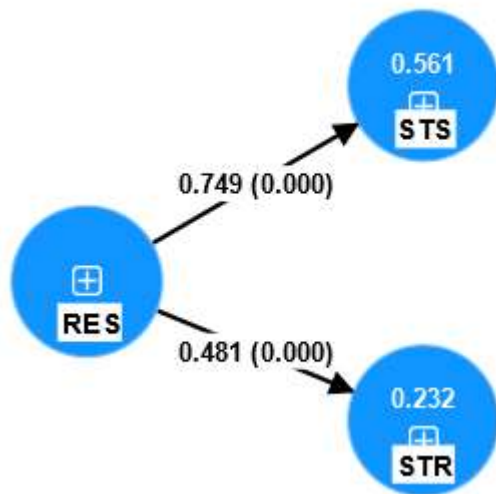


Figure 5: Hypotheses 3 and 4

The path relationship analysis presented in Figure 5 indicate that there are positive and significant paths between Replacement strategy and Strategic sensitivity (where, $\beta = 0.749$; $p = 0.000$; and $R^2 = 0.561$), and Replacement strategy and Strategic response (where, $\beta = 0.481$; $p = 0.000$; and $R^2 = 0.232$). Therefore, the null hypotheses 3 and 4 were rejected and the alternate hypotheses were accepted.

The result of the analysis for hypothesis three indicated that there is a significant relationship between replacement strategy and strategic sensitivity of manufacturing firms in Rivers State. The

coefficient of determination (R^2) was 0.561. Which implies that replacement strategy accounts for 56.1% change in strategic sensitivity. The null hypothesis was rejected. This result supports the report of Obulor & Onuoha (2023) whose findings show a substantial correlation between the organisational agility measurements and strategic orientation.

The result of the analysis for hypothesis four indicated that there is a significant relationship between replacement strategy and strategic response of manufacturing firms in Rivers State. We find that there is strong positive bond between replacement strategy and strategic response. The coefficient of determination (R^2) was 0.232. Which implies that replacement strategy accounts for 23.2% change in strategic response. It is concluded, based on the decision rule, that the null hypothesis be rejected. This supports the work of Park (2011) that a strategic-minded corporation must be able to investigate and monitor events and changes in the external world in a timely manner in order to accommodate to variations in customer preferences, the actions of new rivals, and the introduction of new technologies.

CONCLUSION/RECOMMENDATIONS

Based on the findings of the work, we conclude that there is a strong and significant connection between turnaround strategy and organizational responsiveness. The work showed that there are positive and significant paths between Cost efficiency and Strategic sensitivity; and Cost efficiency and Strategic response; as well as a positive and significant paths between Replacement strategy and Strategic sensitivity; and Replacement strategy and Strategic response. As such, we recommend that:

- (i.) Manufacturing firms should implement a turnaround strategy as a recovery protocol in order to achieve cost efficiency, this in turn will help the firm to be strategically sensitive to the changes in the business environment.
- (ii.) Managers of manufacturing firms should implement cost efficiency as this would improve the company's financial position and stabilise its cash flow boosting their response to business dynamisms.
- (iii.) Manufacturing firms should focus on replacement strategy as a strategic turnaround tool to improve firm services and determine how well it can strategically sensitive to changes.
- (iv.) Managers of manufacturing firms should adopt strategies that develop replacement strategy for improved responsiveness to customer needs.

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