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FACULTY OF COMMERCE

DEPARTMENT OF ACCOUNTING

***RESEARCH TOPIC*:**

AN ASSOCIATION OF CAPITAL INJECTION, RESTRUCTURING, AND

FINANCIAL PERFORMANCE OF A COMPANY:

A CASE STUDY OF ZIMASCO

SINOSTEEL ZIMASCO (Pvt) Ltd
A member of Sinosteel Corporation

MEGI MAKUWATSINE

R12520E

This dissertation is submitted in partial fulfillment of the requirements of the Bachelor of Commerce (Honors) Degree in Accounting in the Department of Accounting at Midlands State University.

Gweru: Zimbabwe, SEPTEMBER 2014

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DEDICATION

I would want to dedicate this dissertation to my loving husband Robson Makuwatsine, my two children Robin and Raylen Makuwatsine- thank you for the unwavering support.

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Firstly my gratitude goes to the almighty God and creator who granted me the opportunity to be at MSU, gave me the gift of life and sailed me through up to this stage.

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My family and friends,Thank you for the support you gave me financially, socially, emotionally and spiritually. Special mention goes to my husband Robson and my good friend Tinashe. I want to thank you for all the encouragement, love and affection you have showered me without any reservations, may the dear Lord continue blessing you.

ABSTRACT

Purpose: The purpose of this study is to examine the associationof capital injection, restructuring and financial performance of a company, To investigate the reasons why capital injection and restructuring are failing to translate to desired performance levels and provide guidelines to protect the integrity of the association in a bid to guard against retarded financial performance.

Design/methodology: The research made use of primary and secondary data at the disposal of the researcher. Primary data was collected through the use of questionnaires and interviews on the other side secondary data was gathered from textbooks, academic journals and other informative websites such as the business digest and newspapers. Quantitative research method was used to analyse the data.

Findings: The research unveiled lack of adequate planning on restructuring, conflict of interest on priorities, lack of adequate support structures ,poor administration and general loss of business confidence as the major barriers to the success of the association.

Research implications: The research was concluded by recommendations meant to protect the association from failure which makes the research a resounding success.

DEFINITION OF TERMS

The following definitions and terms shall apply throughout this document unless the context indicates otherwise.

Capital injection	An investment of capital generally in the form of cash or equity into a company or institution. The word "injection" connotes that the company or institution into which capital is being invested may be floundering or in some distress, although it is not uncommon for the term to also refer to investments made in a start-up or new company.
Restructuring	Any change to a company`s capital structure, operations or ownership that is outside the ordinary course of business**.**
Operational restructuring	A reform and change in operations by changing management and cutting costs and changing legal and regulatory systems.
Core capital	The minimum amount of capital that a thrift bank, such as a savings bank or savings and loan company, must have on hand in order to comply with Federal Home Loan Bank regulations. Core capital consists of equity capital and declared reserves. The minimum requirement was put in place to ensure that consumers are protected when creating financial accounts.
Net capital base	This is essentially the money contributed by the shareholders who first purchased shares in the company plus retained earnings. It also includes an initial investment plus subsequent investments made by an investor into their portfolio

ACRONYMS

ZIMASCO	Zimbabwe Mining Smelting Company
IMF	International Monetary Fund
R.B.Z	Reserve Bank of Zimbabwe
ZISCOSTEEL	Zimbawe Iron and Steel Company

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CHAPTER 1: INTRODUCTION

1.0 Background the study

This study assesses the link or the association between capital injections, restructuring and financial performance. It specifically analyses the relationship between capital injection in capital projects by an entity and the expected perceived financial benefits which should emanate from this, Del Negro et al. (2010). The study seeks to hedge against future business failure and mal-performance of corporates by critically assessing the association. The study will enlighten prospective investors and company executives on critical issues which help alleviate dysfunctional tendencies on the association and shed light on constructive mechanisms to bolster financial performance.

ZIMASCO experienced five staggered capital injections amounting to $120million as depicted by fig 1.1 below. The injections and restructuring was done in a bid to improve the flow of operations and to resuscitate the ailing company (ZIMASCO Board minutes, 2014). In 2009 ZIMASCO had a capital injection of $35million from SINO steel company, an investor from China. The major thrust of the injection was to increase the operating capacity by reconstructing furnace number 2 which had been destroyed by fire due to an electrical fault. The furnace is 35% complete which approximates to $12m of the $35m which gives a variance of 65% (Management report Sino Steel, 2009). Immediately after the injection of $35, there was a management restructuring exercise due to the coming in of the new investor, SINO Steel. However despite the capital injections, Profits and output have been on a downward movement from 2009 to date as depicted by Table 1.1.

Table 1.1 Movements in capital and performance

Period	Movements in capital	Output in metric tones	Target output	Variance	Net profit	Target Profit	Variance
	,000,000	,000,000	,000,000	~~%~~	,000,000	,000,000	~~%~~
2009	35	135	200	33	8	15	47
2010	-	120	200	40	6	15	60
2011	40	117	200	42	7	15	53
2012	35	100	200	50	7	15	57
2013	10	99	200	51	2	15	87

Source: ZIMASCO Board minutes, 2014

In 2009, the company achieved an output of 135million metric tons of chrome which further dropped to 120million metric tons in 2010. The drop of 11% from the 2009 production position indicated a negative response to capital injection and restructuring exercise in terms of output. Consequently, the company registered a 15% drop in profits from a profit of $12million in 2009 to $7million in 2010. The company received a further $40m in 2011 from SINO Steel to replace dilapidated equipment. The move was to bolster productivity and warranty uninterrupted operations. However, the company failed to meet set targets by 40%. In 2012 a further $35m was injected by SINO Steel in its maneuvers to consolidate control of operations. Despite the inflows, the company missed its target profit and output by 57% and by 50% respectively, Musekiwa (2013). The last injection which ceded control to SINO Steel of $10m was made in year 2013. The injection could not make a difference on the downward spiral of output and profits. Regardless of the injections and restructuring, Gombo, (2014) in his financial reports prompted that the aforementioned could not translate to productivity and improved financial performance.

The plight of ZIMASCO can be traced in some companies in Zimbabwe. For instance, in 2012, ZABG had a capital injection of $22.5m from Trebor and Khays (Business daily 2014). The bank continued to make losses. In 2012 the bank made a loss of $5m and in 2013, the bank faced prolonged liquidity challenges which halted its operations. The same can be said of ZISCOSTEEL which received $700m in 2011 and is still to commence production to date.

1.1 Problem Statement

In the past six years ZIMASCO has experienced numerous capital injections and a series of restructuring exercises which were meant to strategically solidify its operations and cement sound financial performance. However, the company has experienced a decline in output and profits bringing into question the effectiveness of the association of capital injection and restructuring on financial performance. The study seeks to find ways that hedge against the collapse of ZIMASCO, strategies that bring the best out of the association of capital injection and restructuring on financial performance and best possible measures to stimulate ailing companies in Zimbabwe.

1.2 Objectives

- To establish the motivation for the association of capital injection, restructuring and financial performance.
- To determine the consequences of excluding restructuring on the association of capital injection, restructuring and performance.
- To establish the obstacles impeding the achievement of the association of capital injection, restructuring and financial performance.

- To determine how the association of capital injection, restructuring and performance has been adopted in other countries to enhance financial performance.
- To explore critical areas and fallacies that has made the association of little value for companies to compete globally and construct remedies to restore lost value in the association.

1.3 Main Research question

Is the association of capital injection and restructuring the remedy for sound financial performance for ailing companies in Zimbabwe?

Sub research questions

- What is the motivation for the association of capital injection, restructuring and financial performance?
- What are the consequences of excluding one variable in the association of capital injection, restructuring and financial performance?
- What are the hindrances of the success of association of capital injection, restructuring and financial performance?
- What strategies are being used to influence the success of the association in like companies on a global scale?
- What are the critical areas and fallacies which need redress to unlock value in the association and the redress thereof?

1.4 Significance of study:

The purpose of this research is to demonstrate reasons why the association of capital injection, restructuring and financial performance has not been successful in Zimbabwe especially at ZIMASCO (Pvt) Ltd. The quest being to advocate for efficiency and effectiveness of the association to help save ailing companies. The aspiration of this study together with future research is to provide guidelines to what traps to stay away from, it should contribute to knowledge and understanding about sound and practical implementations of the association and at a later stage enlighten prospective investors and company executives on how to attain value for money from the aforementioned association. The creation, motivation and use of the association will be the prime objective with the view of realizing the fullest potential of the association to organisations and owners of the resources.

1.5 Contribution

The research seeks to bridge the information gap which led to retarded financial performance after a series of capital injection and restructuring exercises. This study seeks to provide insight to preserve ZIMASCO, other processing companies from collapse and on how the company can be competitive on a global scale.

1.6 Assumptions

- The researcher will assume the respondents will possess reasonable knowledge with regards to the area under review.
- The researcher will assume that the respondents will possess adequate expertise to contribute significantly to enhance the quality of the research.

- The researcher will assume that respondents will co-operate by providing accurate facts and information to produce quality research work.

1.7 Delimitations of the study

The study is restricted from 2009-2013.The study is also limited to ZIMASCO due to limited resources and time. The main respondents will be ZIMASCO employees, mainly those charged with governance as they possess reasonable knowledge for the success of the study.

1.8 Limitations of the study

- **Confidentiality Constraints -** Respondents may also be unwilling to divulge information that they feel is private and confidential thereby limiting the researcher. The researcher will reassure the respondents that findings will be held in confidence and be used for academic purposes only.
- **Working Area Constraints –** The research was done on ZIMASCO. Therefore it may not be possible to generalize the results of this study to all failing company

1.9 Summary

This chapter gave the introduction of the whole project. It outlined the background, problem statement, research objectives, research questions, significance of the study, contributions, assumptions as well as delimitations and limitations of the study.

CHAPTER TWO -LITERATURE REVIEW

2.0 Introduction

This chapter seeks to explore literature on the association of capital injection, restructuring and financial performance and analyses the fundamental principles to the study. This foundation should pave way for an in-depth analysis of the above stated association and ways in which weaknesses and strength to the same can be identified and mitigated in the case of mal performance. It will clearly outline the motivation for the association, consequences of excluding restructuring in the association, highlight obstacles to the achievement of the goals of the association; highlight the way the association has been adopted in other countries to enhance financial performance, and explore critical areas and fallacies that have made the association of little value for companies in Zimbabwe to compete globally. Also, it will show the literature from different scholars revealing how they agreed and how they disagreed in their ideologies and clearly confirm the information gap they let out in the process. This chapter will close by an evaluation of the literature that has been put forward by the student.

2.1 Motivation for the association of capital injection, restructuring and financial performance.

Capital injection, restructuring and financial performance defined.

Del Negro et al. (2010) postulates that capital injection is an investment of capital in the form of cash and or equity into a company or institution which would be floundering or in some distress although in some cases it can be used for startup companies. Naohisa Hirakata et al prompts that capital injection is a deliberate release of one’s resources into an already established entity to manipulate the current status quo for perceived gains in future. According to Norley et al (2010), restructuring is the act of reorganizing the legal, ownership, operational or other structures of a company for the purpose of making it more profitable and better organized for its present needs. Peacock (2010) articulates that restructuring is a change to a company's capital structure, operations or ownership that is outside the ordinary course of business. This study seeks to exonerate restructuring from improving financial performance as a single variable but assess its role to financial performance in the association of capital injection, restructuring and financial performance. According to Grant (2013), financial performance refers to the act of performing; execution, accomplishment, fulfillment of the financial aspirations and or goals of an organisation. Cascio (2011) prompted that financial performance refers to the degree to which an achievement (financial) is being or has been accomplished by an entity. Thus, not just the presentation, but the quality of results achieved refers to the performance. The thrust of this research is to find the link between financial performance and the association of capital injection, restructuring and financial performance.

Profitability as a motivation

The above mentioned components of the association highlights that profitability is the prime objective of the association. Cascio (2011) prompts that restructuring in the association is aimed at reducing operating cost which will ultimately increase returns and profitability. He cited that employment restructuring for example laying of some workers will lower employment cost which is a direct reduction in total cost hence increasing profitability chances. Morgan Stanley in Cascio (2011) suggested that payroll expenses remain fixed hence reducing them whilst holding everything else constant through restructuring of employment will subsequently result in increased revenue which will increase the value of the company. Stanley (2011) postulated that in America most big companies embarked on an employment restructuring exercise citing

General Motors and Ford motors as examples of companies which laid off 80% of its workforce but condemned the reasonableness of the drive. Also, Nikolai et al (2009) suggest that due to growing competition and globalization, organizations need massive capital injections to cope with technological developments and restructuring in order to transform corporate strategies and structures for the company to remain profitable. They postulated that if a company does not expose itself to capital injection it risk being left out in acquiring new technical equipment which is expensive but rewarding in the long run. They further hinted that most firms risk being out of business due to the fact that those embracing new technology will produce at a higher scale at low cost and assured quality which makes those companies with little capital less efficient.

Nikolai and company further suggested that restructuring is then a necessity in synchronizing new technology and skills to produce quality products and services. Redundant workers will have to be laid off to ease employment cost which will subsequently lower operating cost. Cascio and Nikolai et al, concur that a combination of capital injection and restructuring is critical to save companies from collapse and restore the going concern assumption. They then disagree on making it profitable with Cascio suggesting that restructuring has a way of doing away with experienced employees. Cascio further heightened that the chance of a new comer being an established business member is slight hence compromised leadership is often associated with failure. On the other hand, Cascio (2010) confesses to have found no significant, consistent evidence that employment downsizing led to improved financial performance, as measured by return on assets or industry-adjusted return on assets which rebuts Nikolai's promptings. This then award the researcher an opportunity to pursue the reasonableness of the two propositions by the scholars in the association of capital injection, restructuring and financial performance.

Diversification as a motivation

According to Ernest and Young (2013), capital injection and restructuring is in some cases done so that an entity may have diversified portfolios meant to minimise financial risk at all cost. However, Ernest and Young were quick to acknowledge that diversification is a secondary objective to maximizing returns on capital hence profitability or financial performance is the prime objective. Ernest and Young (2013) suggested that the reasons behind restructuring are influenced by either internally driven forces or external forces. It postulates that internally driven restructuring is mostly proactive, that is, an organization choses to redesign its operating model as a continuous improvement. More so, Ernest and Young prompted that externally driven restructuring is a response to the changes within the operating environment. Cascio (2010) postulates that for a capital injection to produce a viable and sound financial performance it has to be mixed with both internal and externally motivated restructuring. On the other hand, Grant (2012) insinuates that a lot of acquisitions (capital injections) do not live up to the expectations of investors due to poor restructuring exercises which do not meaningfully address pertinent problems. Grant rather suggested that restructuring is heavy on theory and principle rather than practical experience hence guarantee automatic failure for corporates when enacted. The thrust of this research is to critically assess the contribution of restructuring in the association of capital injection, restructuring and financial performance.

Control as a motivation.

Andre J. Blaauw (2011), indicated that the need to assert control on operating activities may prompt minority stakeholders to inject capital in a business. He highlighted that investors would want to have a control on how their monies are used hence prompt the need for restructuring in the association of capital injection, restructuring and financial performance. Gant (2013) hinted on the need to change the model of operations in a fundamental way other than gaining control on operating activities. The change is a result of association of capital injection, restructuring and financial performance. Lisa Paul et al (2013) heightened that the desire to assert control on returns often prompts organization to make maneuvers to restructure and increase their shareholding by means of grabbing every opportunity that unveils shares to it. On the other hand, Neyens (2012) put forward that control is of significant or is of paramount importance if the returns are favorable. If the returns are not favorable, it will be wise for a minority stakeholder to dispose their stake. Heroy and Jack (2011), postulated that the need to influence operating activities is the cause of major rifts in positions of authority thereby may compromise on the overall financial performance of an organization as objectivity is lost in the fight for authority. Vanhorn (2011) insinuated that it is not the quest for control that causes organisations to restructure and accept capital injections but the benefits associated with it. Control on its own does not warrant financial performance but can cause severe disadvantages if the organisation experience negative returns. The thrust of this research is to ascertain the motivation for the association and the impact of control as a motivator of the association.

Emerging markets and capacity building as a motivation for the association

Lisa Paul et al (2013) advocates that the association of capital injection, restructuring and financial performance is mainly a shove to increase shareholders wealth by providing resources in a struggling firm after having identified an opportunity from which the investor can exploit the company's line of trade in the face of emerging market. Price Waterhouse Coopers (2013) reckoned that 73% of capital injections in developing countries especially in Africa is meant to take advantage of emerging markets in Europe and Asia as local companies do not have the capacity to expand their operations on their own. They further cited that in some countries in Africa parastals have received capital injections to improve their capacity to operate at a global scale citing BP Shell in Nigeria and other oil extracting companies in Libya. Moreso, Price Waterhouse Coopers highlighted that loans and debt restructuring are the major forms of capital injections with the view to capacity building and servicing of emerging markets. They also hinted some scenarios where shares are issued in the wake of emerging markets. In addition, Grant (2013) heightened that the association is needed in business at it ensures that the business will cope with market changes. Grant prompted that some business fail to cope with changes in the market hence they become unprofitable. Dingjun Yao et al (2014) is of the opinion that increasing one’s organization capacity is a motivation for capital injection in a company which faces an emerging market but prompts that the main reason behind any such investments is not capacity building or need to service emerging markets but the dividends associated with servicing new markets. They further confounded the wisdom in capacity building and servicing emerging markets by asking why investors who cushion for the idea of capacity building and servicing of emerging markets do not invest in research and nonprofit making organizations which needs the aforementioned incentives to the association of capital injection, restructuring and financial performance. Furthermore, Pascal Finette (2011) postulates that there is no motivation in pursuing emerging markets since there is no guarantee that it would be profitable for the organisation. He cited that many organisations may incur losses regardless of a ready market but hinted on establishing viable networks instead.

2.2 Consequences of excluding capital injection in the association

Bowman et al (2009) indicates that there are three forms of restructuring namely, financial, operational and portfolio restructuring. They suggested that the organization risk facing dire consequences by neglecting a critical component of restructuring in the association of capital injection, restructuring and financial performance. Below is an account of the consequences of removing restructuring in the association named above. The account is made up of the views of multiple scholars as indicated on every proposition moved by the academics.

Failure to have clarity of roles and responsibilities in an organization

According to Ernest and Young (2013), an organization is likely to face multiple challenges in terms of roles and responsibilities given that there has been a capital injection and a deliberate evasion of the restructuring exercise. Ernest and Young (2013) prompted that if new capital has been injected in an organization and there is no corresponding response by management to realign responsibilities the quest of the organization is likely to be void. For instance, new and complex equipment is a must to keep abreast with new technological developments to meet the needs of the market and to remain competitive. According to Bowman et al (2009) acquisition of new technical equipment is an operational restructuring which will further demand a change in roles given that new or existing personnel has to be assigned to handle the machines or technology. The coming in of technology brings about operational changes in terms of human deployment as some workers will become redundant due to technology or excess to requirement due failure to have recognizable skills in particular areas. Also, Bywater and Glennon (2009) concurred with EY but suggested that roles and responsibilities have to be continuously revised due to the dynamism of the market. They further indicated that business has to adopt to the changes in the operating environment hence the need to constantly address the need for aligning roles and responsibilities to foster accountability to stakeholders concerned. Moreso, Mnali (2012) prompted that failure to address roles in an organization will lead to poor financial performance due to poor quality products or under ulitisation of technology and funds. Finette (2012) indicated that if an organization does not restructure after an injection it is likely to fail due to gross abuse of funds and lack of vision. Mnali and Finette cited some instances where directors ignored restructuring in parastals in Brazil which led to directors prioritizing acquisition of personal loans other than the prospects of the organization.

In contrast to the above stated, Myhiranga (2011) prompted that it is not mandatory for an organisation to restructure after a capital injection. Gono (2012) suggested that the Central Bank of Zimbabwe only need an influx of capital for it to resume it operation as the lender of the last resort thereby indirectly concurring with Myhiranga. Moreover, Bloch (2011), heightened that restructuring is useful if the organisations objectives needs to be revised and aligned to operations. He also, advocated for the need of restructuring only if the current settings will not be able to coup with the expected demands of capitalization. The thrust of this research is to review the fate of ZIMASCO in light of the above cited facts by the academics.

Low productivity due to mismatch of Talents

Mnali (2012) heightened that a company which does not restructure is likely to fail to make its operations leaner and effective hence can operate in high fixed cost due to redundant workers kept by an organization in non-productive segments. Price Waterhouse Coopers (2013) echoed the same sentiments by suggesting that an organization that fails to operate with staffs that are skilled in operations and strategy cannot make operations bonier and serviceable. Price Waterhouse Coopers (2013) prompted that failure to match skills and talents to particular streams of production will not only compromise quality of products by jeopadise the morale of employees and customers hence making the organization less competitive and profitable. Also, Classens (2012) heightened that the organization that fails the above strategic objective increases its chances of failing to nail effective communication amongst staff hence may result in compromise on quality and professionalism. Furthermore, Naveen and Parker (2009) heightened that in some instances it is not the mismatch of talents to work that prompts low productivity but the morale of the workers due to lack of trust on new system. They further speculated that if the organizations fail to comprehensively deal with fear of the unknown and resistance to change then low productivity is a natural consequence to the effect.

On the other hand, Gilson (2012) mentioned that in organizations were roles and responsibilities are not changing in the changing environment and after a capital injection are most likely to have a mismatch of talents. He further moved to condemn the previously alluded status quo by saying it is highly associated with high overhead cost as there is no room for stream lining production on the basis of skill and talents. Also, Ernest and Young (2013) prompted that failure to match skills to jobs will compromise the possibility of improved productivity due to the learning effects often associated with rightful training and skills deployment. Manuel (2012), gave a different opinion to others by suggesting that low productivity has nothing to do with restructuring but to the overall welfare and mental state of employees. He further suggested the use of motivational speakers and councilors to help restore confidence. Philip Bence, (2013) also speculated that lack of motivation, poor performance and low productivity is a result of poor management. He heightened that workers welfare had nothing to do with restructuring but everything to do with management. The thrust of this research is to establish whether reduced output at ZIMASCO has been a result of poor restructuring as poor restructuring can cause dire consequences as of unstructured entities after capital influxes.

Failure to optimize size and location.

Bywater and Glennon (2009), heightened that change is inevitable and that organisations that have diversified portfolios and operations through restructuring are slowly ripping the benefits for they are better adapted to today's environment than those resisting restructuring. Ernest and Young (2013) concurred with Bywater and Glennon (2009), by suggesting that restructuring firms better suits the needs of their clientele by being closer to them in terms of location which will subsequently lower their purchase price for products and services. Optimization of size to operations ideally removes unnecessary fixed cost and may result in increased economies of scale. According to Ernest and Young (2013) being closer to markets results in increased revenues and cost reductions which will subsequently push out those companies that do not heed to the call of restructuring after capital injections.

However, Giddy (2012) is of the opinion that restructuring creates value to shareholders as it involves the defining of value creating activities and allocating these functions to suitable divisions or centers. Also, optimizing size involves redeploying workers to value activities and laying off of redundant members. His promptings suggest that failure to effectively optimize size will lead to losses and less competitiveness. Mendels (2010) suggested that failure to optimize is not only a result of failure to restructure but also lack of coherence on each variable employed and strategy meant to bring results. Moreso, Matamba and Partners (2011) heightened that in Zimbabwe it is difficult to optimize as the environment is not static and the political outlook unpredictable at times. Furthermore, Smallings (2009) postulated that optimization is not restricted to restructuring but a component of other variables such as suitability of policies within the operating environment and the mental aptitude of the leadership of the company.

Failure to attain strategic goals

According to Gilson (2011), the exclusion of restructuring in the association of capital injection, restructuring and financial performance is likely inhibit the organization from pursuing new strategic opportunities and to attain credibility in the capital market. Gilson's sentiments were in line with Ernest and Young (2013) drive of giving an organization a chance to attract new markets and explore emerging markets through restructuring. Failure to take hold of new markets will only make the organization less competitive hence less profitable as put forward by Grant (2013). The above cited scholars were rebutted by Classens (2013) who postulated that not all companies need to restructure to take advantage of new markets but can continue with traditional structures and experience massive growths due to advertising. Classens gave Coca cola as example. Gilson (2013) dismissed Classens notion by promptly articulating that failure to change product taste for years could not be taken as failure to restructure for emerging markets since Coca cola adopted different approaches in meeting stakeholders' needs.

2.3 Obstacles to the association of capital injection, restructuring and financial performance.

Due diligence exercises

Dingjun Yao et al (2013), hinted that it is important to engage in a due diligence exercise in order to analyse data, prior and after the effecting of the association's attributes to enable the organization a chance to thoroughly assess data. Once data has been collected and analyzed, the organization then need to act quickly before the completion of the deal so that the preimplementation judgments can be validated. Dingjun Yao et al (2013) prompted that the following data needs to be assessed.

According to Dingjum Yao et al (2013), there is need for the investors and suppliers of capital to closely examine and analyse the selected operational and financial data provided by the business. This is to ascertain the worth of the business in order to correctly ascertain the needed capital injection to resuscitate an ailing company and or stir an organization to better performing levels. Also, it provides a facilitating environment for the incoming executives to acquaint themselves with the business. It also provides a platform from which strategies which suits the best interest of the business can be created and crafted to enhance the operations of a company as put forward by Gono (2012). Gono (2012), postulated that during the due diligence exercise, prospective investors need to hold discussions with key and strategic senior personnel to have insight on the operational challenges, opportunities and strengths. Also, Classens (2013) postulates that a quick look on how business is run and the day to day culture and climate of the business during the pre-engagement period facilitates the formulation of objectives, operating framework and strategies to eliminate possible future failure. Furthermore, Classens (2013) suggested that prior to a capital injection by shareholders or investors, the prospective investors need to gather and analyse information from commodity brokers, analyst, competitors and other sources to obtain an independent assessment of business with regards to market opportunities, readiness and availability of supplies and current developments within the market respectively.

On the other hand, Grant (2013) prompted that accurate information may be hard to find. So it is important to be selective in deciding what is and is not pertinent. Information should be weighed and analysed only to shape decisions on the likely risks of capital injection, on the opportunities to improve the business, and on possible exit strategies. Many investigations reveal inconsistent reporting and incomplete data. Plugging the gaps in due diligence is time-consuming, and may well not be cost-effective.

In addition, Neyens (2012) postulated that the limitations of financial due diligence are well known and that some big deals are struck after little formal investigation. In these cases, the price appears to have reflected the apparent increase in risk. A well-managed company in a regulated industry will seldom give rise to unexpected concerns. But one-off due diligence is often done with indecent haste. According to Neyens (2012) keen executives tend to soak up the good news that reinforces their commitment to the deal, but to blackout problems that could lead to doubt. And the due diligence report itself is so hedged about with caveats, both buried and overt, that there would be little value in taking action against its authors. By contrast, Andre J. Blaauw (2010) heightened that operational due diligence by practiced hands can open a goldmine of useful information, analysis and experienced opinion. He further cited that it provides little legal remedy. But its revelations about the true standing of a business in the marketplace can be invaluable. And a thorough appreciation of culture and values as well as of the contractual conditions of the main employees can help to set the priorities for the personnel in the period straight after the adoption of the association of capital injection, restructuring and financial performance.

Price Waterhouse Coopers (2013) prompts that no appraisal of a business can be completed without an understanding of how and where it makes money. The company might realise all the opportunities: or fall prey to every risk. The range between success and failure is wide. The thrust of the research is to unearth how efficient is the due diligence exercise in Zimbabwe.

Employee motivation

According to Bolton and Jeanne (2010) people are considered as the most important assets for the company and so it is very important to keep them motivated. The success of any company is backed by the hard work and dedication of its employees at all levels. Paradoxically, whilst management works hard to keep the external customers of the organisation happy, satisfied and, even delighted, they tend to put lesser efforts towards satisfying their employees, who are an integral part of their overall success which will eventually cause dissatisfaction on their part leading to poor quality and shrink in productivity. Poor quality products have a tendency of causing displeasure to most valuable customers hence impacting negatively on financial performance.

Successful business persons, such as Richard Branson, Steve Jobs and Bill Gates underline the importance of the human assets in their empires, Bolton and Jeanne (2010). Also, Grant (2013), postulates that in an attempt to restructure an organization after a capital injection, senior and experienced managerial staff is often laid off hence those who will be at the helm of the ship will lack in skill and experience causing the association to default. Also, Grant heightened that poor communication in restructuring roles can often lead to disgruntlement amongst employees. The research will seek to explore how employees' motivation has contributed to the decline in productivity.

Risk of planning

According to Ernest and Young (2013), postulates that senior management are responsible for designing a plan that the organization will ardently pursue. They further heightened that restructuring is done to align the organisations structure with production and market trends. Capital injection will provide the resources and necessary ingredients for the attainment of organizational financial among other objectives. Senior executives can miss it on the planning and execution stage hence exposing the organization to risk. Nikolai Rogovsky et al (2010) concur with Ernest and Young in that at times management might overlook critical issues in planning especially on the restructuring part. They gave an example of an organization that fail to consider labor relations laws which will eventually plague the organization with lawsuits in relation to wages. According to Rogvsky (2010), some capital injections are curtailed by unfavorable conditions such as limiting the market scope to investors' specifications. This will then inhibit growth and exploitation of emerging markets.

2.4 Fallacies and critical issues that has failed the association.

Associating past failure with personalities

According to Rogvsky (2010), many entities make the daunting mistake of associating past distress of companies to personalities without genuinely investigating the underlying facts. Most company executive personnel are caught up in the need to assume senior or leading roles of resuscitating ailing companies without demystifying causes of the lapse hence they fail to genuinely address the challenges and fall prey to the same as put forward by Bloch (2012). The same concept was echoed by EY which pointed out to tendencies of most organizations which associate business failure to the CEO and resolve it by appointing another person to the same effect with little efforts channeled towards robust reviewing of policies and strategies. The thrust of this research is to unearth the underlying facts which often cause the failure of the association.

Unsubstantiated hope

Gono (2012) prompted that little is being done on research to outwit recurrent challenges to the association of capital injection, restructuring and financial performance. Realist solutions and policy are not being crafted to resolve ongoing challenges as cited by Shuster and Van Horne (2012) but policy makers continue to hope for normalcy and resorting to austerity measures and job cuts. All the scholars cited above concur that hope has kept many companies going without policies and strategies to address their plights as a cause to failure of the association. Also, they concurred that low business confidence cripple the resuscitation of companies. However, Gono (2012) is of the opinion that personal enrichment and poor cooperate governance has haunted the success of the association in Zimbabwe. Schuster (2009), hinted that it is a myopic view of mankind to try to survive on hope that things will change for the better whilst doing little to change the rampant challenges causing the future to be bleak. However, Bloch (2012) strongly said at times the span of events will be elusive and beyond the scope of directors of companies leaving them with no realist options but to hope that things will change for the better.

The thrust of the research is to analyse the concept of unsubstantiated hope and assess the role played by hope in making the association of capital injection, restructuring in the case of ZIMASCO.

Loss of business confidence

It is believed that the manufacturing sector play a pivotal role in economic development through their function of attracting foreign direct investment which is key to unlocking value in any economy. Herrero (2009). Henceforth, the sector increases the spectrum of goods and services produced in an economy. Consequently the gross domestic product is on the increase and unemployment decreases and the social wellbeing of the people improved. However, if the manufacturing sector is not functioning well and serving its purpose, it inhibits national and economic growth and promotes imports which are more competitive and nullify the local produce. Gono, (2012) postulated that loss of confidence in the business sector may result in the emergence of parallel markets. He cited the existence of unlawful credit extension facilities which provide expensive financing cost which in turn will make local produce expensive. Gono, (2012) articulated that loss of confidence in the manufacturing sector undermine the formation of a healthy industry. Moreso, he further articulated loss of resources due to these unscrupulous activities which may inhibit the effectiveness of the role of the association.

Trade restrictions

According to Gono (2012) the average Zimbabwean is suffering from the syndrome of preferring foreign to local products. The preference of foreign products to local products is said to have drained profitability from local producers despite having been successfully capitalised and restructured. Also, Bloch (2012) has lamented the myopic view by Zimbabweans of confusing quality with imports. He heightened that sales of the same products between a Zimbabwean and a foreigner are different with the latter receiving more clients based on country of origin. He gave examples of people preferring to buy cooking oil from South Africa whilst turning their back on a regionally recognised Olivine brand because of past failures often associated with the company. Classens (2013) concurred with the above mentioned authors by saying that besides self-imposed mental blockages, Africa needs to be competitive enough to compete with international brands on a global scale to guarantee continued growth with little government inventions. Also, Classens heightened that one’s country political friends can then translate to strategic trade partners which might restrict a company from actively participating on a global scale.

On the other hand, Gono (2012) heightened that the restrictions in trade could be mental as evidenced by the average Zimbabwean disposition to copy and import regardless of quality. Furthermore, Classens (2013) postulates that some restrictions to trade maybe due to governmental policy. For instance, some countries may discourage their companies to import raw materials and products using unfavorable duty but encourage export. The essence of this research is to unveil in detail practices and trade restrictions that has been crippling the association.

2.5 Capital injection, restructuring and financial performance in other countries.

According to Bywater and Glennon (2009), capital injections and restructuring are meant to better improve shareholders wealth and the fortunes of a company. They further heightened that restructuring is mainly done to induce creativity and competitiveness hence profitability in an organization. Van Horne (2009) prompted that the exercise is delicate and therefore it needs to be handled by dedicated and experienced hands. He quoted Albert Einstein who postulated that you cannot resolve a problem with the same level of thinking we created them. He meant to suggest that there has to be a radical restructuring which will remove those charged with governance and policy formulation for the same company.

2.6 Strategies used by other countries to implement the association of capital injection, restructuring and financial performance.

Use of experts in the field of restructuring

According to Ernest and Young (2013), successful austerity measures used in the economic meltdown in the USA in 2008 encompassed use of financial experts to give expert financial guidance and in some cases expert legal advisory services in contract negotiations among other things. More so, Ernest and Young (2013) heightened that stream lining of the operations to make them compactible with current trends and desired structures can face much internal resistance by employees thereby engaging a professional will be more beneficial to the organization.Van Horne (2010) prompted that use of expertise in restructuring work can minimize resistance and can prompt an independent assessment of talents of personnel by an independent professional. In addition, the skills possessed by the expert in the work are said to be a learning curve advantage and eliminate the risk of making costly mistakes.

Also, Grant (2013) acknowledges the role played by Price Waterhouse Coopers in facilitating a successful implementation of the association at AON Private Limited in America. Also, research institutions are said to have availed reasonable assistance to companies implementing the association for best results as put forward by Classens. According to Classens (2012), many companies have had huge capital injections and accepted limited contracts which confined them to certain parameters. These parameters have inhibited financial growth of these companies. For instance, agreements signed by most Chinese investors in Africa reduced market scope to China and its allies. Also, the “acceptable” market might not be offering competitive prices. In addition, the going concern of such markets is not guaranteed in most cases as put forward by Bloch (2012).

However, Bloch (2012) concurred with the above mentioned scholars by postulating that expert advice always brings the best out of the association. Contrary to the previously alluded statement of fact, Bloch (2012) dared to highlight challenges to the cause when he suggested that the use of experts can only be relevant if the quoted expert has reasonable knowledge and practical experience which can be verified. He further insinuated that on such an endeavor to involve the services of experts requires the prospective investor to have meaningful resources as the services comes at a cost. Gono (2012) cited that some companies adopted the use of experts who have no clue on the practical aspects of business in a particular market hence the advice worked against the company. For instance, they cited that standards and market taste differ from place to place.

In Zimbabwe the concept is still to be appreciated by most companies that has adopted the use of expertise from internationally or accredited professional bodies. The study seeks to critically assess if the use of professional bodies can be recommended for the success of the association of capital injection, restructuring and financial performance.

Forming associations with excelling companies

Van de Laan et al (2011) heightened that the implementation of the association of capital injection, restructuring and financial performance can be daunting and tedious hence forth might require that the tried and tested be engaged to help breathe life in new aspirants. Van de Laan et al (2011) indicated that acknowledging one's weakness is a positive step towards recovery. He further indicated that if an organization failed to finance its own, henceforth required a capital injection, then efforts should be harnessed towards viable policies and strategies that will see the entity in business long after the restructuring and capital inflows. According to Van de Laan et al (2011) drastic measure were put in place in America to help the association of capital injection, restructuring and financial position. For instance, he postulated that trade aligned association can be put in place to help resolve technical challenges and to facilitate industry related research programs. For example, Ford Motors formed a technical partnership with Mazda during the traumatizing era of 2007-2008. Capital was injected in the ailing Mazda but for technical support they engaged the services of Ford Motors who provided them with research and technical support.

Workers were laid off in the motor industry resembling a restructuring exercise within the sector. Injection came in the form of subsidies by the government. In addition the association of the companies allowed the companies to produce the same make of motor vehicles. The formation of these strategic partnerships helped in covering the technical gaps and reduced research cost for either firms. However, Mcdonald (2012) heightened that the formation of strategic partnerships in technology inhibits competition and innovativeness across the sector although it helps companies to remain profitable. He further insinuated that the arrangement itself is not comfortable and should be a transitional base to financial performance. The aim of this research is to establish strategies that can be used in Zimbabwe to help boost financial performance and provide adequate structures to make local companies competitive on a global scale.

Probing the government for protection and favorable laws

According to Kamwendo (2010), economics cannot be effective without a healthy, supportive and objective governmental interference. Economic revival in Kenya begun when the government decided to partner with the business community.Mrykata (2009) hinted that reasonable government policies supported the association of capital injection, restructuring and financial performance in Europe and in Kenya. He postulated that government policy can restrict imports to promote local industry to be competitive. Mrykata highlighted that the prospect of government initiative of buying local produce and easing up on tax on companies that will be in the process of being resuscitated has been a major factor in America and Kenya. In Kenya, many repressive laws to business were revised after business have genuinely engaged the government in capacity building as put forward by Marykata. Also, in Malawi government gave autonomy to rice producing farmers to sell their produce to the most rewarding buyers despite rapid growth of local demand. This has enabled producers to have access to foreign currency hence made them remain in business despite the inflationary environment. The thrust of this research is to help identify the role of government in fostering the success of the association of capital injection, restructuring and performance in Zimbabwe.

2.7 Summary

This chapter has examined the association of capital injection, restructuring and financial performance. Also, it explored literature on fallacies that are associated with the association, strategies employed in other countries to make the association a resounding success and challenges often bringing down the success of the association in Zimbabwe. The researcher also explored literature on effects of neglecting restructuring in the association. This was achieved by referencing the views of major authors and scholars on the same topic. In the next chapter the researcher looks at research methodologies.

CHAPTER 3-RESEARCH AND METHODOLOGY

3.0 Introduction

This chapter explains the research methodology, standards and techniques used to collect data and to test the research model. It addresses aspects such as the research design, research instruments used and the justification for their use. The researcher also explained how the data was collected, analysed and presented in order to answer the research questions and to make conclusions thereof.

3.1 Quantitative research method

Quantitative research is a formal, objective and systematic process in which numerical data are used to obtain information about the world as put forward by Burns N, Grove SK (2000). Also, Aliaga and Anderson (2000) postulates that quantitative research methods are suitable where sampling techniques are going to be used and affords the researcher an opportunity to express findings numerically and enables mathematical manipulation of data which can be used to estimate future events. In light of the above stated, the research exploited quantitative research techniques as it afforded the researcher the privilege to describe variables, examine relationship among variables, determine the cause and effect interactions among variables. The search method best suited the thesis and facilitated a smooth presentation of findings in form of tables, graphs and percentages.

3.2. Research Design

Burns and Bush (2006) define a research design as a set of decisions that make up the best master plan specifying the best method and procedures for analysing the needed information.

The significance of studying the research design is to match the research objectives with appropriate research design; host of research decision maybe predetermined. The research design serves as a blueprint of the research and enables the researcher to come up with the proposed solution to the research problem.

Descriptive research design

According to Flick, (2005) and Kumar (2011) descriptive research systematically describes a situation, phenomenon or problem as it exist at the time of study. It is also referred to as a statistical research. It also affords the researcher a chance to employ different data techniques since they provide an accurate description of the variables in the problem model. Moreover, descriptive research focuses on determining the frequency with which something happens or the extent to which two or more variables are related. It also involves life experiences which can further be curtailed by the fact that ZIMASCO is currently experiencing the association of capital injection, restructuring and financial performance. Also, the data is readily available and inexpensive to use. The research is a case study because the findings from the Zimbabwe scenario especially from ZIMASCO cannot be generalized to represent each firm scenario in the world. This is due to the fact that challenges differ with economies and environments.

3.3 Population

According to Burns and Bush (2006), a research population is generally a large collection of individuals or objects that is the main focus of a query and according to Polit and Hungler (1999:37) refers to the research population as an aggregate or totality of all the objects, subjects or members that conform to a set of specifications. The population of interest is called the target population. Data should only be gathered from objects in the population of interest. However, due to the large sizes of populations, researchers cannot test every individual in the population because it is too expensive and time-consuming. The target population which was used by the researcher, was ZIMASCO executive and senior management who had been part of the company from 2009 up-to-date including those who fell by the leeway depending on their availability. Due to the fact that the whole population cannot be tested, the researcher decided to use the sampling technique.

3.4 Sample

A sample is defined as a subset of the population containing the characteristics of that population, Gratton and Jones (2010). The concept of sample arises from the inability of the researchers to test all the individuals in a given population. The sample must be a representative of the population from which it was drawn and it must have good size to warrant statistical analysis. Before you can calculate a sample size, there is need to determine the population size, that is, how many total people fit your demographic; margin of error (confidence interval) as no sample will be perfect, so there is need to decide how much error to allow as this determines how much higher or lower than the population mean you are willing to let your sample fall; confidence level – how confident do you want to be that the actual mean falls within your confidence interval with the most common being 90% confident, 95% confident, and 99% confident. There is also need to determine the standard deviation – how much variance do you expect in your response. Once you have the stated four, you can calculate the needed sample size.

Sample Size

A sample was used in this research because it was difficult to study the whole population because of its size. The sample of this study were senior management at ZIMASCO who are involved in the day to day running of the business and executives who are charged with the governance of the company and provide strategic dimension to the future of the entity.

The researcher used stratified random sampling method in the formation of a representative sample in the case of senior management. According to Gratton and Jones (2010) stratified random sampling is a method of sampling that involves the division of a population into smaller groups known as strata. In stratified random sampling, the strata are formed based on members' shared attributes or characteristics. The sample was stratified to obtain relevant views in regards to the questions as the researcher took cognizance of the fact that ZIMASCO has many senior managers in different areas of specialization such as accounting, audit and operations, engineering and IT. Only those with business related skills formed the strata.

The researcher used the database of active employees held at the Human Resources Department of ZIMASCO head office to form strata based on the grades provided by the Human resources manager. Staff in grades L to O was considered as senior managers who possessed reasonable knowledge to contribute significantly to the study. Each member of a stratum was allocated a number and the numbers were placed in a hat. The numbers were randomly picked and matched against the names in the stratum to form a sample. The researcher made sure that they selected 10 senior managers and 5 executive managers for sampling using the above mentioned criterion. More so, on board members, the researcher chose to sample those who could be available due to their busy schedules with the view that they are more knowledgeable in the association of capital injection, restructuring and financial performance.

The sample size for the questionnaires sent was 75%. According to Kumar (2011), a sample size of 30% is deemed representative when the population is large and stratified random sampling issued to choose sample units. All the questionnaires were hand delivered to the respondents. The researcher ensured that the sample selection for each stratum was representative of the whole population in the stratum that is where the stratum had a large population; the number of the sample size was adjusted accordingly. Table 3.1 shows details of the target population for senior management, executives and the sample selected:

Table 3.1; Population and Sample selected

Respondents	**Population size**	**Number Sampled**	**Percentage of sample size**
Company executives	10	7	70%
Senior Management	32	24	75%
Total	42	31	74%

[Source: Research generated]

Data sources

There are basically two types of data used on the research namely primary and secondary data.

Primary data

This is data that was collected by the researcher for the purpose of this research; the information was collected through the use of personal interviews and questioners to company executives, and senior management. Primary data was used because of its convenience to collect and it was up to date and it gave a balanced view of the topic under study. This was used because of the researcher's ability to have control over data accuracy and relevance to the problem. Primary data was used in that it met the needs of the researcher and was critical in attaining the researcher's goals. The importance of primary data to the researcher eliminated the existence of the disadvantages mainly centered on time and cost.

Secondary data

The researcher used data that was collected by other researchers for other purposes but related to this study. The sources in secondary data included literature review from textbooks, academic journals, that is, the researcher, got the information at the convenience of the library and home comfort. Newspapers and magazines with issues to do with the association of capital injection, restructuring and financial performance were used to obtain information. Furthermore the internet and company journals provided data that proved to be authentic, reliable and well acceptable in academic circles hence the researcher found it prudent to rely on such type of data. Secondary data formulated the researcher's background to the study and research topic. Literature readings uncovered the sources of evidence and helped through refining and transforming the original amorphous topic to a researchable question.

Secondary data was used because the information was broadly available and easy to obtain hence cutting back on time spent by the researcher in gathering information and the method was cost effective. However, the information obtained from the source was not specific to ZIMASCO.

3.5 Research instruments

In the quest to gather relevant and useful data about the research topic, the researcher resorted to primary and secondary research. The primary research involved the distribution of questionnaires and interviewing of company executives of ZIMASCO and senior management.

Questionnaires

A questionnaire is a document containing carefully laid down questions designed to solicit information for analysis (Kothari, 2009). This suggests that a questionnaire can be used by the researcher to collect data from subjects for research analysis. It involves sending questionnaires to respondents and requesting them to complete. Therefore, the researcher decided to make use of self-administered questions to collect data. Standardized questions and response format of the questionnaires ensured that every response was identical thereby facilitating easy data presentation, analysis and discussion of findings. The researcher made use of close ended questionnaires.

Questionnaires were physically handed over to respondents and they were completed in their own time eliminating any element of research bias. The questions were structured in a way that enabled collection of raw data that could be analysed without much difficulty. This was because the questionnaire incorporated both structured and unstructured questions. Respondents could further their line of thought through the unstructured questions. Questionnaires were used because data was standardised, easy to compare and that it was a cheap technique at the disposal of the researcher

Closed/Structured questions

Close-ended questions are used when all possible responses are known. These are questions with all possible answers identified and the respondent is asked to choose one of the answers. They should be used where alternative replies are known, are limited in number and are clear-cut. Close-ended questions were used in designing questionnaires distributed to company executive.

The use of close–ended questions was essential to the research as it guided respondents in answering questions hence provided specific answers.

Likert scale

Earl (2005) describes a Likert scale as a one dimensional scale commonly used in questionnaire research to measure the attitude of respondents. The Likert scale was developed by Likert in 1932 in measuring attitudes by asking a number of questions to a number of people on a particular topic, in terms of the extent to which they agree or disagree to them hence making use of the cognitive and effective components of attitude. The following responses were made use of as responses in the Likert scale by the researcher.

Table 3.2 Showing the Likert scale

Strongly agree	Agree	Uncertain / neutral	Disagree	Strongly disagree
1	2	3	4	5

Interviews

According to Kumar, (2007), structured interviews involve questions which are set out and followed thoroughly. Each candidate is presented with the same questions and this ensures that each respondent has the opportunity to respond to each question. Structured interviews have higher predictive validity and they assume that intentions and actual behaviours are strongly linked.

Face to face interviews were conducted by the researcher in which candidates were presented with standardised questioning whilst the researcher took down relevant notes during the process to improve validity and reliability of the interviews.

The use of interviews allowed the researcher to get responses from those people with busy schedules and needed clarification that could not be solicited from questionnaires.

3.6 Data collection Procedure

Questionnaires, interviews and logical deductions were used to collect data by the researcher. Questions were distributed to the respondents by hand and by mail. Follow ups on the questionnaires send and delivered by mail and by hand were done to reduce non-compliance rate to an acceptable level. Appointments for interview with respondents were made as per the schedule and per the respondent's requests. Responses were collected as soon as respondents were done, were clarification on the questions were sought the researcher would quickly attend to the respondents' needs. Respondents were continually assured whenever applicable that all the information was to be treated as confidential and used for academic purposes only.

Validity

Validity is the degree to which a certain inference from a test is meaningful or appropriate, Burns and Bush (2006).This is the measure of the extent to which the research instruments are reflecting the theories, concepts and variables that the research intended. Validity of the results determines the credibility of the results. It ensures that data collected is free from error and bias. Validity was judged using content, face, predictive and construct validity. For this research, questionnaires were given to the researcher's supervisor, colleagues and other academics to assess the validity thereof before distribution to respondents.

Reliability

Burns and Bush (2006) posit that reliability is the extent to which the observable measure represents a theoretical concept that is predictable, accurate and stable. Reliability is greater when the degree of consistence and stability of the results from the instrument is high. To assess on the reliability of instruments used, questionnaires and interview schedules were first assessed by the research supervisor and other academic scholars at the institution. . All questionnaires were checked for completeness and irrelevant data was discarded while relevant data was consolidated for analysis. This screening process allows the most significant observations to merge from all the data gathered in the field, while reducing the volume of data.

3.7 Data Presentation

Data was presented in narrative form. However tables and charts were used to facilitate better presentation and to enable quick conclusions to be made at a glance. Statistical analysis was incorporated into the analysis as well. Descriptive statistics was used to explain closed-end questions and where data was quantitative.

Data analysis

Data analysis is a process of inspecting, cleaning, transforming, and modeling data with the intention of highlighting useful information, suggesting conclusions, and supporting decision making. It involves reducing accumulated data into manageable size, developing summaries, patterns and applying statistical techniques (Cooper and Schindler, 2000). Microsoft excel was used in arranging data and making statistical analysis of responses received from respondents. Similarities were calculated using percentages, mean, standard deviation and mode.

3.8 Conclusion

This chapter established the research methodology of data collection to answer the research questions identified in Chapter 1. The objective of this chapter was to outline the planning details, as well as the research method and design employed. The planning, designing and administering of the questionnaire and population were presented and discussed.

CHAPTER FOUR-DATA PRESENTATION AND ANALYSIS

4.0 Introduction

The chapter deals with the presentation and analysis of research findings through the use of tables, graphs, descriptive summaries and pie charts. It also presents and analyses the findings from the primary research conducted through questionnaires and one-on-one interviews in line with the research questions and objectives as well as the literature.

4.1 Questionnaire response rate

Rubin and Babbie (2009) defined the response rate as the number of people participating in a survey divided by the number of people who are asked to respond, in the form of a percentage. The higher the response rate, the lesser the response bias. Response rate determines reliability of the results and is an indicator of how much reliability can be placed on the research results.

Table 4.1 Response Rate – Questionnaires

Respondents	**Questionnaires Distributed**	**Questionnaires received**	**Response rate %**
Company executives	7	5	71.43
Senior management	24	**23**	95.83
Totals	**31**	**28**	**90.32**

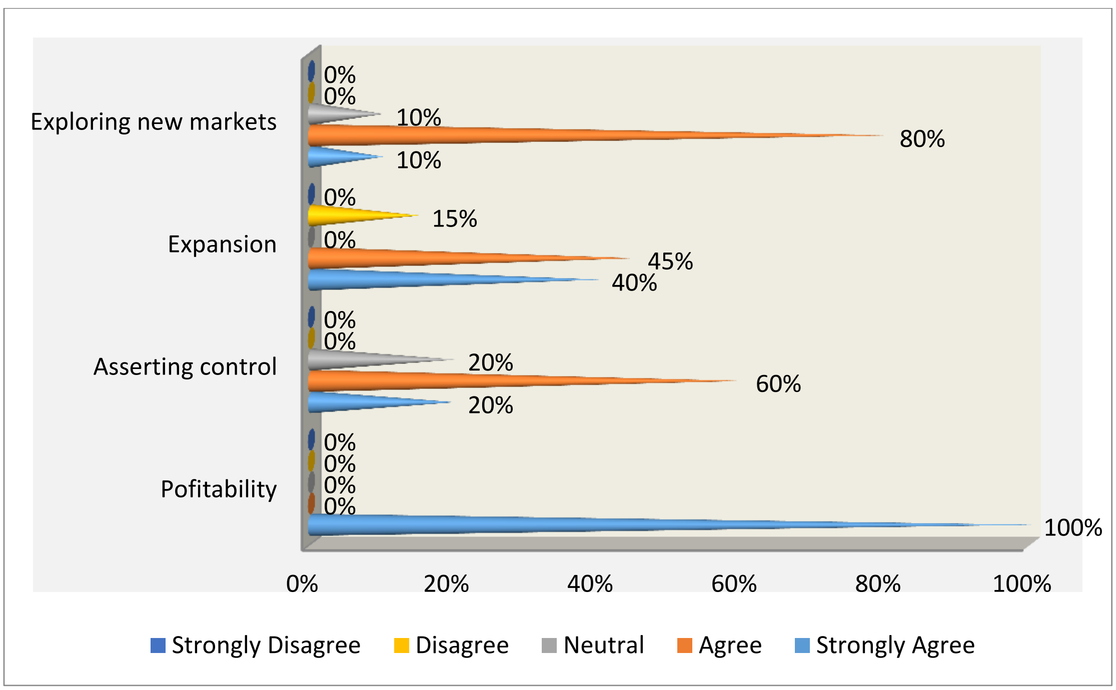
[Source: Primary data]

Of the 31 questionnaires sent out, the researcher managed to receive 28 responses as at date of consolidation. This shows a response rate of (28/31) 90.32% which is deemed sufficient and adequate to be a representative of the total population. The reason for non-respondents was due to misplacement of questionnaires and procrastination by other respondents. According to Rubin and Babbie (2009) a response rate of at least 60% is good and 70% is very good. The questionnaire response rate attained a 90.32% response rate therefore guaranteed validity and reliability of the study findings. Also, the questionnaires were submitted to the accounting department at MSU for further validation in case of queries.

4.2 Data analysis and presentation

Question1: The following factors are the prime objectives of capital injection, restructuring and financial performance in Zimbabwe:

***Fig 4.1: Objectives of capital injection, restructuring and financial performance*.**



i. Profitability

In response to the question, profitability was uncontested as the major objective of the association of capital injection, restructuring and financial performance receiving the nod of

(28/28) 100% of the respondents. (28/28) 100% of the respondents strongly agreed that profit is the main motivator. (0/28) 0% agreed to the above stated notion. A further (0/28) 0% were neutral to the fact that profitability is a motivator. Also, (0/28) disagreed whilst a further (0/28) 0% strongly disagreed. This proves beyond reasonable doubt that profitability is the prime objective of the association which justifies the non-amusement of the researcher as shown in chapter one. The mode of 28 concurred with promptings of Cascio who suggested that capital injection is to boost the working capital and replace dilapidated infrastructure in order to make the organisation profitable. Also, the respondents were in line with the sentiments of Vanhorne 2009 who stipulated that capital injections which are followed by restructuring are meant to reduce operational cost and the incentive of profit is thereby drawn into the equation. However, the respondents notably dismissed the notion of Nikolai (2012) who indicated that profitability after restructuring shall always remain a dream due to the divergence of objectives of the organisation and the need to replace senior staff as a tool to align the organisation.

ii. Asserting control in an organisation

The need to assert control has been lauded as one key objective to the association by the respondents. (6/28) 20% of the respondents strongly agreed with the concept that the objective of the association is to assert control of an organisation and cement the prospects of the majority stakeholders in a firm. Also, (17/28) 60% of the respondents agreed to the notion of asserting control as the primary objective of an investor when injecting capital in an entity.(7/28) 20%t of the respondents indicated to be indifferent to the cause by choosing to remain neutral.(0/28)0% disagreed whilst a further (0/28) 0% strongly disagreed. This then made 23/28 respondents to be in agreement with the notion whilst 0/28 disagreed. Moreover, those that agreed and strongly expressed their agreement to the notion are in line with Blaauw (2011) and Neyens (2012) who concurred to the fact that organisations seek to assert control through the association if they project future returns. The mode of 23 were in favour of the objective of asserting control and enjoyed the backing of Blaauw (2011) and Neyens (2012) who cited need to control operating activities as key to determining profits hence an incentive to inject capital.

iii. Expansion

The idea of expanding the activities and market share of the firm indicated to form an integral role as to the formation of the association as heightened by a massive (11/28) 40% of the respondents views strongly agreeing to the expansion as a motivator and (13/28) 45% of the respondents in agreement. Also, (0/28) 0% was neutral. On the other hand (4/28) 15% of the respondents were in disagreement. Furthermore, (0/28) 0% of the respondents strongly disagreed 24/28 were agreeing that expansion is a drive whilst 4/28 disagreed. The mode of 24 was in line with Assefa and Frostel (2009) who are of the view that the desire to grow and expand culminate in elimination of losses and generates a hope for increased profits. They concurred that to initiate expansion any noble being in business has to consider following the association of capital injection and restructuring.

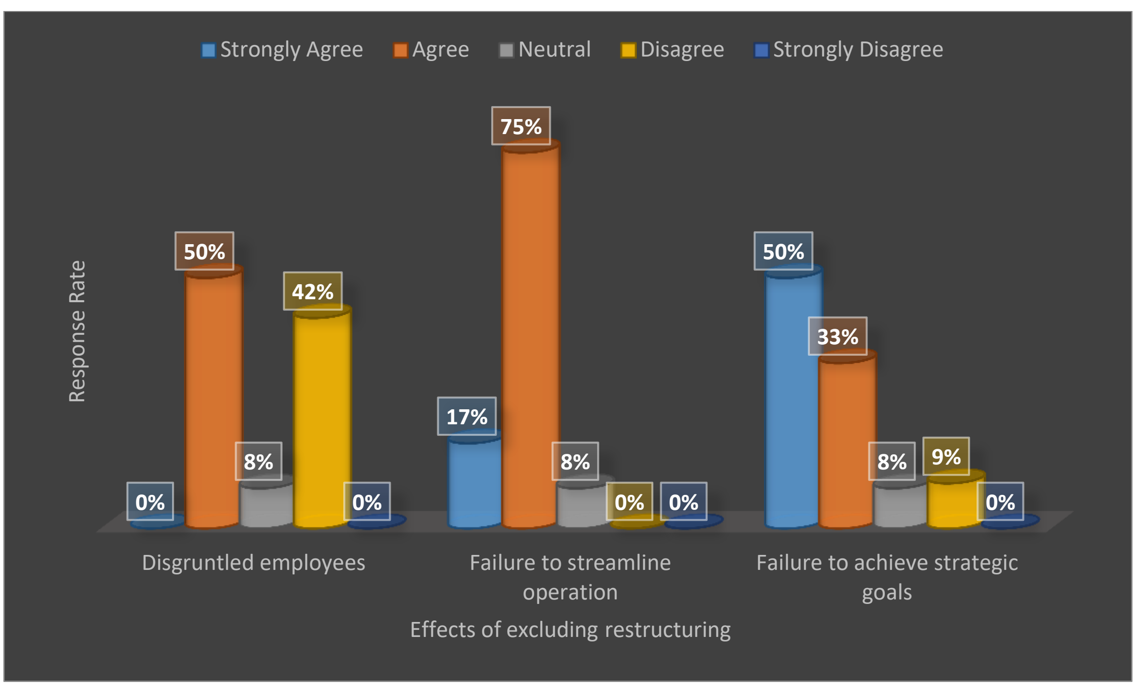
iv. Exploring new markets

Lastly, the need to explore new markets concluded the list of the objective of the association of capital injection, restructuring and financial performance. (3/28) 10% of the respondents strongly agreed to the notion whilst (22/28) 80% of the respondents agreed to the fact that the need to explore new markets is a prime objective of the association whilst only (3/28) 10% were in neutral. (0/28) disagreed whilst a further (0/28) strongly disagreed. A total of 24 were in agreement whilst 0 disagreed. The mode of 24 was in line with Bloch (2012) who postulated that when confronted with the new markets there is no other genuine measure to capture the opportunity if the organisation has no adequate resources than to go for a capital injection and restructure to make it more suitable. However, Gono (2012) reported that some organisation restructure and accept capital injections to meet statutory requirements despite the aforementioned objectives.

In conclusion, the objective of increasing profits is the most famous objective of the association. This is in line with the findings of Ernest and Young (2012) which prompted that the sole objectives of business are returns and benefits associated with it. Also Price Waterhouse Coopers (2013) echoed the same view and further suggested that it may also extend to social economic objectives which makes loses but gains in service and the benefits tied to the effect of the service.

Question 2: The following factors are the effects of excluding restructuring in the capital injection, restructuring and financial performance in Zimbabwe.

Fig 4.2: Effects of excluding restructuring: respondents responses.



i. Disgruntled employees

From the analysis above, (0/28) 0% of the respondents strongly agreed with the notion that disgruntlements of workers is and effect of excluding restructuring in the association of capital injection whilst (14/28)50% agreed that disgruntlement of workers is as a result of excluding restructuring. (2/28) 8% of the respondents indicated to be neutral whilst (12/28)42% of the respondents chose to disagree with the idea of disgruntlement of workers being a result of excluding restructuring in the association. (0/28) strongly disagree. A total of 14/28 agreed whilst a total of 2/28 disagreed. The mode of 14 was in line with the sentiments of Cascio (2012) who was advocating for improved implementation of worker restructuring to impact performance by entities positively when elaborating on the advantages of the restructuring an organisation.

ii. Failure to streamline operations

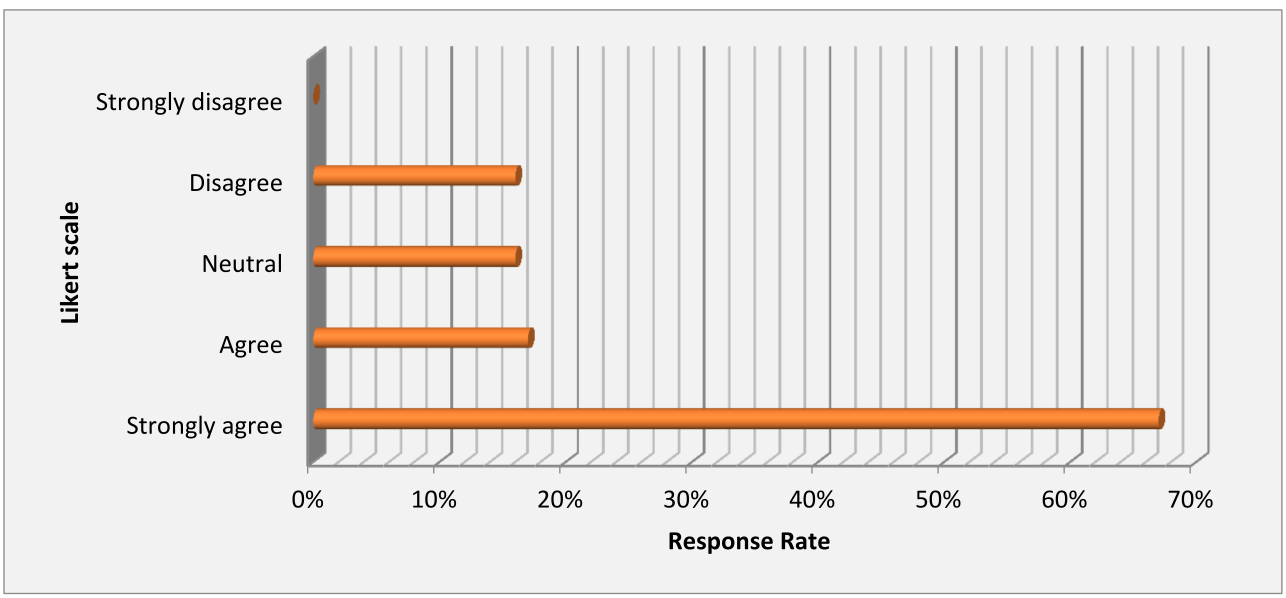
On the same question, (5/28) 17% of the respondents strongly agreed to failure to streamline operations as one of the leading factors of excluding restructuring in the association. (20/28) 75% of the respondents agreed to the notion whereas (2/28) 8% remained neutral and (0/28) 0% disagreed whereas (0/28) of the respondents in strong disagreement. The overall outcome shows a favorable response of 92% and that 0% were disagreeing. The mode of 25 concurred with the views of Bywater and Glennon (2009) who is of the view that restructuring in firms brings stability and synchronize operations. Failure of which will cause the organization to fail to streamline operations.

iii. Failure to achieve strategic goals

Lastly, (14/28) 50% of the respondents were in strong agreement with the view that failure to achieve strategic goals is a direct result of failure to restructure after a capital injection. (9/28) 33% agreed to failure to achieve strategic goals whilst only (2/28) 8% of the respondents were neutral. On the other hand, (3/28) 9% of the respondents disagreed and (0/28) 0% strongly disagreed. A total of 23/28 were agreeing with the notion whilst 3/28 were in disagreement. The mode of 23 concurred to the ideas put forward by Gilson (2011) that failure to restructure is likely to inhibit the organisation from pursuing new strategic opportunities and to attain credibility in the capital market. In conclusion, failure to stream line operations is the most popular outcome from the respondents of failure to restructure.

Question 3: The association of capital injection, restructuring and correct administration is the solution to ailing companies in Zimbabwe.

Fig4.3: Restructuring as a solution to ailing Zimbabwean companies.

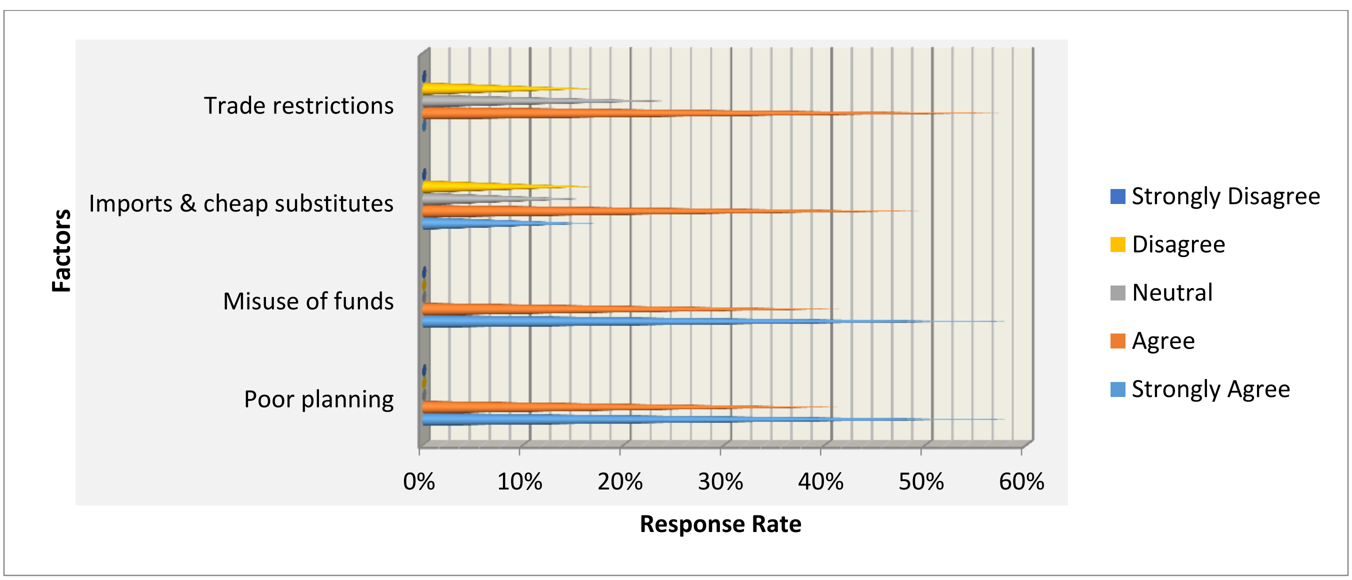


As depicted by fig 4.3 above, (18/28) 67% respondents strongly agree with the notion that the association of capital injection, restructuring and correct administration is the solution to ailing companies in Zimbabwe. Also, (5/28) 17% of the respondents simply agreed to the notion whilst (4/28)16% of the respondents indicated to be neutral to the notion. A further (5/28) 17% disagreed whilst (0/28) 0% strongly disagreed. A total of 23/28 respondents agreed whereas only 5/28 disagreed. This further disputed the observations of the researcher showing gaps in results.

The mode response of 23 showed that most Zimbabweans still believe in the association of capital injection, restructuring and financial performance despite glaring setbacks. The research findings concurred with Bloch and Gono (2011) who postulated that foreign direct investment and restructuring is needful to foster the going concern of financial institutions in Zimbabwe.

Question 4. The following factors hamper the attainment of the strategic goals on the association of capital injection, restructuring and financial performance.

Fig 4.4 Factors which hamper the attainment of strategic goals on the association of capital injection, restructuring and financial performance.



i. Poor planning

From the analysis above, (16/28) 58% of the respondents strongly agreed with the notion that poor planning is a threat to the attainment of strategic goals on the association of capital injection, restructuring and financial performance whereas only (12/28) 42% agreed with the above mentioned notion. Also 0/28 were neutral to the cause. On the other hand, (0/28) of the respondents were in disagreement whereas 0/28 were in strong disagreement. A total of 28 agreed whilst non were in disagreement. The mode of 28 was in line with the sentiments of Nikolai Rogvsky (2010) who was advocating for detailed planning to improve efficiency of the association. Moreso, Ernest and Young (2013) concurred with the respondents by clearly articulating that the association is a flow that should be handled with diligence hence requires planning in depth, failure of which can cause drastic consequences.

ii. Misuse of funds

On the same question, (16/28) 58% of the respondents strongly agreed to misuse of funds as the main barrier to the success of the association. (12/28) 42% of the respondents agreed to the notion whereas (0/28) 0% remained neutral and (0/28) 0% disagreed with 0/28 of the respondents in strong disagreement. The overall outcome shows a favorable response of (28/28)100%.The mode of 28 concurred with the views of Herero (2010) who is of the view that everything rises and falls on leadership. According to Herero if leadership or management divert funds from the planned objectives it warrants failure to premeditated initiatives and success to the new resolutions.

iii. Imports and cheap substitutes

In response to the question, (5/28) 17% of the respondents were in strong agreement with the view that imports have weakened local companies and have incapacitated the association to achieving a resulting success.(14/30)50% agreed to imports and cheap substitutes whilst only (7/30) 25% of the respondents were neutral. On the other hand, a handful of the respondents (5/28) 17% chose to disagree whilst 0/28 strongly expressed disagreement. A total of 19 agree whilst 5 disagreed. The mode of 19 concurred to the ideas put forward by Bloch (2009) who castigated the idea of importing products which can be manufactured locally. He lamented the ability of local producers to compete at a large scale against already established firms from companies which have access to cheap lines of credit and exposure to robust technology. Bloch bemoaned the plight of the association if remedy action is not instigated.

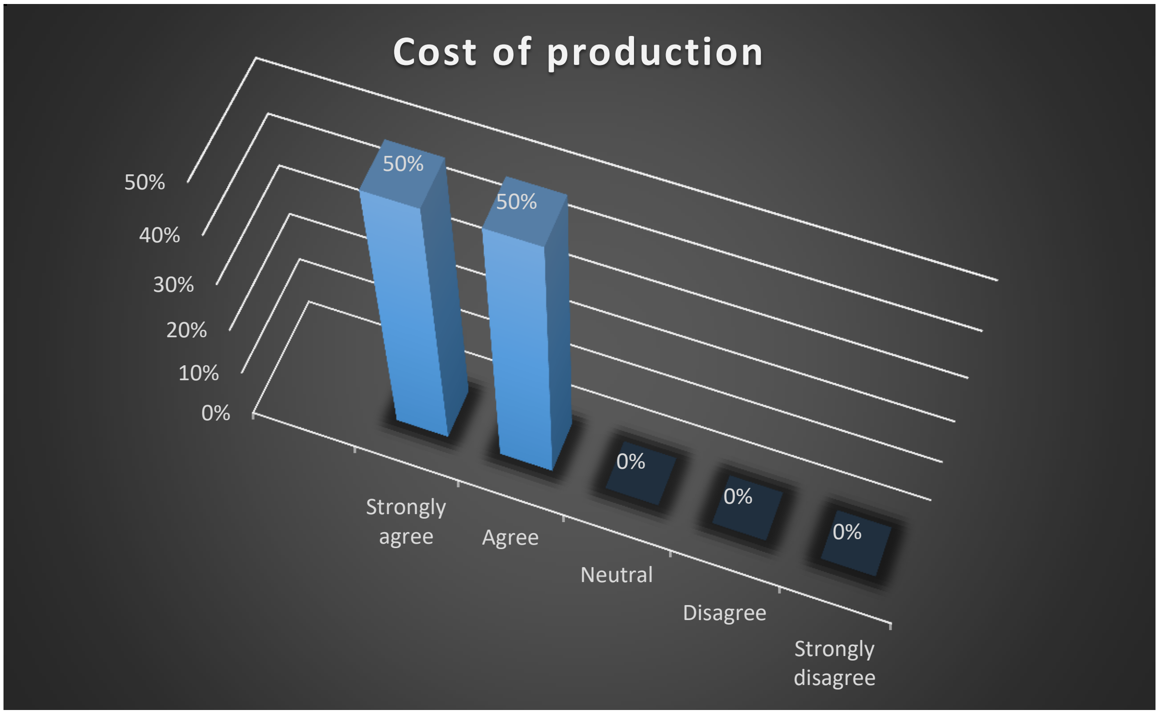
iv. Trade restrictions

In response the question, (0/28) 0% strongly agreed whilst (16/28) 58% of the respondents agreed that trade restrictions are an effective barrier to the association. Also (7/28) 25% remained neutral in light of the question whilst a mere (5/28) 17% disagreed and 0/28 strongly disagreed with the subject of trade restrictions inhibiting the association. A total of 5/28 disagreed whereas 16/28 agreed. The mode of 16 concurred with Classens (2013) who postulated that besides self-imposed mental blockages, Africa needed to be competitive to compete on global markets or remain confined to its borders.

In conclusion, poor planning and misuse of funds were taunted as the major barriers to the association by the respondents.

Question 5: The current cost of production is way too high than regional competitors hence local produce cannot be competitive to sustain competition in emerging markets.

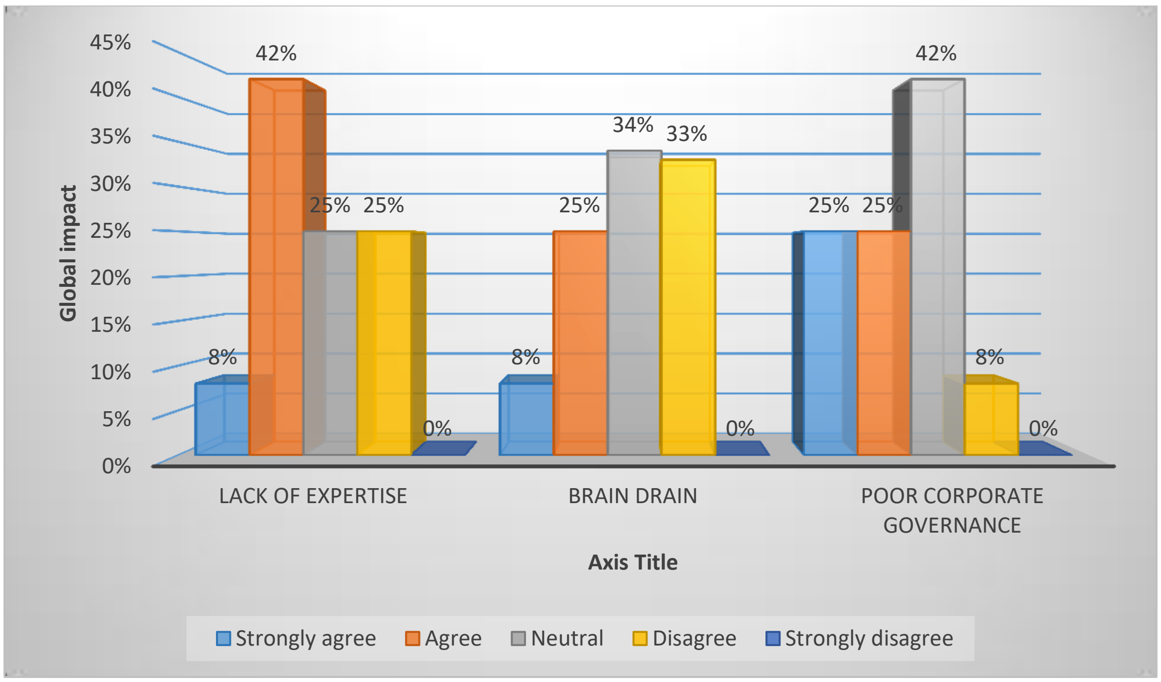
Fig 4.5: Respondents' responses on cost impact on global competition



In response to the question, an overwhelming (28/28)100% of the respondents indicated that the cost of local produce is higher as compared to other producers globally. A total of (14/28) 50% strongly agreed whilst another (14/28) 50% simply agreed to the notion. 0/28 respondents were neutral whereas disagreed and strongly disagree both attained a 0/28 respectively. Consequently, a total of 28/28 agreed and 0/28 disagreed. A mode of 28 concurred with the views of Herero (2012) who indicated that global competition is reliant on quality produce and the competitiveness of the prices on a global market. He further highlighted that products in developing countries are expensive due to use of old machinery which require to be manned by people and need huge attention in maintenance, old technology and failure to streamline production in order to eliminate unnecessary cost. The results puzzled the researcher because it is assumed that restructuring after a capital injection lowers the cost of production significantly.

Question 6: Failure to integrate the association variables at ZIMASCO is a result of

Fig 4.6: Respondents' responses on cost impact on global competition



i. Lack of expertise

In response to the above cited question, (2/28) 8% of the respondents strongly agreed with notion that lack of expertise in administering the association is a major ingredient of failure. Furthermore, (12/28) 42% simply agreed whilst (7/28) 25% of the respondents indicated to be indifferent. On the other hand (7/28) 25% of the respondents decided to dismiss the idea of lack of expertise by disagreeing with the notion. Also, (0/28)0% strongly disagreed with notion.

Consequently 14/28 respondents agreed with the notion whilst 7/28 disapproved. The mode of 14 concurred Vanhorne (2010 and Price Waterhouse Coopers who jointly admitted that the association of capital injection, restructuring and financial performance has better results in organisations where expert advice was solicited although they highlighted chances of possible failure from other variables. The findings indicated that administration of the association without expert knowledge is likely to be flawed.

ii. Brain drain

As shown by the analysis above, (9/28) 33% of the respondents indicated to be in disagreement with the fact that failure to integrate the association variables at ZIMASCO is a result of brain whilst (0/28) did show strong disagreement. (10/28) 34% were uncertain on the matter under review. (7/28) 25% of the respondents agreed with the notion that brain drain is ultimately responsible for poor integration leading to malfunctioning of the association whilst (2/28) 8% strongly agreed with the notion. Those who disagreed amounted to 9/28 whilst those who agreed also amounted to 9 hence the highest number of 10 was in between. The mode of 10 was uncertain and could not be in line with any school of thought from the scholars whose input is in this research.

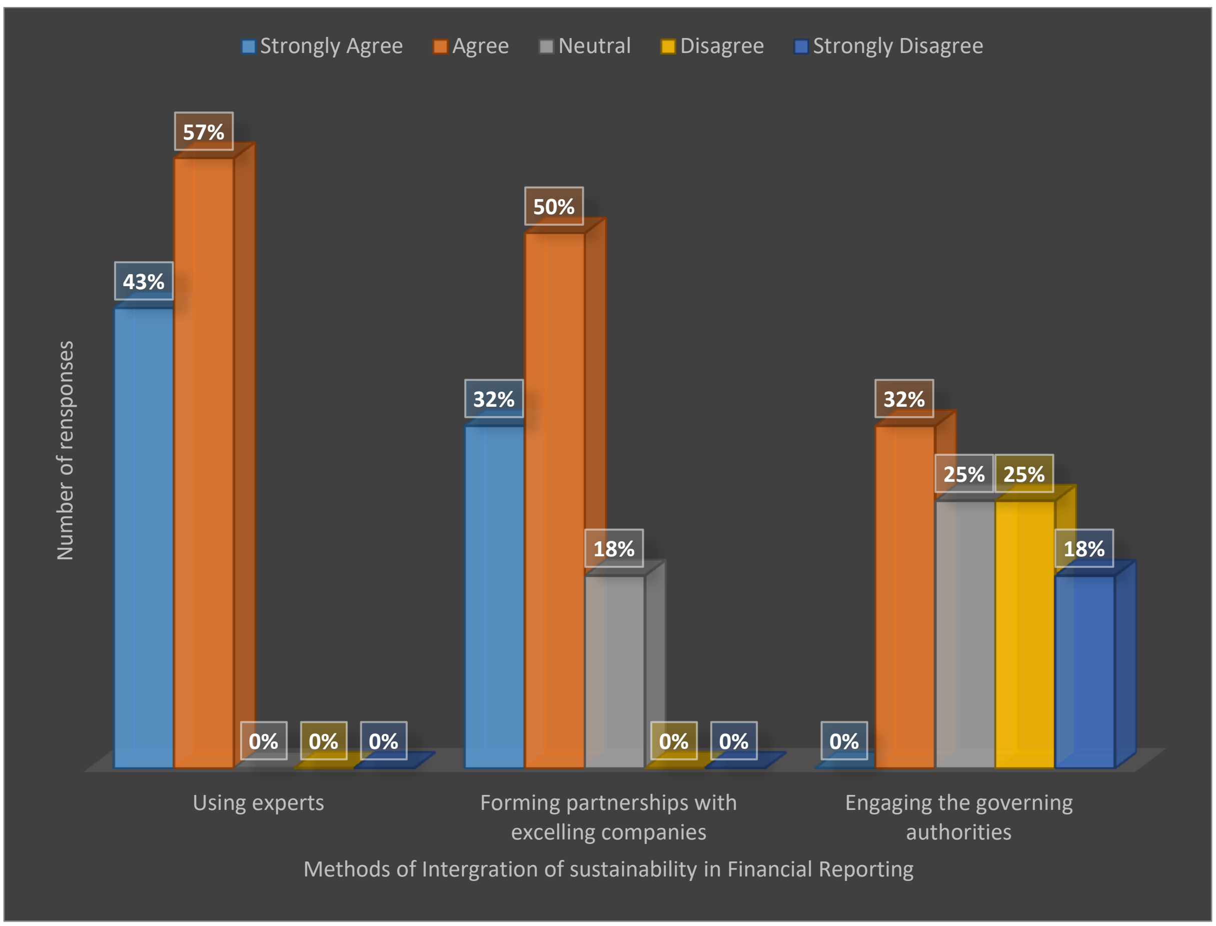
iii. Poor corporate governance

Also, (7/28) 25% of the respondents strongly agreed with the notion that failure to integrate association variables is a result of poor corporate governance whereas (7/28) 25% of the respondents indicated to agree. On the other hand, (12/28) 42% were uncertain and (2/28) 8% were disagreeing and (0/28) 0% strongly disagreed. As a result, 14/ 28 agreed that poor corporate governance inspired failure whilst 2/28 disagreed. The mode of 14 was in line with Gono 2012 who postulated that poor corporate governance and board oversight were the main reason of business failure in Zimbabwe. This then answered the researchers query as to why the association is likely not to be a success in Zimbabwe.

From the above analysis, most respondents indicated lack of expertise as the major cause of failure to integrate the association variables.

Question 7: The following strategies used in other countries can be useful in improving the performance of the association capital injection, restructuring and financial in Zimbabwe:

Fig 4.7 Strategies used in other countries to administer the association.



i. Using experts in restructuring

In response to the question on strategies, (12/28) 42% of the respondents strongly agreed that use of experts in restructuring as done in other countries maybe a great option for the Zimbabwean scenario . (16/28) 58% of the respondents agreed with the idea that use of experts may obliterate known challenges to the association in Zimbabwe. (0/28)0% of the respondents indicated to be neutral on the subject matter. (0/28) highlighted to have disagreed whilst a further (0/28) strongly disagreed. Consequently 28/28 agreed whilst 0/28 disagreed. The mode of 28 concurred with the views of Classens (2012) and grant (2013) who postulated that use of experts facilitate objective review of systems and impartial judgements on skills and abilities of employees hence creating value for the organisation in the short and long term.

ii. Forming partnership with excelling companies

(9/28) 33% of the respondents strongly agreed that forming alliances with excelling companies can unlock value in the association.(14/28) of the respondents agreed that forming alliances with successful organisations is the next best destination for any company in Zimbabwe which has desire to develop and grow in the 21st century. Only (5/28) 17% of the respondents chose to be indifferent on the matter under review. 0/28 of the respondents were in disagreement whilst 0/28 were in strong disagreement with the notion. As a result, 23/28 were in agreement whereas 0/28 were in disagreement.

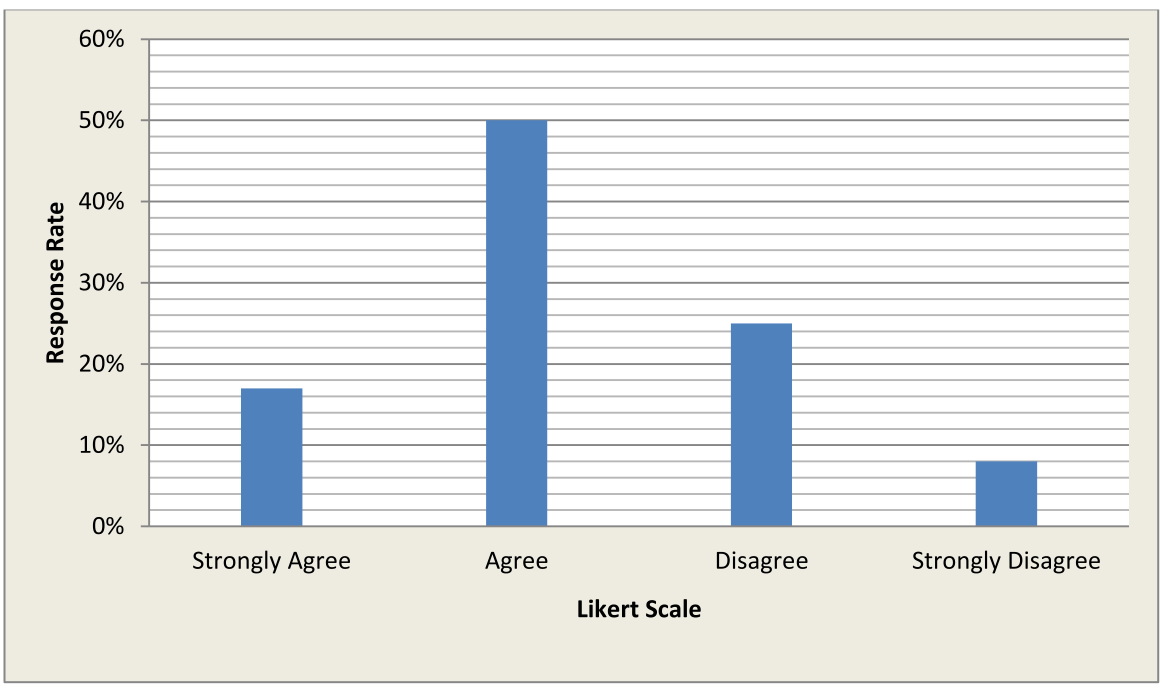
The mode of 23 concurred with the views of Van de Laan, (2011) who postulated that a restructuring exercise might be daunting and tedious henceforth making use of tried and tested personnel might have found ways to outwit challenges that might put off new aspirants.

iii. Engaging the governing authorities

0/28 of the respondents strongly agreed with the concept of engaging the regulating authorities whilst (9/28) 33% respondents simply agreed to trying to lobby governing authorities in a bid to lure them to provide a facilitating environment for business growth. On the other hand, (7/28) 25% respondents were neutral on the subject that engaging the government could bring better results whilst (7/28) 25% disagreed and (5/28) 17% strongly disagreed. The results depicted above do not show the view of the people clearly on the question of engaging the government. However, a mode of 13 suggested that it might not be important to lobby the government. Their views were not in line with any of the scholars whose literature has been utilised in this research.

Question 8. In ability to engage the government in critical business challenges inhibits appropriate capital injections and threatens the success of the aspirations of the company.

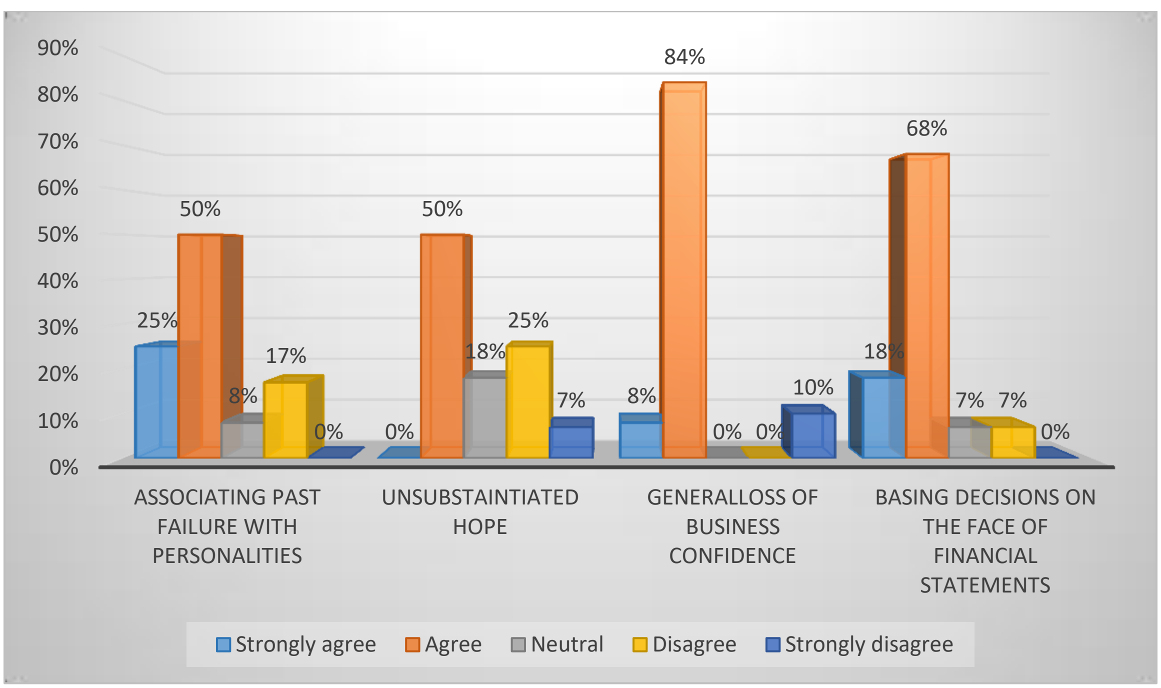
Fig 4.8: Response to the involvement of the government in business issues.



In response to the above question, (5/28) 17% of the respondents strongly agreed that lobbying the government in critical business issues would be a sound solution for the Zimbabwean economy in light of the association, whilst another (14/28) 50% indicated to agree with the concept. However, (7/28) 25% disagreed with notion of lobbying the governing authorities in resolving business challenges whilst (2/28) 8% strongly disagreed with idea of engaging the government. Consequently, 19/28 agreed whilst 9/28 disagreed. The mode of 19 concurred with the views of Marykata (2009) and Kamwendo (2010) who suggested that business cannot be effective without a facilitating fiscal policy which is an act of the government hence forth necessitating the need of continued engagement, and interactions between government commerce technocrats in formulation of growth facilitating policies.

Questions 9. The following fallacies are the major challenges to the successful implementation of the association of capital injection, restructuring and financial performance.

Fig 4.9: Response to the involvement of the government in business issues.



i. Association of past failures with personalities

In light of the question above, (7/28) 25% of the respondents strongly agreed to the fact that most companies fail to administer the association of capital injection, restructuring and financial performance by associating past failures with personalities and not systems or sitting inadequacies. In addition, (14/28) 50% of the respondents agreed to the motion whilst a mere (2/28) 8% was neutral. On the other hand (5/28) 17% disagreed to such thinking and (0/28)0% strongly disagreed. Consequently a total of 21/28 agreed whilst 2/28 disagreed. The mode of 21 were in line with the views of Neyens (2012) who postulated that lack of independence in critically assessing matters creates room for impaired judgement leading to people falling into the same traits.

ii. Unsubstantiated hope that things will work out

(14/28 50% of the respondents indicated to have agreed that unsubstantiated hope is a big fallacy to the association whilst a reputable (5/28) 18% remained neutral. On the other hand, (7/28) 25% of the respondents disagreed with the notion of having unsubstantiated hope as a fallacy impeding the success of the association whilst a further (2/28) 7% strongly disagreed.

As a result, 14/28 agreed to unsubstantiated hope as a fallacy whilst 9/28 disagreed. A mode of 14 was sharing Gono (2012) views who contemned living in hope without soliciting for solutions to recurring problems. Gono articulated that humanity can be bound in hope forever until they take necessary steps to restore parity.

iii. General loss of business confidence

In response to the question, (2/28) 8% of the respondents expressed strong agreement to the notion that suggest loss of business confidence in the economy is fuelling the rate at which failure is catching up with the association of capital injection, restructuring and financial performance. Also, a commanding (23/28) simply agreed to the notion. (0/28) were neutral whilst (0/28) 0% of the respondents disagreed. A further (3/28) 10% strongly disagreed. Consequently, 25 out of 28 agreed whilst 3out of 28 disagreed.The findings (25/28) 89% concurred with Robson (2012) that the loss of confidence will result in the emergence of parallel markets and unlawful extension of credit facilities with an expensive finance cost hence business experience gruesome consequences from such underhand dealings.

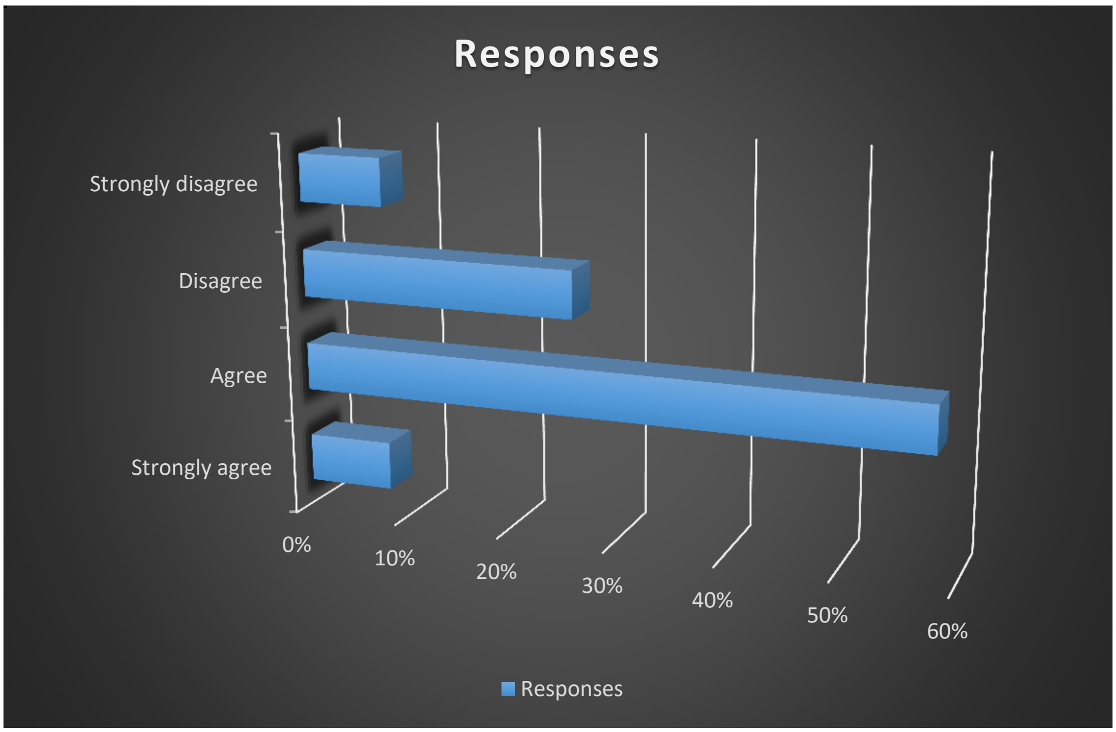
iv. Basing on the face of financial statements without assessing viability challenges

In response to the question, (5/28) 18% of the respondents expressed strong agreement to the association being a victim decisions made without executing a due diligence exercise meant to critically assess the viability prospects of an entity. In addition, a further, (19/28) 68% agreed to the notion whilst (2/28)7% remained neutral and the other (2/28) 7% disagreed. Also, (0/28) strongly disagreed. Consequently, 19/28 agreed whilst 2/28 disagreed.

The mode of 19 concurred with the views and ideas of Dinjun et al (2013) who heightened that all data in an organisation must be interrogated to ascertain the status quo of an entity. They further said that all the data should be analysed including external data which encompass market data.

Question 10: Fallacies of the association of capital injection, restructuring and financial performance are the major threats to the success of the association.

Fig 4.10: Response to threats of the association.



In response to the question highlighted above, (2/28) 8% of the respondents strongly agreed that fallacies to the association are a major obstacle to the association. (16/28) 58% agreed to the notion. A balance of 34% opted to disagree with (8/28) 26% disagreeing and (2/28) strongly disagreeing. As a result, 18 out of 28 agreed whilst 10 disagreed. The mode of 18 enjoyed the backing of Herero (2013) who happened to postulate that fallacies are the epitome of either success or failure in this regard the latter getting pre-eminence.

4.3Analysis of Interview Responses

Interview response rate

Five interviews were arranged with five senior managers at ZIMASCO and a (5/5) 100 % response rate was achieved. The chosen respondents managed to cooperate and provided useful information to the study. The response rate of 100% according to Rubin and Babbie (2009) is excellent as they postulated that a response rate of at least 60% is deemed to be good and 70% h is said to be excellent.

4.3.1What are the obstacles to the success of capital injection restructuring and financial performance?

(4/5) 80% of the respondents cited failure to reconcile plans and developments on the ground as one of the major causes. Also, they cited the need by investors to be involved in management decisions hence impacting negatively on the quality of decisions to be made. Also, they all tabled fear of the unknown as a major upset as senior management tend to put their personal interest ahead of themselves as they articulated that many a times there is no guarantee that senior management will always continue with work at the helm of the new ship or that new blood will be sought to stir the ship. On the other hand, (1/5) 20% of the respondents viewed the association as a short term measure as they suggested that global competition is weighing heavily on local operations and seem to suggest that their cost of production is way too high. Also, one of the interviewees lamented that much has to be done to local infrastructure to enable value addition.(5/5)100% of the respondents suggested that misappropriation of funds in the form of prioritizing things which bring about personal gain ahead of the orgaisation such as purchase of expensive cars for management without first boosting production.

4.3.2In your opinion, to what extent does the exclusion of restructuring affect the performance of the association of capital injection and restructuring?

Of the respondents interviewed, (5/5) 100% of them indicated that strategic goals will be difficult to maintain if restructuring is not done. Moreso, they indicated that the organisation may fail to regulate and control cost hence defying the profit agenda. (2/5) 40% of the respondents cited that there are some minute situations in which restructuring is not necessary and might not bear serious consequences. They cited capital injections in a bid to comply with the industry's regulations. For example, issuing of shares to achieve a new minimum capital requirement. They hinted that if existing structures were bringing desired results there is no reason to temper with a working formulae.

4.3.4What fallacies are often associated with the association of capital injection, restructuring and financial performance?

(4/5) 80% of the respondents outlined that many people believe that with time things fall into place by themselves and do little to eliminate the danger of future failure. They also heightened that many senior managers often fight the association or abuse it for fear of losing their jobs during the restructuring exercise. They lamented that this has become the inherent limitation of the association as past experience in Zimbabwe is commonly associated with the intention to retrench key employees such as executive management. In addition, (1/5) 20% of the respondents cited poor planning and lack of professional guidance as key participants in the fallacy. He indicated that many who hold managerial post think they have it all figured in the process and neglect the basic principles of doing business.

4.3.5What are the remedies and strategies which can be used to avert risk of failure on the association of capital injection, restructuring and financial performance?

(5/5)100% of the respondents cited adherence to good corporate governance practises and synchronising policies and future plans before pursuing personal interest. More so,(4/5)80% of the respondents signalled the idea of adopting proven ideas from existing and flourishing examples of companies which have successfully carried out the same association from abroad. Also, (2/5)40% have suggested that for the association to be effective a though due diligence exercise is necessary hence special skill is required to effect the same. Cost often associated with carrying out a due diligence exercise are a major deterrent to management to engage carry out one. In conclusion, the respondents cited skilful planning of the process and desire to follow through the long, winding and tedious process of restructuring. Also, (1/5)20% of the respondents outlined that there is need to strongly consider revamping the dilapidated infrastructure which usually compromise local products.

4.3.6: In your opinion, how best can ZIMASCO implement the association of capital injection, restructuring and financial performance for better efficiency?

(4/5)80% of the respondents indicated that ZIMASCO needed to engage the services of experts in all fields and prioritize acquisition of current technology which they all believed will help lower cost and increase volumes of products. In addition, they cited that ZIMASCO needed to adopt current practice of successful companies in the same line of business and seriously consider revising its marketing strategies in order to reach a number of new markets. Moreover, they indicated that ZIMASCO needed to lobby the government to provide a facilitating environment for possible development of line companies for its continued servicing and support.

4.4 Chapter Summary

In a nutshell the chapter has skilfully presented and analysed the collected data of the research. The researcher has done an analysis of data gathered from senior management, and the company executives of ZIMASCO. The major findings in this chapter are that the association can be made to work again in Zimbabwe if the common challenges are addressed and suitable strategies to implement the association process. Also, adherence to good corporate governance and use of experts are said to be possible remedies. Also, calls were made for patience during the exercise and adequacy of plans to the effect. Another major finding is that there areno cheap lines of credit in Zimbabwe hence the borrowing cost is high. Consequently, local produce is more expensive in nature hence rendering the local produce to be less competitive on a global market. The next chapter will look at the implications of the findings and recommendations for the whole research work.

CHAPTER FIVE -FINDINGS, RECOMMENDATIONS AND CONCLUSIONS

5.0 Introduction

The chapter concludes the study and is dedicated to the presentation of major findings emanating from the research. It also brings into perspective the conclusions drawn from the results of the research and proposes practical recommendations for the association of capital injection, restructuring and financial performance in Zimbabwe. The limitations of the research and indicators for future research will be discussed.

5.1 Executive summary

Chapter one was the epitome of this great and magnificent research. The essence of the chapter was to clearly articulate the problem identified by the researcher. The researcher was puzzled by huge capital injections and series of restructuring exercises carried out by ZIMASCO and other companies which could not translate to improved financial performance. The aforementioned sad development inspired the researcher to ardently seek to demystify the mal-performance of the association of capital injection, restructuring and financial performance which is contrary to the promptings of Del Negro et al (2010) who suggested that for an entity to accept capital injection and restructuring exercises it would have perceived financial benefits to the effect. The chapter formed the background of the study, clearly showing the drop in profits and output together with the injections made at ZIMASCO and a brief assessment of companies in the same predicament. The chapter also gave the statement of the problem, main research question and sub research questions. The research questions were meant to shed light on this negative development for the association of capital injection, restructuring and financial performance. It concluded by highlighting the justification of the study, delimitation of the study, limitation of the study and definition of terms. This ultimately marked the end of chapter one and the beginning of chapter two.

In chapter two, the researcher examined literature on the research objectives identified in chapter one for the researcher to gain more insight on the problem heightened in the background of the study. Also, the quest to make strides in solving challenges affecting the administration of the association and broadening the researcher's knowledge on the thesis necessitated exploration of literature. To the surprise of the researcher, the objectives were further justified by scholars who suggested that capital injection and restructuring were critical for improved financial performance. Ernest and Young (2013) and Classens (2013) postulated that profitability is guaranteed if an organisation becomes dynamic to suit the ever changing market needs and well capitalized to enable adequate funding of operations. This suggested that restructuring will make the organisation dynamic and capital injection well capitalised. Cascio (2010) and Nikolai et al (2009) were of the view that restructuring in collaboration with capital injection will enable an organisation to be profitable, explore new markets and consolidate control of operating activities. Also, Bowman et al (2009) and Myhiranga (2011) were of the opinion that capital injection and restructuring work hand in hand as neglecting restructuring will result in dire consequences to the organisation which further cemented the quest to thoroughly evaluate the combination's relationship to financial performance.

Furthermore, Gilson (2013) and Dingjun Yao et al (2013) also highlighted weaknesses in the administration of the association which justified the existence of challenges which may obliterate good financial performance. This information provided the researcher with guidelines towards the parameters under which an effective analysis can be carried out. PriceWaterhouse Coopers (2013) and Bolton and Jeanne (2010) also highlighted use of experts and outsourcing of ideas to better improve the affairs of a company when administering the association of capital injection, restructuring and financial performance. The above stated paved way for chapter three were research methods and instruments were diligently prepared to guarantee the success of the research.

Chapter three covered how the research was conducted. The research was a case study which focused on the challenges beveling the association of capital injection, restructuring and financial performance. The researcher made use of quantitative research method as it enabled the researcher to describe variables and examine relationships among variables as put forward by Aliaga and Anderson (2012) The sample was selected through stratified random sampling techniques as the whole populace could not be sampled because of limitations and delimitations to the study prescribed in chapter one. A sample size of thirty one was used for questionnaires whilst five individuals from the organization were interviewed. The sample was reliable and adequate to necessitate the commencement of chapter four as cited by Gratton and Jones (2010).

Secondary data was employed as the researcher made use of academic journals and text books. Also the research made use of primary data as the researcher employed questionnaires and conducted interviews.

In chapter four, the research findings from chapter three are presented for analysis. The questionnaires were (28/31) 90.3% successful, whilst the interviews were wholly subscribed with a (5/5)100% success rate. The research results were authentic as Rubin and Babbie (2009) ‘backed a response rate above 60% as sufficient enough to substantiate the findings of the research. The findings were presented question by question under the broad headings in the sub research questions. Data was presented in tables, graphs and some on pie charts.

5.2 Findings

Motivation for the association of capital injection, restructuring and financial performance

According to our research findings, most firms have adopted the association to take advantage of emerging markets with the goal of increasing returns. The research has unearthed that even those companies which are on the verge of collapse are often resuscitated through the association. Furthermore, the need to make the organisation profitable and investment portfolios diversified has received high praise. Lastly some organisation have adopted the association with the view of complying with increased minimum capital requirements in relevant and applicable sectors.

The effects of excluding restructuring in the association of capital injection, restructuring and financial performance

According to the research findings, consequences of excluding restructuring in the association can be dire to an organisation. Chief amongst the findings is failure to attain strategic goals as a result of lack of cohesion on strategic objectives and aspirations. Also, failure to streamline operations has been a serious issue to need urgent attention.

Obstacles to the association of capital injection, restructuring and financial performance

The findings of the research asserts that loss of confidence is a major setback to the success of the association of capital injection, restructuring and financial performance. Also, that poor planning and poor due diligence exercises have let down the setting up of viable structures and have neglected the motivation of employees such that innovation has become scarce.

Strategies used by other countries to implement the association of capital injection, restructuring and financial performance.

The research findings asserts that some ideas adopted in other countries to tackle challenges to the association of capital injection, restructuring and financial performance can be useful in the Zimbabwean context. The use of expert advice in the process of restructuring and forming alliances with successful companies for instance the arrangement between Ford and Mazda which facilitated sharing of ideas, technology and marketing strategies. Lastly, the research has brought about the concept of learning from successful organisations and adopting their policies without forming alliances effective in Zimbabwe.

5.3 Recommendations

Recommendations

- Priorities should be set and pursued, for instance the initial investment of USD 35m made by SINO Steel of China meant to refurbish a dilapidated furnace was channeled towards the acquisition of cars and houses for executive management which is far from the core business of the company.

- Use of experts in restructuring should be promoted as it provides an independent assessment on operations and skills needed.
- There is need for adequate planning when restructuring as evidenced by some discrepancies where an employee was retrenched and paid a full severance package only to be called in to report for work months later.
- Forming of strategic alliances maybe necessary so as to benefit from research done or being done through sharing of costs.
- The government has to be engaged to regulate borrowing cost, promote foreign direct investment. This is to empower local industries by providing a conducive environment for commercial success.

5.4 Suggestions for Further Study

- Further work need to be done to find ways to promote value addition in extraction companies. This implies concepts to raise the needful capital.
- Work has to be done to find ways to transform small to medium enterprises into multinational companies.
- Studies can also be done on the inclusion of small to medium emprises in the financial sector as a case study of home industries such as Glenview Timber works and Mbare Magaba industry.

5.5 Conclusion

Available literature was explored to give the researcher an understanding on the background of the problem, root cause of the problem, effects and possible remedies of the problem identified in chapter one as 'an association of capital injection, restructuring and financial performance: A case study of ZIMASCO' The researcher made use of primary and secondary data, qualitative and quantitative methods of data collection in order to gain an understanding on the Capital injection and restructuring. The findings of the research were skillfully presented and analysed. The major finding was deliberate non adherence to good corporate governance practices by company executives, poor planning and poor execution of a due diligence exercise. The recommendations were put forward after analysing the findings and taking the environment on the ground into consideration. The main remedy is total adherence to good corporate governance practices, detailed planning and through execution of a due diligence exercise. Use of experts and borrowing of ideas from successful entities was also a major resolution to mitigate future failure of the association of capital injection and restructuring. In conclusion, the research has been a resounding success as it fully fulfilled its purpose and objectives. The research has been carried out with timidity and dexterity and has fully bridged the gap aimed at ensuring the complete eradication of struggles in the association of capital injection and restructuring and financial performance.

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Appendix A

Midlands State University
Established 2000
Our Hands, Our Minds, Our Destiny

Midlands State University

P. Bag 9055

<u>GWERU</u>

To whom it may concern

<u>RE: RESEARCH PROJECT ASSISTANCE</u>

My name is Megi Makuwatsine and I am a final year student doing a Bachelor of Commerce Accounting Honours Degree at Midlands State University (MSU). In partial fulfillment of the requirements of the degree programme, I am carrying out a descriptive research on *the association ofcapital injection, restructuring and financial performance; a case study of ZIMASCO.* I am kindly asking for your assistance by providing the relevant information to make my research a success. Find attached a questionnaire for your completion. Responses from this questionnaire will be purely for academic purposes and hence will be treated with high levels of confidentiality.

Your views and contributions would be greatly appreciated. Thank you in advance.

Yours faithfully

Megi Makuwatsine

Appendix B;

PROJECT RESEARCH QUETIONNAIRES:

Dear Respondent

I am Megi Makuwatsine, a third year final semester student at Midlands State University studying for a Bachelor of Commerce Accounting Honours Degree. I am undertaking a research entitled; A*ssociation of capital injection, restructuring and financial performance.* It is my great pleasure and honour to include you in my research and to hear your views. Please feel free to answer the questions below. Be guaranteed that your answers will be treated with confidentiality and are solicited for academic purpose only.

INSTRUCTIONS

1. Do not write your name on the questionnaire
2. Show your response by ticking in the respective answer box
3. Where applicable give your opinion on the blank space provided

QUESTIONS

1. **The following factors are the prime objectives of capital injection, restructuring and financial performance for your entity.**

	Strongly Agree	Agree	Neutral	Disagre	Strongly Disagree
Profitability					
AssertingControl					
Expansion					
Exploring newmarkets					

2. **The following factors are the effects of excluding restructuring in the association of capital injection, restructuring and financial performance in Zimbabwe.**

	Strongly Agree	Agree	Neutral	Disagre	Strongly Disagree
Disgruntled employees					
Failure to streamline operations					
Failure to achieve strategic goals					

3. **The association of capital injection, restructuring and correct administration is the solution to ailing companies in Zimbabwe.**

Strongly agree ☐ **Agree** ☐ **Disagree** ☐ **ongly disagree** ☐

4. **The following factors hamper the attainment of the strategic goals on the association of capital injection, restructuring and financial performance.**

	Strongly Agree	Agree	Neutral	Disagre	Strongly Disagree
Poor planning					
Misuse of funds					
Imports &cheap substitutes'					
Trade restrictions					

5. **The current cost of production is way too high than regional competitors hence local produce cannot be competitive to sustain competition in emerging markets:**

Strongly agree ☐ **Agree** ☐ **Disagree** ☐ **ongly disagree** ☐

6. **Failure to integrate the association variables at ZIMASCO is a result of:**

	Strongly Agree	Agree	Neutral	Disagre	Strongly Disagree
Lack of expertise					
Brain drain					
Poor corporate governance					

7. **The following strategies used in other countries can be useful in improving the performance of the association of capital injection, restructuring and financial performance in Zimbabwe:**

	Strongly Agree	Agree	Neutral	Disagre	Strongly Disagree
Using xperts in restructuring					
Formingpartnerships withexcelling companies					

Engaging the governing authorities					

8. **In-ability to engage the government in critical business challenges inhibits appropriate capital injection and threatens the success of the aspirations of the company.**

Strongly agree ☐ **Agree** ☐ **Disagree** ☐ **ngly Disagree** ☐

9. **The following fallacies are the major challenges to the successful implementation of the association of capital injection, restructuring and financial performance:**

	Strongly Agree	**Agree**	**Neutral**	**Disagre**	**Strongly Disagree**
Association of past failure with other personalities					
General loss of business confidence					
Trade restrictions					
Unsubstantiated hope					
Basing on the face of financial statements without asssessing operational challenges					

10. **Fallacies of the association of capital injection, restructuring and financial performance are the major threats to the success of the association.**

Strongly agree ☐ **Agree** ☐ **sagree** ☐ **rongly disagree** ☐

END OF QUESTIONNAIRE

THANK YOU VERY MUCH FOR YOUR TIME: MAY GOD BLESS YOU.

MEGI MAKUWATSINE

MSU STUDENT REGISTRATION NUMBER: R12520E

Appendix C;

Midlands State University

Established 2000

Interview guide

Interviewee……………………………………………………………………………

Position of interviewee……………………………………………………………..

1: What are the obstacles to the success of the association of capital injection, restructuring and financial performance at ZIMASCO?

2: In your opinion, to what extent does the exclusion of restructuring affect the performance of the association of capital injection and restructuring?

3: What fallacies are often associated with the association of capital injection, restructuring and financial performance?

4: What are the remedies and strategies which can be used to avert risk of failure on the association of capital injection, restructuring and financial performance?

5: In your opinion, how best can ZIMASCO implement the association of capital injection, restructuring and financial performance for better efficiency?