

A Comparative Stakeholder Analysis of ZESA

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Abstract

SWOT analysis is widely used in many organizations when devising their annual or quarterly strategic plans. However many of these analyses are done with one or two stakeholders overlooking the fact that multiple stakeholders are necessary in devising strategies that will bring value to all. The study used strategic management theory to test the assumption that different stakeholders would hold different perspectives in a S.W.O.T. analysis. Open ended questionnaires were distributed to participants and 8 responses were acquired from consumers, frontline staff and executives. The questionnaire was comprised of probe questions for the strengths, weaknesses, opportunities and threats of ZESA. Although there were a number of similarities in terms of themes, three different perspectives did stem from the study according to the three stakeholders' responses. The study's recommendations on theory, research and managers were discussed. As a result the work successfully demonstrated a working method of multi-stakeholder perspective to conduct S.W.O.T. analysis in a South African company that operates in electricity sector.

Keywords: Stakeholders, SWOT analysis, Perspective.

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Introduction

The electricity sector in Southern Africa has been developing in terms of infrastructure and technology over the past decade. The region has been tackling problems such as load shedding, high operational costs and debts to neighbouring countries to mention a few. The companies have devised ways to alleviate such problems which include alternate energy sources, partnerships with neighbouring countries and product innovations.

The fast changing and developing technological advancement has provided organizations with a base for innovations. Organizations have developed various technologies that are helping people to live their lives with more convenience. More so in the service sector, organizations have been working to continuously provide for their consumers, products and innovations that ensure the latter's satisfaction. Of interest in is the rate of response to feedback of organizations and how it influences future product and service innovations. The value of an innovation introduced by an organization is determined by the buy-in of the consumer.

Objectives

Objectives of the study are: 1.To assess the customer buy-in of innovations by ZESA, 2.To examine the different views of S.W.O.T. from a ZESA multi-stakeholder perspective, 3.To examine the similarities of the view of S.W.O.T from a ZESA multi-stakeholder perspective.

Purpose

It is the purpose of this study to use the stakeholder theory to carry out a multi-stakeholder S.W.O.T. analysis of ZESA. Of interest are the differences and similarities that will be seen in the analysis from the perspectives of the customers, the employees and the executives. Based on the stakeholder theory, the study formulates hypotheses regarding the difference of views of the organizations strengths, weaknesses, opportunities and threats depending on the stakeholder.

Justification

The study explores S.W.O.T. analysis on a multi-stakeholder perspective which will contribute to both the company as it formulates new strategies as well as to research as it brings a new view on the strategy that brings together different stakeholder perspectives and, as a consequence, provides an opportunity to identify common points and gaps among different stakeholders with respect to S.W.O.T. analysis.

Theoretical framework – Stakeholder theory

According to Stakeholder theory, the purpose on an organization is to generate as much value as it can for all its stakeholders. For an organization to progress and be sustainable over a long period of time, executives must keep the interest of consumers, suppliers, personnel, societies and investors affiliated and going in the same direction. According to Edward (2004), the stakeholder theory is manager oriented because of the fact that it

mirrors and guides how managers function rather than principally addressing management theorists and economists.

Product Innovation

It is the introduction of a good or service that is new or has significantly improved characteristics or intended uses. Electricity companies in Southern Africa have in recent years, introduced new goods and services which include pre-paid meters, automatic meter reading, to mention a few. On account of the high cost of remuneration for the meter reading staff, Northern Namibia Regional Electrical Distributor (NORED), implemented an automatic meter reading system for its post-paid customers <http://www.nored.com.na/>.

ZESA introduced a new product (product innovation) in August 2012 in the way of pre-paid meters. There was a good customer buy-in because customers were now able to manage their consumption and consequently their electric bills. The product innovation was also very beneficial to ZESA because it forced defaulters to pay their bills as a certain percentage of their former unpaid bills were deducted from their token every time they purchased one.

Alternate Energy

Countries have worked towards providing their citizens with alternate energy sources that ensure lower costs, undisrupted services and development of sustainable energy technologies (Kabak 2016). It entails the movement from energy sources such as oil and gas towards solar and hydro.

South Africa experienced rampant load shedding because of the high demand it was experiencing from consumers. In May 2008, Eskom, the electricity company of South Africa, employing alternative energy sources, implemented a rebate system of 15 to 20% to homeowners on their solar water heating installation (<https://www.brandsouthafrica.com/governance/services/consumer/solar-210508/>).

S.W.O.T. Analysis

According to Steward et al (2016), S.W.O.T. analysis is a widely used tool in systematically analysing an organizations' internal and external environments. The analysis has been used to specify the aims of projects and specifically identify the internal and external factors that can influence the achievements of these projects (Houben et al 1999). The study used Strengths, Weakness, Opportunity and Threats analysis to assess the extended to which internal and external stakeholders view the organization. Its main purpose being devising strategies is to provide management with a backing when decisions are made according to the choice of strategy that will be implemented (Srivastava et al 2005).

Although the customers were for the most part happy about the new product, namely pre-paid meters, a problem arose from the constant purchasing of tokens and that was of long queues at banking halls. ZESA partnered with a number of service providers to increase the convenience of purchasing tokens along with reducing the frequency of queuing. In October 2016, in partnership with Afrosoft a technology company, ZESA offered its customers a mobile application which allowed them to purchase their token on their phones at their own convenience. The organization also partnered with convenience stores such as O.K. Zimbabwe and Spa Zimbabwe such that tokens could be generated from there as well. Lastly, ZESA also partnered with other outlets such as banks and post offices and customers could purchase their token from there as well.

Basing on the fact that most strategic decision are made by executives and consequently the SWOT analysis is carried out through the executives perspective, the study suggests that this approach is inadequate. Firstly because when introducing strategies and innovations the target market is the customer and therefore it is essential to understand their needs and secondly because the values of the executives and the employees are not always aligned because of the different types of outcomes that these three stakeholders wish to gain from the organization. Therefore, this study will conduct a multi-stakeholder SWOT analysis to assess the three different perspectives of the organizations performance and opportunities.

Acquired Responses

The researcher acquired responses from three stakeholders namely consumers, frontline staff and executives.

Strengths

The three stakeholders reported most of the same strengths although a few differences were reported. Four out of five of the consumers listed power generating plants as a strength that ZESA has. Power plants, (Participant one), Generators for hydro and thermal power stations (Participant two), Power generation assets (Participant three) and Power generating plants (Participant four). The two executives also listed power generation as a strength. Generation assets which are power stations and generators of power (Participant seven). Electricity generators (Participant six). One member of frontline staff listed power generation as a strength. Powerstations (Participant eight).

Three out of five of the consumers listed transformers as a strength of ZESA. Transformers (Participant one), Transformers (Participant two), the main assets that ZESA has are transformers (Participant five). One of the executives also listed transformers as an asset. Transformers (Participant seven). Four out of five of the consumers reported the fact that ZESA was the only electricity provider as strength. The only supplier of electricity in Zimbabwe (Participant one), has been a sole electricity provider in Zimbabwe (Participant two), they are the only electricity generating company in Zimbabwe (Participant four), ZESA is the only electricity generator and supplier for the public (Participant five). Two executives also listed the above as a strength, it is the only supplier of electricity in Zimbabwe (Participant seven) it is the main supplier of electricity (Participant six). One frontline staff listed ZESA as being a major player in generation, distribution and servicing.

Three out of five consumers listed introduction of prepaid meters as a strength of ZESA. Reduced power cuts due to prepaid system (Participant three), Introduction of new convenient prepaid meters (Participant four), it provided prepaid meters that seem to be efficient because ever since this system was introduced the levels of load shedding drastically decreased (Participant five). One of the executives listed speedy response to faults as a strength, attends to faults timeously (Participant seven). Both executives reported ZESA's human capital as strength. The strongest asset is the competent human resources that ZESA has (Participant seven), Human resources (Participant six).

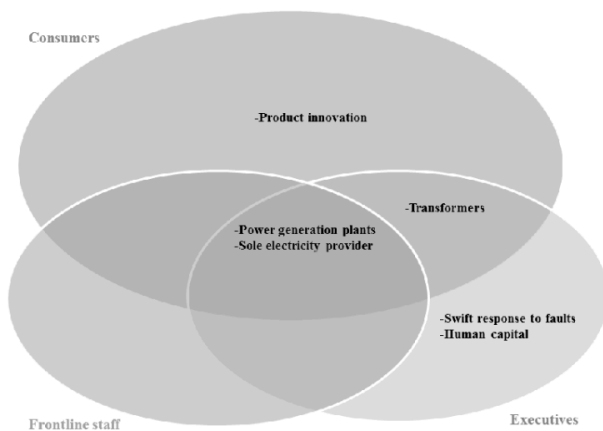


Figure 1. Strengths.

Weaknesses

The three stakeholders held different views as to the weaknesses of the company. Eight themes emerged from the consumers which were, slow fault response, load shedding, debt to neighboring countries, lack of financing, staff turnover, lack of technological advancement, corruption and dilapidating equipment. Two additional themes emerged from the executives of poor customer care and electrical accidents. An additional theme of administration emerged from the frontline staff member.

Four consumers listed ZESA's fault response rate as a weakness. Handling faults (Participant one), reduce expedited response to breakdowns (Participant three), ZESA needs to improve on faster response to faults and consumer complaints (Participant four), they need to improve on how they handle issues reported by the public for example they sometimes take so long to fix electrical problems (Participant five). One executive mentioned this as a weakness; ZESA needs improvement on the availability of spares for fault rectification (Participant six).

Two consumers noted that the load shedding is a weakness for ZESA. ZESA need to improve on avoiding or minimizing load shedding (Participant two), power cuts (Participant three). Two consumers reported that the debt that ZESA has with other countries as a weakness. Improve supplier relationships, payments of debts on imported electricity (Participant three), growing debt with other nations (Participant one). One frontline staff member listed powers cuts as a weakness.

Three consumers listed lack of financing as a weakness of ZESA. ZESA needs improvement on funding to acquire general necessities for operations (Participant one), capital/financial resources to fund expansion projects, pay its debts and improve service delivery (Participant three), lack finance (Participant five). Two consumers reported that the loss of personnel by ZESA is a weakness. Loss of personnel (Participant one), avoid retrenching workers with important skills (Participant two). Three participants submitted the lack of technological advancement in ZESA as a weakness. Lacks technology (Participant one), lacks technology (Participant four), lacks technology (Participant five). One executive also listed the lagging behind in terms of technology as a weakness; tool in line with new technologies (Participant seven).

Two participants listed the corruption in ZESA as a weakness. ZESA needs to improve on corruption reduction (Participant four), they should avoid hiring staff that an easily be bribed or fall into corruption (Participant five). Two consumers listed dilapidating equipment as a weakness of ZESA. I dislike ZESA's

obsolete equipment (Participant one), needs to avoid damage of infrastructure (Participant four). One executive listed poor customer care as a weakness that ZESA has; ZESA needs improvement on customer care (Participant six). One executive reported electricity accidents as a weakness ZESA needs to avoid. The member of frontline staff listed the administrative procedures as a weakness. (Participant 8) ZESA needs improvement on excessively complicated administrative procedures, decision making and implementation procedures. (Figure 2)

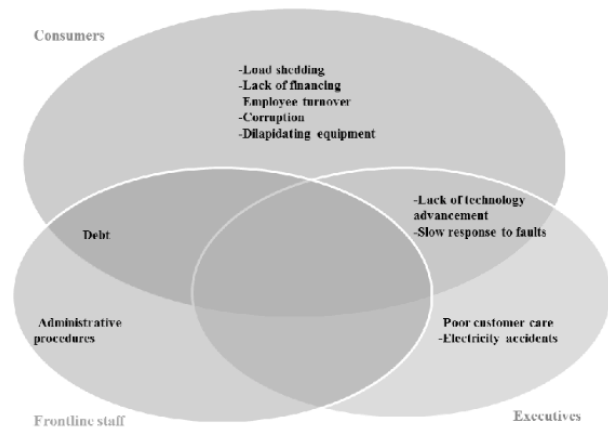


Figure 2. Weaknesses.

Opportunities

Two opportunities surfaced as themes from the consumer perspective. There were alternate energy and technological advancements. One additional opportunity listed by executives and frontline staff of continued construction. The frontline staff added a theme of paperless transactions as an opportunity for ZESA.

Four consumers reported alternate energy as an opportunity for ZESA. Alternate energy sources if the adopt them in their provision of electricity (Participant one), establishments of solar plants will reduce usage and demand on the use of electricity (Participant two), alternate energy if ZESA swiftly incorporates them in their service provision (Participant four), alternative power sources will mean a lower strain on electricity power sources (Participant five). One executive listed alternate power as an opportunity; other players have been given licenses to generate electricity and ZESA can have access to electricity from local market to cater for increase in demand (Participant six).

Two participants reported that technological advancements would serve as an opportunity to ZESA. General technological advancements in Zimbabwe (Participant four), growth in digital technology in the company (Participant five). One executive reported that the continued construction of residential and business premises as an opportunity for ZESA (Participant six). A member of the frontline staff also listed the continued construction as an opportunity for ZESA. Local market is currently increasing with the developments of new stands and rural areas developing, ZESA can take advantage by being one step ahead in terms of power generation, availability of meters (Participant 8). One member of the frontline staff listed paperless transactions as an opportunity that ZESA could take advantage of. Paperless transactions, plastic money, mobile banking (Participant 8). (Figure 3)

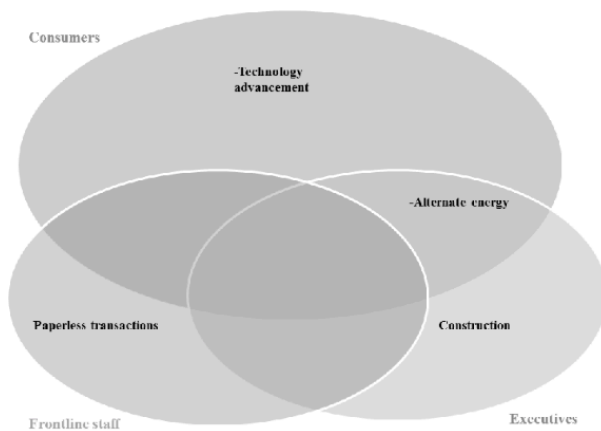


Figure 3. Opportunities.

Threats

Four themes emerged from the consumers as the threats to ZESA namely entrant suppliers, economic instability, reduction in customer base and lack of foreign currency. Three of the themes were the same for consumers, frontline staff and executives. Three consumers reported that entrant companies could pose as a threat to ZESA. In future there are some players lead by Wicknell Chivayo in the solar energy plant (Participant two), any companies that can offer affordable and alternate energy (Participant four), China Africa Sunlight and Sengwa Power station, it should really watch out for those two (Participant five). Executives; potential competitors are solar projects and gas projects (Participant six).

Three consumers submitted that the economic stability serve as a threat to ZESA. Government debt (Participant one), cash crisis (Participant four), economic instability (Increased number of defaulters due to less ability to pay from both individuals and corporates) many companies have gone insolvent owing the entity huge sums of money (bad debts) and there is little or no government policy to assist the organization (Participant three).

Three participants noted that ZESA is losing its customers and this is a threat to them. Forced by ZESA's failure to satisfy customers, consumers have started use gas cookers, solar geysers and substituting ZESA with petrol or diesel generators and solar panels (Participant two), most people have started using solar and gas (Participant four), demand for electricity is dropping and will continue to do so, the use of other power sources are gaining popularity (Participant five). One executive also said there is a change in taste with the consumers; some will go for solar and gas (Participant six). Two participants listed the lack of foreign currency as a threat to ZESA. Lack of forex to import electricity (Participant two) lack of foreign currency (Participant four.) Shortage of foreign currency (Participant 8). (Figure 4)

Discussion

Results

The similarities from all stakeholders' perspectives were present in the strengths namely, power generation and ZESA being the sole electricity provider of Zimbabwe. Two stakeholders shared the same perspectives on seven aspects of the organization including all four strengths, weaknesses, opportunities and threats. However the three different stakeholders held mostly different views (eleven) on the strengths, weaknesses, opportunities and threats of the organization.

Theoretical Implications

The approach done in the study confirmed that different stakeholders hold different perspectives about the organization. The contribution of the study to S.W.O.T. analysis is a cumulative affirmation of the need and benefit of conducting multi-perspective approach to all related analyses. Visual illustrations of these multiple perspectives can help identify common points and gaps that could lead to further strategic assessments and decisions. Although the findings from this work is limited, it serves its purpose to demonstrate a working method of multi-stakeholder perspective do conduct S.W.O.T analysis. Accordingly, the applied method could be useful for other cases to conduct similar analysis and provide related visuals.

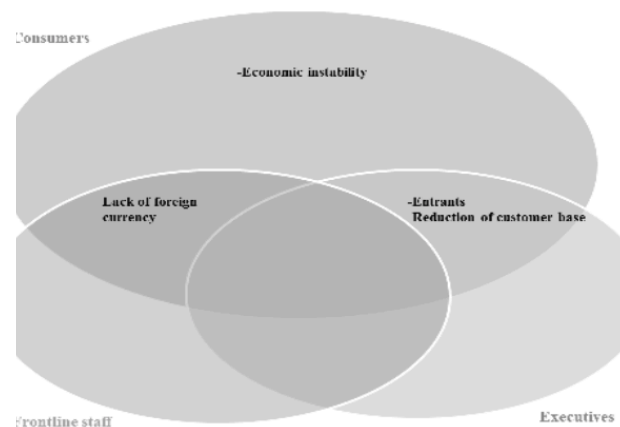


Figure 4. Threats.

Practical Implications

Given that customer buy-in was confirmed, the electricity industry should venture into more product innovation to bring lower costs and better service delivery to consumers. Owing to the different perspectives towards the company that the three stakeholders held, organizations should conduct future S.W.O.T. analyses with the inclusion of different stakeholders to acquire the most information to contribute to their projects.

Recommendations

ZESA should capitalize on the introduction of alternate energy sources to reduce the demand of electricity. By adapting the strategy of neighboring South Africa, ZESA could offer rebate to home owners who install and use solar and gas. Using alternate energy for lights, sockets, stoves, and refrigerators will lower the demand for electricity and ensure little to no load shedding. ZESA also has no social media presence and no room for customer interaction on their official websites. It is therefore difficult for customers to give any feedback to them and this may account for the slow response rate to customer needs. Econet wireless, the largest telecommunications company in Zimbabwe has a good social media presence and their innovations are based on the customer feedback. Based on the several complaints on Facebook and Twitter of customers asking how their data or airtime was being charged, Econet MyWebSelfCare, a website where subscribers can check their call history and data usage online without data charges. If ZESA incorporates such customer interaction, they would incorporate the feedback into their strategic planning and consequently increase customer satisfaction.

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